

Stock Code: 8028

# Phoenix Silicon International Corporation

## 2025 Annual Report

### Notice to readers

*This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.*

Taiwan Stock Exchange Market Observation Post System: <http://mops.twse.com.tw>,  
<http://mopsplus.twse.com.tw>

Corporate Website: <http://www.psi.com.tw>

Printed on March 31, 2026

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Name of deputy spokesman : Arthur Chang  
Title : Project Section Manager  
Tel : 886-3-564-1888  
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**Headquarters, Branches and Plant**

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**Stock Transfer Agent**

Agency name : Grand Fortune Securities Co., Ltd.  
Address : 6F, No. 6, Section 1, Chung Hsiao West Road, Taipei City  
Website : <http://www.gfortune.com.tw/>  
Tel : 886-2-2371-1658

**Auditors**

Name of CPAs : Chien-Yu Liu, Li, Tien-Yi  
Name of Accounting Firm : Pricewaterhouse Coopers (PwC) Taiwan  
Address : 27F., No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City, Taiwan (R.O.C.)  
Website : <http://www.pwc.tw>  
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**Overseas Securities Exchange**

NA

**Corporate Website**

<http://www.psi.com.tw>

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# I Letter to Shareholders

Dear shareholders,

## Operation Performance

The year 2025 marks a structural turning point for the semiconductor industry. As generative AI applications accelerate their diversification and rapid adoption across industries, demand for advanced manufacturing processes in high-performance computing (HPC) chips continues to rise. This trend has driven the semiconductor sector into a strong upcycle centered on advanced nodes and high-end manufacturing, officially emerging from the shadow of inventory corrections and entering a phase of rapid growth.

In 2025, the Company significantly increased its market share of reclaimed wafers for the 5nm and 3nm process nodes, while extending its footprint into the advanced packaging supply chain and taking a leading position in preparing for sub-2nm advanced process demand. Annual revenue reached NT\$4.51 billion in 2025, representing a year-on-year growth rate of 26.97% and marking a record high for the fifth consecutive year. Benefiting from an optimized mix of high-end products, gross margin improved, driving operating profit to grow by 81.39% to NT\$970 million. These results demonstrate the Company's outstanding transformation from a "capacity-driven" model to a "value-driven" growth strategy.

## Financial Results

unit : K NT\$, %

Item	2024	2025	YOY%
Revenue	3,551,607	4,509,587	26.97
Gross profit	1,023,302	1,534,819	49.99
Operation profit	534,673	969,818	81.39
Net profit before tax	558,945	881,699	57.74
Net Profit for the year	491,902	756,578	53.81
EPS(NT\$)	2.85	4.37	53.33
Return on Assets	5.81	7.43	27.88
Return on Equity	12.22	16.40	34.21

## Technical Development

The Company concentrates its technology R&D resources on four core strategic areas: advanced process test wafers, 12-inch power IC wafer thinning, chip thermal management solutions, and AI-driven smart manufacturing.

### 1. Advanced Process Test Wafers

As process technology advances into the sub-2nm generation, the Company continues to develop new process technologies and enhance mass production capabilities. By meeting industry-leading standards in particle control, flatness, metal contamination management, and return yield, the Company assists customers in improving process yields while reducing costs, achieving simultaneous advancement in both quality and production output.

## 2. 12-Inch Power IC Wafer Thinning

Driven by the rapid expansion of AI servers in recent years, power IC devices face significantly higher requirements for energy efficiency and thermal management. Device architectures are evolving from discrete 8-inch designs toward integrated 12-inch solutions in order to enhance switching performance and support higher power density. Leveraging its advanced 12-inch ultra-thin grinding processes, the Company effectively reduces on-resistance and improves thermal dissipation performance, meeting customers' urgent needs for high-efficiency power management devices.

## 3. Chip Thermal Management Solutions

To address the dual challenges of high thermal loads and wafer warpage arising from advanced packaging in AI servers and high-performance computing (HPC) chips, the Company is actively developing silicon carbide (SiC) carrier wafer solutions. The R&D focus lies in fully utilizing SiC's superior thermal conductivity and mechanical strength, enabling stable structural support and efficient heat dissipation within advanced packaging applications.

## 4. AI-Enabled Smart Manufacturing

The Company continues to upgrade its automation capabilities while systematically planning and implementing its AI strategy roadmap. Built upon a robust information security architecture, AI technologies are being introduced in phases with the primary objective of enhancing factory efficiency. Key applications include equipment diagnostics and predictive maintenance models, intelligent warehousing systems, and single-wafer-level traceability systems. Through precise, traceable data analytics and predictive capabilities, the Company improves process stability, operational predictability, and overall operating efficiency.

## **Sustainable Operations**

In environmental sustainability, the Company is committed to building a low-carbon manufacturing ecosystem and actively advancing initiatives across three key pillars: climate and energy management, water resource management, and the circular economy. In 2025, total electricity savings reached 880,000 kWh, process water recycling rate achieved 57%, and waste reuse rate reached 96%. In addition, the Company received a B rating in the CDP Climate Change assessment, demonstrating its commitment to climate governance and environmental management. The Company has also established a 2050 carbon neutrality target, laying a solid foundation for the parallel advancement of business growth and environmental responsibility.

With respect to human capital, in 2025 the Company increased the employer contribution rate for employees who voluntarily contribute 6% to their labor pension accounts, raising the employer match from the statutory 6% to 8%, and increased the employee stock ownership trust contribution ratio to 50%. Through benefit programs that exceed regulatory requirements and by strengthening retirement security, the Company enhances employee engagement and retention, fostering a stable and secure workplace environment. At the same time, the Company continues to invest in local community initiatives, supporting education in underserved regions and caring for disadvantaged groups, transforming corporate responsibility into tangible and long-term social impact.

In terms of corporate governance, the Company is dedicated to continuous governance enhancement and information transparency, regarding sound governance as the cornerstone of sustainability. In 2025, the Company achieved notable results in external sustainability and governance evaluations, including once again being ranked among the Top 25 in the "CommonWealth Corporate Sustainability Awards – SME Category," advancing to an A rating in the Taiwan Sustainability Rating, and improving its standing in the Corporate Governance Evaluation to the top 6%–20% tier. These

achievements reflect the Company's ESG efforts transitioning from compliance-driven practices toward a more institutionalized and deeply embedded approach.

### **The impact of the external competitive environment, the regulatory environment and the overall operating environment**

In 2025, the semiconductor industry clearly established a K-shaped recovery pattern. While demand for consumer electronics experienced a gradual and moderate rebound, AI, high-performance computing (HPC), and advanced packaging—positioned at the upper end of the K-shaped curve—continued to demonstrate structural growth. Adhering to its high-end process strategy, the Company concentrates resources on 12-inch advanced processes with high technological barriers. This strategic focus enables the Company to precisely capture top-tier growth momentum while effectively avoiding price competition in mature markets, thereby building technological value and cost advantages that outperform industry averages.

In response to cost pressures arising from rising industrial electricity prices and the introduction of carbon fees, the Company has recognized these factors as unavoidable structural costs and proactively implemented countermeasures. Through the deployment of AI-enabled smart energy management systems, the Company has significantly optimized power usage efficiency. At the same time, by increasing the proportion of high value-added products, the impact of electricity price increases on gross margin has been effectively mitigated. These initiatives not only demonstrate strong cost-control capabilities but also contribute to the stability of overall profitability.

As the effects of the U.S. CHIPS Act enter a phase of tangible realization, the trend toward global supply chain regionalization has effectively taken shape. As a key participant in the semiconductor supply chain, the Company maintains a high degree of operational flexibility, continuing to expand high-end production capacity in Taiwan to serve core global customers. In parallel, the Company preserves strategic flexibility in evaluating overseas manufacturing investments to respond to customers' localized production needs, ensuring a leading supply chain position amid evolving geopolitical dynamics.

### **Outlook**

Looking ahead to 2026, as growth momentum in the AI industry continues to expand, the Company will strengthen its operational resilience by advancing the 4S operating strategy—Scale (technological scale), Sales (profit value), Smart (smart manufacturing), and Safety (operational security):

#### **1. Scale – Technological Scale**

In addition to continuously expanding 12-inch reclaimed wafer capacity, the Company will extend its technological scale toward more advanced nodes. This ensures that with the introduction of each new generation of technology, the Company maintains industry-leading capabilities supported by sufficient capacity scale.

#### **2. Sales – Profit Value**

Beyond ongoing optimization of the product mix, the Company is committed to creating shareholder returns that exceed industry averages through technological differentiation and high value-added solutions.

#### **3. Smart – Smart Manufacturing**

Alongside further upgrades to manufacturing automation, the Company will accelerate the deployment of AI-driven intelligent applications. Through improvements in equipment performance

and process optimization, the Company aims to progressively achieve a doubling of revenue per employee.

#### 4. Safety – Operational Security

In addition to rigorously implementing environmental, safety, and health (EHS) standards, the Company is building AI-based cybersecurity defense systems to strengthen the protection of trade secrets and customer data, thereby fostering a highly resilient and sustainable enterprise foundation.

In 2025, the Company initiated capacity expansion at the Chungkang Factory and began construction of a new plant. Total monthly capacity has now reached 850,000 wafers, with the benefits of capacity expansion at existing facilities gradually becoming evident. The new plant is scheduled to commence production by the end of 2027 to meet robust demand from advanced process technologies and AI applications.

Looking forward, Phoenix Silicon International Corporation will remain committed to its core principles of technological innovation and sustainable operations. Through long-term capacity deployment, scale advantages, and enhanced operational resilience, the Company will support steady growth and continue to create sustainable, long-term value for all stakeholders.

Chairman : Mike Liang



President : Tony Tsai



Accounting Officer : Megan Yang



## II Corporate Governance Report

### i. Directors, Supervisors and Management Team

#### 1. Directors

##### (1) Directors Data

March 31, 2026 Unit: shares; %

Title	Name	Gender	Age	Nationality	Date First Elected	Term (Years)	Date Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience ( Education )	Other Position
								Shares	%	Shares	%	Shares	%	Shares	%		
Chairman	Mike Liang	Male	61~70	Taiwan R.O.C	Jul 05, 2021	3	May 28,2025	600,000	0.35	600,000	0.33	0	0	0	0	-Master of International Business Management, National Taiwan Univ. -Bachelor of Physics, National Cheng Kung Univ. -President, King Yuan Electronics Co., Ltd. -President, Amkor Taiwan -Vice president, Micron Memory Co., Ltd. - Director, Aptos Technology -Independent Director, Phoenix Silicon International Corporation	-Independent Director, Xintec Inc.
Director	Wen-Cheng Cheng	Male	71~80	Taiwan R.O.C	Apr 12, 2000	3	May 28,2025	2,828,277	1.64	2,828,277	1.58	0	0	0	0	-Bachelor of Animal and Husbandry, National Chung Hsing Univ. -Director, Cheng Han Investment Co., Ltd.- -Director, Cheng Han Investment Co., Ltd.- -Director, TeleSynergy Corp. Ltd. -Director, Phoenix Battery Corp.	-Director, Cheng Han Investment Co., Ltd.- -Director, TeleSynergy Corp. Ltd. -Director, New Green Life Co., Ltd.
Director	Min Ho Shuen Investments Co., Ltd	-	-	Taiwan R.O.C	Jun 26, 2014	3	May 28,2025	2,256,245	1.31	2,256,245	1.26	-	-	-	-	N/A	Director, Pharma Power Biotech Co., Ltd.
	Representative: Yaw Zen- Chang	Male	41~50	Taiwan R.O.C	-	-	-	-	-	1,846,662	1.03	524,302	0.29	0	0	-Bachelor of Business Management Economics, Univ. of California, Santa Cruz -Chairman, Min He Shun Investment Co., Ltd.	- Chairman, Min He Shun Investment Co., Ltd. -Supervisor, Pharma Power Biotech Co., Ltd.
Director	Ting Dong Liang Investment Co., Ltd.	-	-	Taiwan R.O.C	Jun 30, 2003	3	May 28,2025	1,742,972	1.01	1,893,000	1.06	-	-	-	-	N/A	-Director, Agarwood Biochemistry Technology Co., Ltd.

Title	Name	Gender	Age	Nationality	Date First Elected	Term (Years)	Date Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience ( Education )	Other Position
								Shares	%	Shares	%	Shares	%	Shares	%		
	Representative: Shin-Chin Huang	Female	51~60	Taiwan R.O.C	-	-	-	-	3,792	0.00	0	0	0	0	-Bachelor of Business Administration, National Taichung University of Science and Technology. -Director, Phoenix Battery Corp.	-Director, Chipwell Tech Corporation -Legal representative of directors, Agarwood Biochemistry Technology Co., Ltd. -Director, Ting Dong Liang Investment Co., Ltd.	
Director	Gallant Precision Machining Co., Ltd.	-	-	Taiwan R.O.C	May 26,2023	3	May 28,2025	8,286,461	4.80	8,999,461	5.02	-	-	-	-	N/A	-Director, C SUN Co. Ltd. -Director, APEX-I Internation Co. Ltd. -Direcor, Gallant Micro. Machining CO., Ltd. -Director, OPXION Tech. Inc. -Director, Ohmplus Technology Inc.

Title	Name	Gender	Age	Nationality	Date First Elected	Term (Years)	Date Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience ( Education )	Other Position
								Shares	%	Shares	%	Shares	%	Shares	%		
	Representative: Frank Liang	Male	41~50	Taiwan R.O.C	-	-	-	-	-	0	0	0	0	0	0	<ul style="list-style-type: none"> <li>-NCCU EMBA 40th</li> <li>-Master of Law, School of Law, Northwestern Univ.</li> <li>-Certificate in Business Admin., Kellogg School of Management, Northwestern Univ.</li> <li>-Univ. of Washington MBA</li> <li>-Certificate in Business Administration – Kellogg School of Business, Northwestern Univ.</li> <li>-Chairman and Director, Gallant Micro. Machining CO., Ltd.</li> <li>-Special assistant to the Chairman and consultant, C SUN Mfg., Ltd.</li> <li>-Chairman, Huashun Technology Co.</li> <li>-Supervisor, ViewMove Technologies, Inc.</li> <li>-Chairman, Suzhou Top Creation Machines Co., Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>-Chairman and CEO, Gallant Micro. Machining CO., Ltd.</li> <li>-President, C SUN Mfg., Ltd.</li> <li>-Vice Chairman and CEO, Gallant Precision Machining Co., Ltd.</li> <li>-Independent Director, Contrel Technology Co., Ltd.</li> <li>-Independent Director, YU CHEN SYSTEM TECHNOLOGY CORP.</li> <li>-Supervisor, AmTrust Investment Consulting Corp.</li> <li>-Chairman, Top Creation Machines Co., Ltd.</li> <li>-Director, Dunpin No.1 Innovative Investment Co., Ltd.</li> <li>-Chairman, Samoan Li Yong Enterprise Co., Ltd.</li> <li>-Director, Suzhou Top Creation Machines Co., Ltd.</li> <li>-Chairman, Power Ever Enterprises Limited</li> <li>-Director, Suzhou Top Creation Intelligent Technology Co., Ltd.</li> <li>-Chairman, Good Team International Enterprise Limited</li> <li>-Director, Nantong Top Creation Machines Co., Ltd.</li> <li>-Chairman, Navigation Technology Co., Ltd.</li> <li>- Director, NTU Alumni Ventures Co., Ltd.</li> <li>--Director, Taiwan Printed Circuit Association</li> <li>-Vice Chairman, Taiwan Electronic Equipment Association</li> <li>-Standing Director, Taiwan Electronics Manufacturing Equipment Manufacturers Association</li> </ul>
Director	Acter Group Co., Ltd.	-	-	Taiwan R.O.C	May 28,2025	3	May 28,2025	5,247,490	3.04	6,460,456	3.60	-	-	-	-	N/A	<ul style="list-style-type: none"> <li>-Director, Her Suo Engineering Co., Ltd.</li> <li>-Director, Nova Technology Co.</li> <li>-Director, Enrich Tech Co. Ltd.</li> </ul>

Title	Name	Gender	Age	Nationality	Date First Elected	Term (Years)	Date Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience ( Education )	Other Position
								Shares	%	Shares	%	Shares	%	Shares	%		
	Representative : Chun-Wei Liang	Male	31~40	Taiwan R.O.C	-	-	-	-	0	0	0	0	0	0	-Master of Banking and International Finance, University of Leeds. -MBA in Business and Management, National Chiao Tung University. -Executive Assistant to President, Taiwan Shin Kong Bank Co., Ltd.	-Spokesperson and Executive Assistant to Chairman, Acter Group Co., Ltd. -Director, Sheng Huei Technology India Private Limited. - Director, Acter Group USA Inc.	
Independent director	Guo-Cha Hong	Male	51~60	Taiwan R.O.C	Jul 05, 2021	3 年	May 28,2025	0	0	0	0	0	0	0	0	-Master of Finance, City Univ. of New York -Bachelor of Mechanical Engineering, National Taiwan Univ. -Chairman and President, Makoto Bank -Chairman, Shin Kong Venture Capital International Co., Ltd.	-Director and President, Taiwan Shin Kong Security Co., Ltd. -Independent Director, Jung Shing Wire Co., Ltd.
Independent director	Chih-Kung Lee	Male	61~70	Taiwan R.O.C	May 28,2025	3	May 28,2025	0	0	0	0	0	0	0	0	- Ph.D. in Theoretical and Applied Mechanics, Cornell University, USA - Master of Science in Theory and Applied Mechanics, Cornell University, USA - Bachelor of Science in Civil Engineering, National Taiwan University. -Chairman, Industrial Technology Research Institute(ITRI) -Chairman, Institute for Information Industry(III) -Minister of Economic Affairs Department of Engineering and Applied Sciences Director of National Science Council -Research Fellow, IBM Almaden Research Center, USA	-Distinguished Professor, Institute of Applied Mechanics, National Taiwan University -Distinguished Professor, Department and Graduate Institute of Engineering Science and Ocean Engineering, National Taiwan University -Distinguished Professor, Graduate School of Advanced Technology (GSAT), National Taiwan University -Independent Director, Taiwan Shin Kong Security Co., Ltd. -Chairman, TECO Technology Foundation

Title	Name	Gender	Age	Nationality	Date First Elected	Term (Years)	Date Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience ( Education )	Other Position
								Shares	%	Shares	%	Shares	%	Shares	%		
Independent director	Jin-Tang Huang	Male	61~70	Taiwan R.O.C	May 28,2025	3	May 28,2025	0	0	0	0	0	0	0	0	<ul style="list-style-type: none"> <li>-Ph.D.in Eberhard Karls Universität Tübingen of Faculty of Law.</li> <li>-The 11th and 12th Commissioner of the Examination Yuan</li> <li>-Deputy Minister, Directorate-General of Personnel Administration, Executive Yuan</li> <li>-President, The Chinese Government and Public Affairs Association</li> <li>-Member of the Rules Committee of the Environmental Protection Administration, Executive Yuan.</li> <li>- Professor, NTU Political Science</li> <li>- Consultant, Taiwan Water Resources and Agriculture Research Institute</li> <li>- Research Project Consultant, Agricultural Engineering Research Center Foundation</li> </ul>	<ul style="list-style-type: none"> <li>- Executive Supervisor, The ROC Constitutional Law Society</li> <li>-Supervisor, Taiwan Administrative Law Association</li> <li>-Adjunct Professor, College of Law, Fu Jen Catholic University</li> <li>- Senior Consultant, Lee and Li, Attorneys-at-Law</li> </ul>

1. Any Executive, Director, or supervisor who is a spouse or relative within the second degree of kinship: None.

2.If the chairman, president or personnel with equivalent position (chief manager) are the same person, spouses or relatives within one degree of kinship, the reasons, reasonability, necessity and measures to be taken accordingly shall be addressed (ex: Increase the number of independent directors and more than half of the directors should not serve as employees or managers):None.

## (2) Major shareholders of the institutional shareholders

Name of Institutional Shareholders	Major Shareholders (Note)	
	Shareholder name	%
Min Ho Shuen Investments Co., Ltd.	Yaw-Zen Chang	51.29
	Pi-Yueh Chang Tseng	20.31
Ting Dong Liang Investment Co., Ltd	Po-Tsung Ting	55.00
	Chin-Yu Ting	15.00
	Shin- Chin Huang	15.00
Gallant Precision Machining Co., Ltd.	C SUN MFG. LTD.	27.08
	Treasury stock account of Gallant Precision Machining Co., Ltd	2.69
	Micronics Japan Co., LTD investment Account in Custody of Mega Bank	1.64
	UBS Europe SE Investment Account in the Custodianship of Citibank (Taiwan)	0.62
	Chuo-elang	0.57
	Jason Chen	0.48
	JPMorgan (External Account Manager) Investment Account of DBS Bank Limited in the Custodianship of Citibank (Taiwan)	0.44
	Junpeng Investment Co., LTD.	0.30
	New York City Group Trust Investment Account in the Custodianship of Deutsche Bank AG, Taipei Branch	0.30
	AQR Capital Management (External Manager) Investment Account of the California State Teachers Retirement System in the Custodianship of Deutsche Bank AG, Taipei Branch	0.29
Acter Group Corporation Limited	Xiang-Hui Development Co., Ltd.	4.35
	Chiu-Chang Investment Co., Ltd	3.95
	Liang, Chin-Li	3.72
	Citibank (Taiwan) Limited in custody for Norges Bank-fund mgr Blackrock Investment Management (Taiwan) Limited	3.22
	HSBC Bank (Taiwan) Limited in custody for Morgan Stanley & Co. International Plc	2.70
	Sumitomo Chemical Engineering Co., Ltd.	2.23
	Hu, Tai-Tsen	1.70
	Tsai, Chih-Cheng	1.30
	J.P. Morgan in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	1.17
	J.P. Morgan in custody for Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	1.08

Note : The information source for Min Ho Shuen Investment Co., Ltd., Ting Dong Liang Investment Co., Ltd. is the Ministry of Economic Affairs (MOEA) Commerce Industrial Services Portal. The information source of Gallant Precision Machining Co., Ltd. and Acter Group Corporation Limited is based on the 2024th Annual Report of the company.

## (3) Major shareholders of the Company's major institutional shareholders :

Name of Institutional Shareholders	Major Shareholders (Note)	
	Shareholder name	%
C SUN Mfg., Ltd.	Gallant Precision Machining Co., Ltd.	12.73
	Hai-Xing Investment Co., Ltd.	11.31
	Pin-zhi Investment Co., Ltd.	7.85
	Mao Chung Liang	4.65
	Treasury Share Special Account of C SUN	3.82
	Morrison Liang	2.92
	Norges Bank Investment Account Custodied by Citibank	2.34
	Jin Tu Jian	1.79
	Zhen Sheng Co., Ltd.	1.23
	Yu Wen Liang	1.23
	SPDR Portfolio Emerging Market ETF Special Account under the Custody of Stanrd Chartered	1.03
Junpeng Investment Co., LTD.	Cheng Hsing Chen	99.01
Xiang-Hui Development Co., Ltd.	Mr. Hsin-Hao Yang	29.90
	Mr. Chiung-Tang Yang	26.11
	Mr. Wei-Ho-Chih Yang	26.11
Chiu-Chang Investment Co., Ltd	Mr. Yi-Hua Wang	5.00
	Ms. Chiao-Yin Liang	30.00
Sumitomo Chemical Engineering Co., Ltd.	The Master Trust Bank of Japan, Ltd. (Trust Account)	15.02
	Custody Bank of Japan, Ltd. (Trust Account)	6.52
	Sumitomo Life Insurance Company	4.33
	JPMorgan Securities Japan Co., Ltd.	2.62
	Nippon Life Insurance Company	2.50
	Sumitomo Chemical Employee Stock Ownership Plan	1.96
	Custody Bank of Japan, Ltd. (Sumitomo Mitsui Trust Bank, Ltd. Retrusted Account / Sumitomo Life Insurance Company Employee Pension Trust Account)	1.77
	BNYMSANV AS AGENT/CLIENTS LUX UCITS NON TREATY 1	1.72
	STATE STREET BANK AND TRUST COMPANY 505001	1.51
The Norinchukin Bank	1.33	

Note: The shareholder information of Chih Sheng Industrial Co., Ltd., Mega International Commercial Bank Co., Ltd., and Cathay Life Insurance Co., Ltd. is sourced from the list of top 10 shareholders disclosed in their respective 2024 annual reports. The shareholder information of Sianghui Development Co., Ltd. and Jiuchang Investment Co., Ltd. is obtained from the Ministry of Economic Affairs' Company and Business One-Stop Service Portal. The shareholder information of Sumitomo Chemical Engineering Co., Ltd. (Japan) is based on the major shareholders disclosed on its official website as of September 30, 2025: <https://www.sumitomo-chem.co.jp/english/ir/stocks/information/>

(4) Professional Qualifications of Directors and Information Regarding the Independence of Independent Directors

Name/Title	Criteria	Professional Qualification and Experience (Note1)	Independent Directors' Independence Status	Number of Concurrent Independent Directorships at Other Taiwan Public Companies (Note1)
Mike Liang	Chairman	<ul style="list-style-type: none"> <li>• Possesses strong expertise in the technology industry and business management, with extensive hands-on experience in the semiconductor and electronics manufacturing sectors. Well-versed in multinational operations, strategic planning, and corporate development, demonstrating outstanding organizational leadership and keen industry insight.</li> <li>• Brings solid capabilities in industrial technology, finance, marketing, and corporate management, along with substantial experience in semiconductor-related roles.</li> </ul>	Not Applicable	1
Wen-Cheng Cheng	Director	<ul style="list-style-type: none"> <li>• Brings extensive experience in investment and corporate management, with long-term service as a board director. Well-acquainted with industry operations and capital management, and possesses solid practical experience in corporate governance and strategic investment.</li> <li>• Demonstrates strong capabilities in corporate management, investment, and financial planning.</li> </ul>	Not Applicable	0
Yaw Zen-Chang	Director	<ul style="list-style-type: none"> <li>• Possesses experience in corporate management and commercial operations, with demonstrated capabilities in corporate governance and oversight functions.</li> <li>• Brings solid expertise in corporate operations and business management.</li> </ul>	Not Applicable	0

Name/Title		Criteria	Professional Qualification and Experience (Note1)	Independent Directors' Independence Status	Number of Concurrent Independent Directorships at Other Taiwan Public Companies (Note1)
Shin-Chin Huang	Director		<ul style="list-style-type: none"> <li>• Possesses experience in corporate management and commercial operations, with strong expertise in financial planning and investment. Brings many years of experience in company operations and business development.</li> <li>• Demonstrates solid and relevant experience in business and finance.</li> </ul>	Not Applicable	0
Frank Liang	Director		<ul style="list-style-type: none"> <li>• Brings cross-disciplinary expertise in law, finance, and corporate management, with leadership experience across multiple manufacturing and technology companies. Possesses extensive practical experience in multinational operations, legal and regulatory compliance, and strategic integration.</li> <li>• Demonstrates strong capabilities in industrial technology, marketing, corporate management, and legal affairs, along with relevant experience in the semiconductor industry.</li> </ul>	Not Applicable	2
Chun-Wei Liang	Director		<ul style="list-style-type: none"> <li>• Possesses strong expertise in finance and corporate management, with in-depth knowledge of operations in the banking and engineering services industries. Brings solid practical experience in capital markets and project management.</li> <li>• Demonstrates comprehensive capabilities in finance, marketing, corporate management, and operational integration.</li> </ul>	Not Applicable	0

Name/Title		Criteria	Professional Qualification and Experience (Note1)	Independent Directors' Independence Status	Number of Concurrent Independent Directorships at Other Taiwan Public Companies (Note1)
Guo-Chao Hong	Independent Director		<ul style="list-style-type: none"> <li>• Possesses strong expertise in finance and corporate management, with extensive practical experience in the banking and venture capital sectors. Well-versed in capital operations, investment decision-making, and risk management, and demonstrates cross-industry leadership capabilities.</li> <li>• Brings professional expertise in finance, accounting, and auditing, and is able to assist in overseeing financial disclosure and the soundness of corporate governance systems.</li> </ul>	<p>All of the following situations apply to each and every of the Independent Directors:</p> <ol style="list-style-type: none"> <li>1. The Independent Directors, their spouses, or relative within the second degree of kinship do not serve as Directors, Supervisors, or employees of the Company or its affiliates.</li> <li>2. The independent directors, their spouses, and relatives within the second degree of consanguinity (or r held by the person under others' names) do not hold any shares of the Company.</li> <li>3. The Independent Directors do not serve as Directors, Supervisors or employees of companies with specific relationships with the Company (Note 2).</li> <li>4. Received no compensation or benefits for providing commercial, legal, financial, accounting services or consultation to the Company or to any its affiliates within the preceding two years, and the service provided is either an "audit service" or a "non-audit service".</li> </ol>	1
Shih-Kuang Li	Independent Director		<ul style="list-style-type: none"> <li>• Has devoted a long career to the technology and education sectors, having held leadership positions across central government ministries and public institutions. Possesses extensive experience in technology industry operations, public policy, and legal and regulatory compliance, with distinctive insight into audit systems and operational risk management.</li> <li>• In 2024, was awarded the title of Fellow of the U.S. National Academy of Inventors (NAI), demonstrating outstanding achievements in technological innovation and research and development.</li> <li>• Brings strong capabilities in technology R&amp;D, industrial policy, semiconductor-related experience, and the promotion of corporate sustainability initiatives.</li> </ul>		1

Name/Title	Criteria	Professional Qualification and Experience (Note1)	Independent Directors' Independence Status	Number of Concurrent Independent Directorships at Other Taiwan Public Companies (Note1)
Chin-Tang Huang	Independent Director	<ul style="list-style-type: none"> <li>• Possesses a professional background in law, public policy, and public administration, with in-depth knowledge of administrative regulations and civil service systems. Has long participated in regulatory drafting and review through government agencies and legal associations, and offers deep insights into corporate compliance and governance under the rule of law. Provides legal expertise and guidance to support the company's internal control and audit systems.</li> <li>• Brings strong capabilities in legal affairs, corporate governance, and the advancement of sustainability-related policies and regulations.</li> </ul>		0

Note1 : The professional qualifications, experience, and concurrent independent directorships at other public companies of the Company's directors are detailed in the "Directors Data" section on pages 5 to 9 of this annual report. Based on the review, none of the Directors currently fall under any of the circumstances specified in Article 30 of the Company Act.

Note 2 : Directors, supervisors, or employees of specific related companies are defined in accordance with Article 3, Paragraph 1, Items 5 to 8 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", as follows:

- (1) Directors, supervisors, or employees of corporate shareholders that directly hold 5% or more of the total issued shares of the Company, rank among the top five shareholders, or have appointed directors or supervisors pursuant to Article 27, Paragraphs 1 or 2 of the Company Act.
- (2) Directors, supervisors, or employees of another company where the majority of the directors' seats or voting shares are under the control of the same person as the Company.
- (3) Directors, supervisors, or employees of another company or institution where the chairman, president (or equivalent position), or spouse of such persons are concurrently serving as the chairman, president (or equivalent position) of the Company.
- (4) Directors, supervisors, managers, or shareholders holding 5% or more of a company or institution that has financial or business dealings with the Company.

#### (5) Board Diversity and Independence :

##### **Board Diversity**

In accordance with the Company's "Corporate Governance Principles", The composition of the Board of Directors shall be determined by taking diversity into

consideration. It is advisable that directors concurrently serving as the Company's managers do not exceed one-third of the total number of the Board members, and that an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:

- A. General conditions and values: Gender, age, nationality and culture
- B. Professional knowledge and skills: Professional background (ex : Legal, Accounting, Industry, Finance, Marketing or Technology), professional skills and industrial experience.

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

Management objectives	Progress
Independent directors exceed one-third of the board members	Achieved
Number of Directors who concurrently serve as Company managers do not exceed one-third of all Directors.	Achieved
At least one seat of Directors are females.	Achieved

The Company's Board of Directors is composed with diversity, with each director bringing distinct professional expertise and providing valuable insights from different perspectives. This diversity significantly contributes to enhancing the Company's operational performance and management efficiency.

Of the nine members of the Board, three are independent directors, none of whom has served more than three consecutive terms. There is one female director, representing 11.1% of the Board. The age distribution of directors is as follows: one director aged 31–40 (11.1%), two directors aged 41–50 (22.2%), one director aged 51–60 (11.1%), four directors aged 61–70 (44.5%), and one director aged 71–80 (11.1%).

The diversity of board members is summarized as follows:

Title	Chairman	Director					Independent Director		
Name	Mike Liang	Wen-Cheng Cheng	Yaw Zen-Chang	Shin-Chin Huang	Frank Liang	Chun-Wei Liang	Guo-Chao Hong	Shih-Kuang Li	Chin-Tang Huang
Gender	Male	Male	Male	Female	Male	Male	Male	Male	Male
Nationality	TW	TW	TW	TW	TW	TW	TW	TW	TW
Age	61~70	71~80	41~50	51~60	41~50	31~40	61~70	61~70	61~70
Director with concurrent employee status	-								
<b>Professional Knowledge and Expertise</b>									
Business	V	V	V	V	V	V	V		
Technology/Innovation	V							V	
Finance/Accounting					V	V			
Marketing	V				V	V			
Academic								V	V

Title	Chairman	Director					Independent Director		
<b>Abilities and Experience</b>									
Senior leadership experience	V				V		V	V	
International Market View	V				V	V		V	
Semiconductor industry experience	V				V			V	
Legal or corporate governance					V				V
Financial management capabilities	V	V	V	V	V	V	V		
Operations and manufacturing	V				V				
Risk management/crisis management	V				V	V	V	V	
Human Resources and Talent Development	V				V		V		V
Environmental sustainability	V	V			V		V	V	V

**Reasons for the Board’s Failure to Meet One-Third Gender Representation and Measures Adopted to Enhance Gender Diversity Among Directors:**

At present, the Company’s Board of Directors comprises nine members, of whom one is a female director. The proportion of female directors has not yet reached one-third of the Board. This is primarily attributable to the fact that the semiconductor industry has long been dominated by male professionals, resulting in a relatively lower participation rate of female professionals in related fields and, consequently, fewer opportunities for women to advance into corporate governance positions.

In addition, the current selection of directors is based on considerations of professional expertise, industry experience, and overall operational needs. As a result, the gender composition of the Board has not yet achieved a balanced representation.

To enhance gender diversity on the Board, the Company will adopt the following measures:

- A. Incorporate gender balance as a principle in the nomination and re-election of directors.
- B. Actively seek female candidates with strong professional backgrounds and management capabilities.
- C. Gradually increase the number of female directors to strengthen Board diversity and enhance governance quality.

**Board independence**

The Company’s 10th Board of Directors is composed of nine members, including six directors and three independent directors, with independent directors accounting for 33.3% of the Board. None of the directors has a spousal relationship or kinship within the

second degree of consanguinity with any other director, and none concurrently serves as an employee of the Company. The Company has established an Audit Committee in accordance with applicable laws and regulations, and none of the circumstances specified under Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act applies.

Upon election, the Company carefully evaluated the qualifications and independence of its independent directors. On May 13, 2025, the Company reported to the Board of Directors on the qualifications and independence status of the independent directors during their respective terms of office, and all independent directors continue to meet the statutory independence requirements.

Through the appointment of independent directors and the operation of the Audit Committee and the Remuneration Committee- both led by independent directors- the Company has established robust oversight mechanisms to ensure transparency and sound corporate governance practices, thereby strengthening the independent functioning of the Board of Directors.

2. Information on the Company's President, Vice President, Assistant Vice President, and the supervisors of all the Company's Divisions and Branch Units as follows:

March 31, 2026 Unit: shares; %

Title (Note)	Name	Gender	Nationality	Date Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding in Other Persons' Names		Principal Work Experiences and Academic Qualifications	Positions Held Concurrently in The Company and/or in Any Other Company	Other executives, Directors and supervisors who are spouses or within second-degree relative of consanguinity			Notes
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
President	Tony Tsai	Male	Taiwan R.O.C	Aug 1, 2018	528,496	0.29	0	0	0	0	- PhD of ME in Silicon photonic modeling, Univ. of California, Berkeley -President, Phoenix Silicon International Corp. -Director, Micron Technology -Special Assistant, Inotera Memories, Inc. -Director, Nanya Technology	None	None	None	None	None
Vice President	FN Huang	Male	Taiwan R.O.C	Aug 1, 2018	5,960	0.00	0	0	0	0	- Completion of Advanced Executive Course on Business Strategies at Peking University -CFO, Yuan Rwei Battery Co., Ltd. -Director of Finance and Administrative, Phoenix Silicon International Corporation	None	None	None	None	None
Vice President	Eric Pan	Male	Taiwan R.O.C	Aug 1, 2018	120,000	0.07	0	0	0	0	-Bachelor of Industrial Engineering, TaTung Univ. -Director of Reclaim Wafer, Phoenix Silicon International Corp.	None	None	None	None	None
Vice President	TK Huang	Male	Taiwan R.O.C	Oct 05, 2018	37,187	0.02	0	0	0	0	- Master of Department of Chemical Engineering, National Cheng Kung Univ.- -Vice President, Amkor Technology Co., Ltd- -Director, International rectifier- -Senior Manager, Infineon Technologies AG -Special Assistant, Phoenix Silicon International Corporation	None	None	None	None	None
Vice President	CM Ho	Male	Taiwan R.O.C	May 5, 2023	32,459	0.02	0	0	0	0	-Bachelor of Science in Water Resources and Environmental Engineering, Tamkang University -Manager, FuYang Technology Corporation	None	None	None	None	None
Accounting officer	Megan Yang	Female	Taiwan R.O.C	Aug 03,2023	16,000	0.01	0	0	0	0	-Master of Enterprise Resource Planning Accounting at Central University -Section Manager, Phoenix Silicon International Corporation	None	None	None	None	None
Financial officer	Yun-Jia Shan	Female	Taiwan R.O.C	Nov 06,2023	8,000	0.00	0	0	0	0	-Master of Accounting and Law in the Department of Accounting and Information Technology, Chung Cheng University -Project Section Manager, Phoenix Silicon International Corporation	None	None	None	None	None

Disclosure of reasons, rationality, necessity, and response measures (e.g., increasing the number of independent directors, ensuring that a majority of directors are neither employees nor managers) in cases where the general manager (or an equivalent position as the highest-ranking officer) and the chairman of the board are the same person, spouses, or first-degree relatives: none.

Note : Information as of the printing date of the annual report.

ii. Remuneration to directors, supervisors, general manager and deputy general managers in the most recent year

1. Remuneration Paid to Directors (Independent Directors included)

December 31, 2025, Unit: NT\$ thousand; %

Title (Note1)	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Compensation paid to the President and Vice President from an Invested Company Other Than the Company's Subsidiary
		Base Compensation (A)		Severance Pay and Pensions (B)		Bonus to Directors (C) (Note 1)		Allowances (D) (Note 2)				Salary, Bonuses, and Allowances (E)		Severance Pay and Pensions (F)		Profit Sharing- Employee Bonus (G) (Note 1)						
		The company	From All Consolidated Entities	The company	From All Consolidated Entities	The company	From All Consolidated Entities	The company	From All Consolidated Entities	The company	From All Consolidate d Entities	The company	From All onsolidated Entities	The company	From All Consolidated Entities	The company		From All Consolidated Entities		The company	From All Consolidated Entities	
		Cash	Stock	Cash	Stock																	
Chairman	Mike Yang	2,521	2,521	0	0	6,069	6,069	74	74	1.15	1.15	0	0	0	0	0	0	0	0	1.15	1.15	0
Director	Wen-Cheng Cheng	0	0	0	0	3,034	3,034	64	64	0.41	0.41	0	0	0	0	0	0	0	0	0.41	0.41	0
	Min Ho Shuen Investments Co., Ltd Representative : Yaw-Zen Chang	0	0	0	0	3,034	3,034	61	61	0.41	0.41	0	0	0	0	0	0	0	0	0.41	0.41	0
	Ting Dong Liang Investment Co., Ltd Representative : Shin-Chin Huang	0	0	0	0	3,034	3,034	64	64	0.41	0.41	0	0	0	0	0	0	0	0	0.41	0.41	0
	Gallant Precision Machining Co., Ltd. Representative : Frank Liang	0	0	0	0	3,035	3,035	48	48	0.40	0.40	0	0	0	0	0	0	0	0	0.40	0.40	0
	Acter Group Corporation Limited Representative : Chun-Wei Liang	0	0	0	0	3,035	3,035	61	61	0.41	0.41	0	0	0	0	0	0	0	0	0.41	0.41	0
Independent Director	Guo-Chao Hong	862	862	0	0	0	0	113	113	0.13	0.13	0	0	0	0	0	0	0	0	0.13	0.13	0
	Shih-Kung Lee	862	862	0	0	0	0	100	100	0.13	0.13	0	0	0	0	0	0	0	0	0.13	0.13	0
	Giin-Tarng Huang	862	862	0	0	0	0	124	124	0.13	0.13	0	0	0	0	0	0	0	0	0.13	0.13	0

1. Policies, systems, standards and structures of Independent Director remuneration paid and describe the relevance to the amount of remuneration according to responsibilities, risks, time invested, etc.: The remuneration structures of Independent Director was based on the management methods formulated by the company with monthly fixed remuneration, not participating in the annual distribution of director's remuneration. The monthly fixed remuneration is regularly reviewed by the remuneration committee for industry standards, if there is a change proposal, it is submitted to the board of directors for resolution.

2. Apart from above disclosure, compensation paid to directors who provide service in all companies in the consolidated financial statements (such as serving as a consultant for the parent company/all companies in the financial report/reinvested enterprises that are not employees, etc.) : NT\$0

Note 1: Director's remuneration and employee's remuneration for 2025 were approved by the board of directors on February 10, 2026.

Note 2: Operating expenses related to business execution include transportation expenses, vehicle-related costs, and various allowances.

## 2. Remuneration Paid to CEO, President and Vice Presidents

December 31, 2025, Unit: NT\$ thousand; %

Title	Name	Salary(A)		Severance Pay and Pensions (B) (Note 1)		Bonuses and Allowances (C) (Note 2)		Profit Sharing- Employee Bonus (D) (Note 3)				Ratio of total compensation (A+B+C+D) to net income (%)		Compensation paid to the President and Vice President from an Invested Company Other Than the Company's Subsidiary
		The company	From All Consolidated Entities	The company	From All Consolidated Entities	The company	From All Consolidated Entities	The company		From All Consolidated Entities		The company	From All Consolidated Entities	
								Cash	Stock	Cash	Stock			
President	Tony Tsai	12,760	12,760	1,180	1,180	8,526	8,526	27,959	0	27,959	0	6.66	6.66	0
Senior Vice President	FN Huang													
Vice President	Eric Pan													
Vice President	TK Huang													
Vice President	CM Ho													

Note 1: The retirement pension refers to the contribution made for fiscal year 2025.

Note 2: This expense includes various bonuses, vehicle-related expenses, and other allowances.

Note 3: The employee compensation for fiscal year 2025 was approved by the Board of Directors on February 10, 2026, and the proposed distribution amount was calculated based on the actual distribution ratio in prior years.

### Remuneration Paid to CEO, President and Vice Presidents

Range of Remuneration	Name of President and Vice President	
	The Company	From All Consolidated Entities
Less than NT\$ 1,000,000	-	-
NT\$ 1,000,000(incl.) ~NT\$2,000,000(not incl.)	-	-
NT\$ 2,000,000(incl.) ~NT\$3,500,000(not incl.)	-	-
NT\$ 3,500,000(incl.) ~NT\$5,000,000(not incl.)	-	-
NT\$ 5,000,000(incl.) ~NT\$10,000,000(not incl.)	FN Huang, Eric Pan, TK Huang, CM Ho	FN Huang, Eric Pan, TK Huang, CM Ho
NT\$ 10,000,000(incl.) ~NT\$15,000,000(not incl.)	-	-
NT\$ 15,000,000(incl.) ~NT\$30,000,000(not incl.)	Tony Tsai	Tony Tsai
NT\$ 30,000,000(incl.) ~NT\$50,000,000(not incl.)	-	-
NT\$ 50,000,000(incl.) ~NT\$100,000,000(not incl.)	-	-
More than NT\$ 100,000,000	-	-
Total	5	5

### 3. Names of managers distributed employee compensation and the status of distribution

December 31, 2025 Unit: NT\$ thousand

Title		Name	Employee Bonus - in Stock	Employee Bonus - in Cash	Total (Note1)	Ratio of Total Amount to Net Income (%)
Management	President	Tony Tsai	0	29,997	29,997	3.96
	Senior Vice President	FN Huang				
	Vice President	Eric Pan				
	Vice President	TK Huang				
	Vice President	CM Ho				
	Accounting Supervisor	Megan Yang				
	Financial Supervisor	Yun-Jia Shan				

Note 1: The employees' compensation for the fiscal year 2025 was approved by the Board of Directors on February 10, 2026, and the proposed amount for this year was calculated based on the actual distribution ratios of previous years.

4. Amount of remuneration paid in the last 2 years by the Company and all companies included in the consolidated financial statements to the Company's directors, supervisors, president, and vice presidents, and the respective proportion of such remuneration to the income after tax referred to in the entity or standalone financial statements, as well as the policies, standards, and packages by which it was paid, the procedures through which the remuneration was determined, and its association with business performance and future risks:

Title	Ratio of Total Amount to Net Income (%)			
	2024		2025	
	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities
Directors	3.78	3.78	3.57	3.57
President and Vice President	6.55	6.55	6.66	6.66

#### (1) Policy, Standards, and Composition of Compensation:

In accordance with Article 30-1 of the Company's Articles of Incorporation, when the company is in a state of accumulated losses, these must be addressed as a priority. Additionally, a distribution of employee remuneration equivalent to 10% to 15% of the profit for the current year is prescribed. Should the profit for the current year not exceed 2%, director remuneration is distributed. The distribution of employee remuneration and director remuneration requires a resolution by the board of directors with a majority of two-thirds of the attending directors in favor, subsequently reported to the shareholders' meeting.

##### A. Directors:

The Company's director compensation structure, as governed by the "Regulations on Directors' Remuneration and Distribution of Compensation" and "Articles of Incorporation", encompasses:

a. Compensation: Except for the Chairman, who receives a fixed

remuneration in consideration of the responsibilities assumed, non-executive directors shall not receive any fixed remuneration. Independent directors, in performing their duties and concurrently serving as members of functional committees, receive a fixed monthly remuneration. The aforementioned remuneration is subject to evaluation and recommendation by the Remuneration Committee and shall be resolved by the Board of Directors.

- b. Transportation and Attendance Fees: Directors attending company meetings in person are provided with transportation expenses for each instance to the same meeting venue, as well as attendance fees for each meeting.
  - c. Remuneration: Independent directors do not receive separate remuneration, while individual remuneration for non-independent directors is subject to review by the Remuneration Committee based on their level of engagement in company operations (including provision of core operational advice, etc.) and contributions, responsibilities within financial planning scope, and assumption of the chairman of the board position. The distribution is reviewed based on the weight approved by the board of directors, deliberated upon by the Remuneration Committee, and resolved by the board of directors.
  - d. Retirement Benefits: Directors concurrently holding employee positions are entitled to retirement benefits based on their tenure, with conditions and calculation methods in line with the Company's Employee Retirement Management Regulations.
- B. President and Vice President:

According to the "Employee Bonus Budget and Allocation Guidelines" and the "Articles of Incorporation", the compensation for the President and Vice President includes both fixed salary and variable salary.

- a. fixed salary: Monthly salary, holiday bonuses, and long-term incentive bonus for employees who have been in the position for over a year.
- b. Variable Salary:

Financial Performance Indicators (80%):

Operating bonuses are determined based on the achievement rate of revenue targets and the growth rate of operating profit. The General Manager is not eligible for operating bonuses. For Vice General Managers, the maximum operating bonus payable to each individual shall not exceed four months of base salary.

Employee compensation is determined based on the growth rate of net profit after tax.

### Non-Financial Performance Indicators (20%):

To implement sustainable development initiatives, key performance indicators (KPIs) related to material ESG issues are incorporated into the annual performance evaluation process and linked to management operating bonuses, thereby strengthening the management team's commitment to sustainability goals.

The evaluation metrics are categorized into the following three dimensions:

- (1) Environmental: Electricity consumption, water consumption, and the rate of reduction in greenhouse gas emissions.
  - (2) Social: Reduction rate of employee turnover and the number of disabling injury incidents.
  - (3) Governance: Customer satisfaction and the ratio of local procurement.
- (2) The process of determining remuneration and its association with business performance and future risks.

The company follows the procedures for the distribution of remuneration to directors and managers as outlined in the "Articles of Incorporation," "Regulations on Directors' Remuneration and Distribution of Compensation," and "Employee Bonus Budget and Allocation Guidelines." The Remuneration Committee evaluates and reviews the compensation situation annually, taking into account individual performance achievements and contributions to the company, as well as considering the overall operational performance of the company, future industry risks, and continuously reviewing the remuneration system in accordance with actual operational conditions and relevant regulations. Reasonable compensation is provided to achieve a balance between sustainable company operations and risk management.

In addition to aligning responsibilities with performance outcomes, managers in the Company also aggregate quarterly performance evaluations as a basis for remuneration. Performance indicators include qualitative metrics such as problem-solving abilities, communication skills, organizational and innovative development, and personal growth assessments, as well as quantitative metrics such as the achievement status, attainment rate, and completion rate of individual and departmental goals, and special project accomplishments. Moreover, short-term profit is not the sole criterion for compensation, and directors and managers are not encouraged to engage in risk-taking behaviors beyond the company's risk tolerance solely for the sake of pursuing salary rewards.

The remuneration disbursed to directors of the company in 2025 was all subject to review and resolution by the Remuneration Committee prior to being presented for approval at the Board of Directors' meetings.

iii. Implementation of Corporate Governance

1. Operations of Director for Board Meetings

The Company had convened 6(A) Board of Director meetings in 2025 with the following attendance:

Title (Note1)	Name	Attendance in Person(B)	By Proxy	Attendance Rate in Person (%) (Note2)	Remarks
Chairman	Mike Yang	6	0	100.00	
Director	Wen-Cheng Cheng	6	0	100.00	
Director	Min Ho Shuen Investments Co., Ltd Representative : Yaw-Zen Chang	6	0	100.00	
Director	Ting Dong Liang Investment Co., Ltd Representative : Shin-Chin Huang	6	0	100.00	
Director	Gallant Precision Machining Co., Ltd. Representative : Frank Liang	4	1	66.67	
Director	Acter Group Corporation Limited Representative: Chun-Wei Liang	6	0	100.00	
Independent Director	Guo-Chao Hong	6	0	100.00	
Independent Director	Shih-Kuang Li	6	0	100.00	
Independent Director	Chin-Tang Huang	6	0	100.00	

Other matters to be disclosed:

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

- (1) Any matter under Article 14-3 of the Securities and Exchange Act: Not applicable, as the Company has established an Audit Committee.
- (2) In addition to the matters referred to above, any dissenting or qualified opinion of an independent director that was on record or stated in writing with respect to any board resolution: None.

2. The status of director recusals in matters involving conflicts of interest shall specify the director's name, the content of the motion, the reason for the recusal, and the director's voting status:

At the board meeting held on May 13, 2025, the Board resolved to amend the "Regulations Governing Director Remuneration and Compensation Allocation." Independent Directors Hung Kuo-Chao, Lee Shih-Kuang, and Huang Chin-Tang had personal interests in the matter and therefore exercised recusal, refraining from participation in the discussion and voting. After the Chair sought the views of the other attending directors and the matter was fully discussed, the proposal was approved as presented.

3. Implementation of Board performance evaluations

The 2025 Board Performance Evaluation was implemented, and the status and results are as follows:

Evaluation Cycle and Period	Evaluation Scope	Evaluation Method	Evaluation Content
Once a year 2025.01.01~12.31	Board of Directors	Self-evaluation by Board members	1.Level of participation in company operations. 2.Enhancement of decision-making quality. 3.Composition and structure of the Board of Directors 4.Appointment of Directors and continuing

			Education. 5.Internal control.
	Individual Directors	Self-evaluation by individual directors	1.Grasp of the Company’s goals and missions. 2.Awareness of directors’ responsibilities. 3.Level of participation in company operations. 4.Internal relationship management and communication. 5.Professional development and continuous education. 6.Internal control
	Audit Committee Remuneration Committee Sustainable Development Committee	Self-evaluation by Independent Directors	1.Level of participation in company operations. 2.Awareness of Audit Committee responsibilities. 3.Enhancement of Audit Committee decision-making quality. 4.Composition and selection of Audit Committee members. 5.Internal control

Evaluation results and improvement plans:

The self-evaluation results of the Company’s Board of Directors as a whole, each functional committee, and individual directors all exceeded the established standards, with no items requiring improvement. The evaluation results were reported to the Board of Directors on February 10, 2026, and will serve as a reference for the performance evaluation, remuneration, and re-nomination of members of the Board of Directors and functional committees.

4. Objectives for Strengthening Board Functions in the Current Year and the Most Recent Year, and Evaluation of Implementation Status:

- (1) The Company conducted a full re-election of directors in 2024 and, in accordance with applicable laws and regulations, elected the Chairman. At present, there is no circumstance in which the Chairman concurrently holds an employee position, thereby reinforcing the division of functions of the Board of Directors and the independence of corporate governance.
- (2) Members of the Board of Directors continue to participate in various professional training programs, and relevant laws and regulations are communicated at board meetings to enhance the quality of board decision-making and ensure regulatory compliance. In 2025, all directors of the Company completed more than six (6) hours of professional training.
- (3) The Company’s directors possess diverse backgrounds, including expertise from different industries, academia, and the legal field. This diversity not only strengthens the overall functions of the Board of Directors but also injects new momentum into corporate governance and sustainable development.

2. Operations of Audit Committee

The Company’s Audit Committee is composed of three independent directors. The Audit Committee assists the Board of Directors in overseeing matters related to the quality and integrity of the Company’s accounting practices, auditing processes, financial reporting, and financial control systems. For information regarding the members’ professional qualifications, experience, and independence, please refer to pages 12–15 of this Annual Report.

The term of the current committee members is from May 28, 2024 to May 27, 2027. In 2025, the Audit Committee convened six meetings (A). The attendance of the independent directors is as follows:

Title (Note1)	Name	Attendance in Person(B)	By Proxy	Attendance Rate in Person (%) (B/A)	Remarks
Convener	Chin-Tang Huang	6	0	100.00	
Member	Guo-Chao Hong	6	0	100.00	
Member	Shih-Kuang Li	6	0	100.00	

Other items to be stated:

I. If any of the following circumstances arises, the Company shall disclose the date of the Audit committee meeting, the session number, the motion(s) discussed, any dissenting or qualified opinions or significant recommendations of the independent directors, the resolutions of the Audit committee, and the Company's response to the Audit committee's opinions:

(1) Matters included in Article 14-5 of the Securities and Exchange Act:

Audit Committee Date	Audit Committee Term	Contents of Motion	Resolution of the Audit Committee
Feb 24, 2025	4th Term, 4th Meeting	<ul style="list-style-type: none"> <li>2024 Annual Financial Statements</li> <li>Assessment of the independence and suitability of the Company's CPA</li> <li>Proposal on the Effectiveness Assessment of the Internal Control System for 2024 and the "Internal Control System Statement"</li> </ul>	Approved
Apr 15, 2025	4th Term, 5th Meeting	<ul style="list-style-type: none"> <li>2024 Business Report</li> <li>2024 Earnings Distribution Proposal</li> <li>Proposal to amend the Company's "Audit Committee Organizational Charter."</li> </ul>	Approved
May 13, 2025	4th Term, 6th Meeting	<ul style="list-style-type: none"> <li>2025Q1 Financial Statements</li> </ul>	Approved
Aug 01, 2025	4th Term, 7th Meeting	<ul style="list-style-type: none"> <li>2025Q2 Financial Statements</li> <li>Proposal for Additional Capital Expenditures</li> <li>Proposal for the Issuance of New Shares through the Second Domestic Unsecured Convertible Corporate Bond and the Establishment of the Capital Increase Record Date</li> </ul>	Approved
Nov 06, 2025	4th Term, 8th Meeting	<ul style="list-style-type: none"> <li>2025Q3 Financial Statements</li> <li>Proposal for the 2026 Annual Audit Plan</li> <li>Proposal for the Issuance of New Shares through the Second Domestic Unsecured Convertible Corporate Bond and the Establishment of the Capital Increase Record Date</li> </ul>	Approved
Dec 30, 2025	4th Term, 9th Meeting	<ul style="list-style-type: none"> <li>Proposal for the 2026 Capital Expenditure Plan</li> <li>Proposal to Amend the "Internal Control System"</li> </ul>	Approved

a. Content of any dissenting opinions, reservations, or major recommendations from independent directors: None.

b. Resolutions of the Audit Committee and the Company's handling of the Audit Committee's opinions: All motions were unanimously approved by the Audit Committee members. The Board of Directors also approved all motions in accordance with the Audit Committee's recommendations.

- (2) Aside from said circumstances, resolution(s) not passed by the Audit Committee but receiving the consent of two-thirds of the whole directors: None.
2. In instances where a director recuses himself/herself due to a conflict of interest, the minutes shall clearly state the director's name, contents of motions, reason for not voting and actual voting counts: None.
3. Communication between independent directors and internal auditing officers as well as external auditors (such as items discussed, means of communication and results on the Company's finance and business, etc.):
- (1) The internal audit supervisor regularly communicates with the members of the Audit Committee about the results of the audit reports and gives internal audit reports at the Audit Committee meetings on a quarterly basis, and reports to the members of the Audit Committee immediately if there are special circumstances. No special circumstances as mentioned for 2025. The communication between the Audit Committee and the internal audit supervisors are fine.
- (2) The CPAs regularly report the results of audits or reviews of financial statements at meetings of the Audit Committee, and other communications required by applicable laws and regulations. The communication between Audit Committee and CPAs are fine.
- (3) Communications between the Independent Directors and the head of internal audit, CPA. are as follows:

a. Summary of Communication Between Independent Directors and CPAs

Date	Meeting Type	Key Discussion Points	Communication and Execution Results
Feb 24, 2025	Audit Committee Meeting	<ul style="list-style-type: none"> <li>2024 Annual Financial Statement</li> <li>Assessment of the independence and suitability of the Company's CPA</li> </ul>	Reviewed by the Audit Committee. No dissenting opinions were expressed by the attending members.
May 13, 2025	Audit Committee Meeting	<ul style="list-style-type: none"> <li>Review 2025Q1 Financial Statements</li> </ul>	Reviewed by the Audit Committee. No dissenting opinions were expressed by the attending members.
Aug 01, 2025	Audit Committee Meeting	<ul style="list-style-type: none"> <li>Review 2025Q2 Financial Statements</li> </ul>	Reviewed by the Audit Committee. No dissenting opinions were expressed by the attending members.
Nov 06, 2025	Audit Committee Meeting	<ul style="list-style-type: none"> <li>Review 2025Q3 Financial Statements</li> </ul>	Reviewed by the Audit Committee. No dissenting opinions were expressed by the attending members.
	Private Meeting (Note)	<ul style="list-style-type: none"> <li>Audit Planning for the Review of the 2026 Financial Statements</li> </ul>	Acknowledged. No further recommendations were provided.

b. Summary of Communication Between Independent Directors and the Head of Internal Audit

Date	Meeting Type	Key Discussion Points	Communication and Execution Results
Feb 24, 2025	Audit Committee Meeting	<ul style="list-style-type: none"> <li>Internal Audit Business Report</li> <li>2024 Internal Control System Statement</li> </ul>	Reviewed by the Audit Committee. No dissenting opinions were expressed by the attending members.
Apr 15, 2025	Audit Committee Meeting	<ul style="list-style-type: none"> <li>Internal Audit Business Report</li> </ul>	Reviewed by the Audit Committee. No dissenting opinions were expressed by the attending members.
May 13, 2025	Audit Committee	<ul style="list-style-type: none"> <li>2024 Internal Audit Follow-up Report</li> </ul>	Reviewed by the Audit Committee. No dissenting

	Meeting		opinions were expressed by the attending members.
Aug 01, 2025	Audit Committee Meeting	• Internal Audit Business Report	Reviewed by the Audit Committee. No dissenting opinions were expressed by the attending members.
Nov 06, 2025	Audit Committee Meeting	• Internal Audit Business Report	Reviewed by the Audit Committee. No dissenting opinions were expressed by the attending members.
	Private Meeting (Note)	• 2025 Audit Results / Key Audit Objectives for 2026	Acknowledged. No further recommendations were provided.
Dec 30, 2025	Audit Committee Meeting	• Proposal to Amend the "Internal Control System"	Reviewed by the Audit Committee. No dissenting opinions were expressed by the attending members.

Note: Standalone communication meetings are attended solely by the independent directors and the CPA or the head of internal audit, with no other attendees present.

4. Annual key functions and operations of Audit Committee:

2025 Annual key functions:

- (1) Review of financial statements.
- (2) Review of major asset transactions.
- (3) Review of matters related to the issuance of equity-related securities.
- (4) Amendments to the internal control system and assessment of its effectiveness.
- (5) Evaluation of the suitability and independence of the CPA.

3. The state of the company's implementation of corporate governance, any variance from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance.

Assessed items	State of Operations			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
I Has the Company formulated and disclosed its corporate governance best practice principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company has established the "Corporate Governance Principles" to implement the relevant regulations in accordance with the spirit of corporate governance. Please refer to the Company's official website or the Market Observation Post System (MOPS) for the Corporate Governance Principles stipulated by the Company.	No significant difference

Assessed items	State of Operations			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
<p>II. Shareholding structure &amp; shareholders' rights</p> <p>(1) Does the company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure??</p>	✓		(1) The Company has established the "Internal Procedures for Handling Material Information" to ensure that information that may affect shareholder decisions can be disclosed promptly and properly. The shareholder services and corporate relations unit is designated as the responsible unit and has set up a dedicated mailbox to handle shareholder suggestions, queries, disputes, and legal matters.	No significant difference
(2) Does the Company maintain a register of major shareholders with controlling power as well as a register of people exercising ultimate control over those major shareholders?	✓		(2) The Company continuously monitors the shareholdings of its directors, managers, and the top ten shareholders. Through the historical shareholder registers, the Company endeavors to identify major shareholders and their ultimate controllers. In addition, the departments responsible for stock affairs and investor relations maintain good interactions with major shareholders and closely monitor significant matters that may lead to changes in shareholding.	No significant difference.
(3) Does the Company establish and enforce risk control and firewall systems with its affiliated businesses?	✓		(3) The Company has established and implemented risk management and firewall mechanisms with its affiliated enterprises, and has formulated the "Supervision and Management Policies for Subsidiaries" to ensure the effective implementation of risk control mechanisms for its subsidiaries. In addition, the Company has adopted the "Group Companies and Specific Companies and Related Party Transaction Procedures," which set forth clear operational guidelines governing	No significant difference

Assessed items	State of Operations			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
			<p>purchase and sales transactions, acquisition or disposal of assets, endorsements and guarantees, and loans of funds with affiliated enterprises or related parties.</p> <p>All material transactions are required to be submitted to the Board of Directors for approval and, in accordance with applicable laws and regulations, must be further submitted to the shareholders' meeting for approval or reporting, as applicable, in order to ensure the legality, reasonableness, and transparency of such transactions. Currently, the Company has no subsidiaries or related party transactions; however, the relevant systems and firewall mechanisms have been established in advance.</p>	
(4) Does the Company stipulate internal rules that prohibit company insiders from trading securities using information not disclosed to the market?	✓		<p>(4) The Company's "Integrity Operation Procedures and Code of Conduct" clearly stipulates that directors, managers, and employees, among other internal personnel, shall conduct business activities in accordance with the principles of fairness, honesty, integrity, and transparency. To implement the ethical business policy and proactively prevent unethical conduct, insiders must comply with the Securities and Exchange Act and are strictly prohibited from using undisclosed material information for insider trading or disclosing such information to others for the same purpose.</p> <p>In accordance with the "Corporate Governance Best-Practice Principles" and the "Procedures for Prevention of Insider Trading," the Company notifies insiders via email</p>	No significant difference

Assessed items	State of Operations		Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	
			<p>fifteen days before the announcement of each quarterly financial report and thirty days before the announcement of the annual financial report, prohibiting them from trading the Company's shares during the blackout periods. In 2025, insiders were notified on January 21, April 23, July 11, and October 15.</p> <p>The Company conducts at least one educational session each year on the "Procedures for Prevention of Insider Trading" and related laws and regulations for current directors, managers, and employees. For newly appointed directors and managers, training is arranged within three months of their appointment; for new employees, the training is provided during pre-employment orientation.</p> <p>On September 22, 2025, the Company invited an external speaker to conduct a two-hour lecture and training session titled "Corporate Integrity Management and Protection of Trade Secrets." The integrity management-related training included content on the prevention of insider trading. The primary participants on that day were directors, managers, and supervisors, with a total of 30 attendees. The course covered regulations, definitions, constituent elements, legal liabilities related to insider trading, as well as the Company's implementation practices in the previous year.</p> <p>To ensure the long-term promotion of legal compliance, the relevant course materials have been</p>

Assessed items	State of Operations			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
			uploaded to the Company's internal knowledge management system and are available at all times for reference by directors, managers, and employees. In December 2025, an educational video on insider trading-related topics was also provided to directors to enhance their compliance awareness and to ensure that internal operating procedures conform to relevant regulations. In addition, during 2025, three directors were arranged to participate in a three-hour course titled "2025 Insider Trading Prevention Briefing," organized by the Securities and Futures Institute.	
<p>III. Composition and Responsibilities of the Board of Directors</p> <p>(1) Has the Board of Directors formulated a policy regarding the composition of its members, set specific management objectives, and implemented them?</p> <p>(2) In addition to establishing a Remuneration Committee and an Audit Committee as required by law, has the Company voluntarily established other functional committees?</p> <p>(3) Has the Company established rules and methods for evaluating the performance of the Board of Directors, conducted regular annual performance evaluations, reported the evaluation results to the Board, and used the</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) The Company has established a diversification policy for the composition of the Board of Directors, set specific management objectives, and implemented them. Details are provided in pages 15–18 of this Annual Report.</p> <p>(2) The Company has currently voluntarily established a Sustainable Development Committee. For details regarding its operations, please refer to pages 43-44 of this Annual Report.</p> <p>(3) The Company has established the Regulations Governing the Performance Evaluation of the Board of Directors and Functional Committees. At the end of each fiscal year, performance evaluations of the overall Board of Directors, individual directors, and functional committees are</p>	<p>No significant difference</p> <p>No significant difference</p> <p>No significant difference</p>

Assessed items	State of Operations			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
<p>evaluation outcomes as a reference for determining the remuneration and re-nomination of individual directors?</p> <p>(4) Does the company regularly evaluate the independence of CPAs?</p>	✓		<p>conducted through internal self-assessment questionnaires. The evaluation results are submitted to the Board of Directors as references for the selection or nomination of directors and as a basis for recommendations to enhance the operational effectiveness of the Board of Directors and functional committees.</p> <p>The evaluation criteria mainly include the degree of participation in corporate operations, enhancement of the quality of meeting decision-making, the composition and structure of the Board of Directors and functional committees, the appointment and ongoing professional development of directors and committee members, and internal control, among others.</p> <p>The Company has completed the performance evaluation for fiscal year 2025. The evaluation results were reported at the Board meeting on February 10, 2026, and have been disclosed on the Company's website.</p> <p>(4) The Company has established the "Regulations Governing CPA Independence and Performance Evaluation." Each year, the independence, professional competence, and performance of the signing CPA are evaluated, and the results are submitted to the Audit Committee and the Board of Directors for approval. The Company's 2025 evaluation of the signing CPA's independence and professional competence was approved by the Audit Committee</p>	No significant difference.

Assessed items	State of Operations			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
			<p>and the Board of Directors on February 10, 2026. CPA rotation is also carried out in accordance with the applicable regulations.</p> <p>The key criteria for assessing independence and professional competence are as follows:</p> <ol style="list-style-type: none"> <li>1. Annual assessments of the CPAs' financial interests, business relationships, and employment relationships.</li> <li>2. The engagement CPAs issue a Statement of Independence.</li> <li>3. The engagement CPAs provide an Audit Quality Indicators (AQIs) Report.</li> </ol> <p>Upon evaluation, the engagement Certified Public Accountants (CPAs) were found to be in full compliance with all criteria related to independence and suitability. The engagement CPAs have issued both a Statement of Independence and an Audit Quality Indicators (AQIs) Report, confirming that they meet the requirements for independence and suitability. Accordingly, the reliability and credibility of the financial reports issued by the engagement CPAs are assured.</p>	
IV. Has the Company assigned an adequate number of qualified corporate governance personnel and designated a Corporate Governance Officer to be responsible for corporate governance affairs, including but not limited to providing directors and supervisors with the information necessary for their duties, assisting directors and supervisors in complying with applicable	✓		<p>The Company has appointed the Vice President of the Management Center as the Corporate Governance Officer. The primary responsibilities of this position include handling matters related to the meetings of the Board of Directors and shareholders in accordance with applicable laws and regulations, providing directors with information necessary for the performance of their duties, assisting directors with onboarding and continuing education, and ensuring compliance with relevant laws and</p>	No significant difference.

Assessed items	State of Operations			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
laws and regulations, handling matters related to Board and shareholders' meetings in accordance with the law, processing company registration and amendments, and preparing minutes of Board and shareholders' meetings			<p>regulations.</p> <p>The execution status of corporate governance affairs by the Corporate Governance Manager in 2025 is as follows:</p> <ol style="list-style-type: none"> <li>1. Developing and planning corporate governance-related regulations and procedures, and reviewing and revising them to ensure compliance with legal requirements.</li> <li>2. Providing the necessary information for directors to carry out their duties and assisting them in compliance with laws and regulations.</li> <li>3. To report to the Board of Directors the results of the review on whether independent directors meet the qualification requirements prescribed by relevant laws and regulations during their respective terms of office.</li> <li>4. To plan each Board of Directors meeting, notify all directors of the meeting at least 7 days in advance, provide sufficient meeting materials, and distribute the minutes of the Board meeting within twenty 20 days after the meeting.</li> <li>5. To handle, in accordance with applicable laws and regulations, the pre-registration for shareholders' meetings; prepare meeting notices, meeting handbooks, annual reports, and minutes; and conduct corporate registration of changes (including changes in paid-in capital).</li> <li>6. In 2025, a total of 6 meetings of the Board of Directors, 6 meetings of the Audit Committee, and 1 Annual General Meeting of Shareholders were convened.</li> <li>7. All members of the Board of Directors completed at least 6 hours of continuing education courses.</li> </ol>	

Assessed items	State of Operations			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
			<p>The Chief Corporate Governance Officer completed a total of 15 hours of continuing education. For detailed information on the training courses, please refer to pages 79-80 of this Annual Report.</p> <p>8. The Company renewed its directors' and officers' liability insurance in accordance with relevant regulations and reported the renewal to the Board of Directors on May 13, 2025.</p> <p>9. To conduct performance evaluations of the Board of Directors, individual directors, and functional committees; the results of all such performance evaluations exceeded the established standards.</p>	
V. Has the Company established a channel to communicate with stakeholders (including but not limited to the shareholders, employees, customers and suppliers), and set up a stakeholder section on the Company's website, and appropriately respond to the important corporate social responsibility issues which are essential to stakeholders?	✓		<p>The Company has spokespersons and acting spokespersons, the website has a special area for interested parties, and a contact person is established for the related parties, and there are special personnel to answer the social responsibility issues of the related parties.</p> <p>The communication situation of all stakeholders in 2025 has been reported to the board of directors on Nov 06, 2025.</p>	No significant difference.
VI. Has the Company commissioned a professional stock affair agency to manage Shareholders' Meetings and other relevant affairs?	✓		The Company entrusts Grand Fortune Securities Co., Ltd. to act as the Company's shareholders service agent to handle shareholders service affairs on behalf of the Company.	No significant difference.

Assessed items	State of Operations			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
VII. Information Disclosure				
(1) Has the Company established a website to disclose information on financial operations and corporate governance?	✓		(1) The Company's website has an investor section and a corporate governance section to disclose financial operations and corporate governance information respectively.	No significant difference.
(2) Has the Company adopted other means of information disclosure (such as establishing an English language website, delegating a professional to collect and disclose Company information, implementing a spokesperson system, and disclosing the process of investor conferences on the Company website) ?	✓		(2) The Company's website has an investor section and a corporate governance section. The Company's financial, business, and related information can be found on the Market Observation Post System. The Company's dedicated personnel shall be responsible for information on the Company's financial, business, and other relevant information. The dedicated personnel shall disclose information to the Company's shareholders and stakeholders. A spokesperson and its substitution have been assigned.	No significant difference.
(3) Whether the company announces and declares the annual financial report within two months after the end of the fiscal year, and announces and declares the first, second, and third quarter financial reports and the monthly operating situation as early as the prescribed period ?	✓		(3) The financial statements for fiscal year 2025 were filed and publicly announced on February 12, 2026. The financial reports for the first, second, and third quarters of 2025 were announced on May 14, August 6, and November 7, 2025, respectively, all of which were disclosed ahead of the statutory deadlines. In addition, the Company's monthly revenue figures were also announced earlier than the required deadlines each month.	No significant difference.
VIII. Has the Company provided other information that is helpful to understand the implementation of corporate governance (including but not limited to the rights and interests of employees, employee care, investor relations, supplier relations, implementation of	✓		(1) Employee rights and employee care: The Company is used to valuing the labor-management relationship and treating the employees in good faith, and also protect the employees' legal interests and rights pursuant to the Labor Standards Act. Meanwhile, the Company builds the fair relationship of mutual trust and	No significant difference.

Assessed items	State of Operations			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
the Company's policies, and purchase of liability insurance for the Directors and Supervisors) ?			<p>reliance with the employees via various employee welfare policies and excellent educational training systems.</p> <p>(2) Investor relations: Disclose the information sufficiently via the MOPS and the Company's website to enable the investors to understand the Company's overview of operation and communicate with investors via the shareholders' meeting and spokesman.</p> <p>(3) Supplier relations: The Company maintains fair interactive relations with the suppliers and conducts audits from time to time to ensure the suppliers' quality.</p> <p>(4) Stakeholders' interests: The Company has appointed a spokesperson and an acting spokesperson, and has established a Stakeholder Section on its corporate website. Through this channel, stakeholders may communicate with the Company and offer suggestions, thereby safeguarding their lawful rights and interests.</p> <p>(5) Continuing education of directors: All of the Company's directors shall hold the related professional knowledge, attend the related courses pursuant to laws and satisfy the continuing education hours as required. Please refer to pages 79-80 of the annual report for further details of the directors' training.</p> <p>(6) Implementation of Risk Management Policy and Risk Assessment Standards: The Company has accumulated practical experience in business continuity and emergency</p>	

Assessed items	State of Operations		Explanation	Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No		
			<p>response. On February 10, 2026, the Board of Directors approved the establishment of the Risk Management Policy and Procedures to integrate the identification and management of material risks. The Company has also formulated relevant internal rules and internal control systems to prevent and mitigate various risks. In addition, the Internal Audit Department conducts regular and ad hoc reviews to examine the implementation and effectiveness of the internal control system. All related operations are carried out in accordance with existing management mechanisms, with a view to enhancing the overall operational resilience of the Company.</p> <p>(7) Implementation of customer policy: The Company maintains stable and positive relationships with its customers and adheres to a customer-first policy in order to create corporate profits.</p> <p>(8) Maintenance of liability insurance for directors: The Company has taken out the liability insurance for its directors to enhance the protection on shareholders' equity, and disclosed the relevant information in the corporate governance section on the MOPS.</p>	

Assessed items	State of Operations			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps								
	Yes	No	Explanation									
<p>IX. Please specify the status of correction based on the corporate governance assessment report released by the Corporate Governance Center of TWSE in the most recent year, and the priority corrective actions and measures against the remaining deficiencies :</p> <p>The improvement of the results of the 2025 corporate governance evaluation</p> <table border="1"> <thead> <tr> <th>Evaluation index content</th> <th>Improvement matters</th> </tr> </thead> <tbody> <tr> <td>Has the Company assigned a functional committee at the Audit Committee or Board level (e.g., Risk Management Committee) to oversee risk management, establish risk management policies and procedures approved by the Board, disclose the risk management organizational structure, risk management procedures and their operations, and report at least once a year to the Board?</td> <td>To enhance the Company's overall risk identification and control mechanisms, a Risk Management Task Force has been established under the Sustainable Development Committee. The Task Force is responsible for formulating relevant risk management policies and procedures, internal operating guidelines, and organizational structures. The Company will gradually implement a comprehensive risk management system and will regularly report the status of its execution to the Board of Directors, with the aim of strengthening overall corporate governance effectiveness.</td> </tr> <tr> <td>Has the Company disclosed a policy linking senior management remuneration to ESG-related performance evaluations?</td> <td>The Company has disclosed the linkage between the performance evaluations and remuneration of directors and managerial officers. For further details, please refer to pages 22-24 of this Annual Report.</td> </tr> <tr> <td>Has the Company established and disclosed an energy management plan and its implementation status?</td> <td>The Company has begun planning to introduce the ISO 50001 Energy Management System to enhance energy efficiency and strengthen the completeness of its energy management framework.</td> </tr> </tbody> </table>					Evaluation index content	Improvement matters	Has the Company assigned a functional committee at the Audit Committee or Board level (e.g., Risk Management Committee) to oversee risk management, establish risk management policies and procedures approved by the Board, disclose the risk management organizational structure, risk management procedures and their operations, and report at least once a year to the Board?	To enhance the Company's overall risk identification and control mechanisms, a Risk Management Task Force has been established under the Sustainable Development Committee. The Task Force is responsible for formulating relevant risk management policies and procedures, internal operating guidelines, and organizational structures. The Company will gradually implement a comprehensive risk management system and will regularly report the status of its execution to the Board of Directors, with the aim of strengthening overall corporate governance effectiveness.	Has the Company disclosed a policy linking senior management remuneration to ESG-related performance evaluations?	The Company has disclosed the linkage between the performance evaluations and remuneration of directors and managerial officers. For further details, please refer to pages 22-24 of this Annual Report.	Has the Company established and disclosed an energy management plan and its implementation status?	The Company has begun planning to introduce the ISO 50001 Energy Management System to enhance energy efficiency and strengthen the completeness of its energy management framework.
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#### 4. Composition and Operation of the Remuneration Committee and the Sustainability Development Committee

##### **Remuneration Committee**

The Company's Remuneration Committee is composed of three independent directors. Acting in a professional and objective capacity, the Committee reviews and evaluates the remuneration policies, systems, standards, and structures for the Company's directors and managerial officers, and submits recommendations to the Board of Directors for reference in decision-making.

Details regarding the members' relevant work experience, professional qualifications and expertise, and independence status are provided on pages 12-15 of this Annual Report. The Committee aims to strengthen corporate governance and to ensure a sound

and robust remuneration system for the Company's directors and managerial officers.

The operation of the Remuneration Committee is conducted in accordance with the Organizational Charter of the Remuneration Committee. The Committee's responsibilities include the following:

- A. Formulating and periodically reviewing the policies, systems, standards, and structures for the performance evaluation and remuneration of directors and managerial officers.
- B. Periodically evaluating and determining the remuneration of directors and managerial officers.

#### Operation of the Remuneration Committee

The term of the current Remuneration Committee members is from May 28, 2024 to May 27, 2027. In 2025, the Remuneration Committee convened 2 meetings (A). The attendance of the independent directors was as follows:

Title (Note1)	Name	Attendance in Person(B)	By Proxy	Attendance Rate in Person (%) (B/A)	Remarks
Convener	Guo-Chao Hong	2	0	100.00	
Member	Shih-Kuang Li	2	0	100.00	
Member	Chin-Tang Huang	2	0	100.00	

#### Other mentionable items :

I. If the Board of Directors declines to adopt or modifies a recommendation of the Remuneration Committee's proposals, it should specify the date of meeting, sessions, content of the motion, resolution by the Board of Directors and the Company's response to the Remuneration Committee's opinion (e.g., the remuneration passed by the board of directors exceeds the recommendation committee, the circumstance and cause for the difference shall be specified): None.

II. Resolutions of the Remuneration Committee objected by members or subject to a qualified opinion and recorded or declared in writing, the date of the meeting, session, content of the motion of the Remuneration Committee, all members' opinions and the response to members' opinion should be specified: None.

#### III. Operations of Remuneration Committee :

Remuneration Committee of Date	Remuneration Committee of Term	Contents of Motion	Resolution
Feb 24, 2025	5th term 2nd Meeting	<ul style="list-style-type: none"> <li>•Proposal for the Distribution of Managerial Year-End Operating Bonuses for FY 2024</li> <li>•Proposal for the Distribution of Directors' Remuneration for FY 2024</li> <li>•Proposal for the Distribution of</li> </ul>	Approved

		Employees' Compensation for FY 2024	
May 13, 2025	5th term 3rd Meeting	<ul style="list-style-type: none"> <li>•Proposal for the Allocation of Managerial and Employees' Compensation for FY 2024</li> <li>•Proposal for the Adjustment of Managerial Salaries for FY 2025</li> <li>•Proposal to Amend the Company's Regulations Governing Directors' Remuneration and Compensation Allocation</li> </ul>	Approved
<p>IV. Key Focus Areas of the Remuneration Committee in 2025:</p> <p>(1) Review of directors' and executive officers' compensation distribution</p> <p>(2) Review of executive officers' performance bonuses</p> <p>(3) Review of the president's remuneration package</p> <p>(4) Review of annual salary adjustments for executive officers</p>			

### Sustainability Development Committee

The Company's Sustainable Development Committee is composed of three independent directors. The Committee is responsible for promoting and overseeing the Company's sustainable development strategies and their implementation, and for assisting the Board of Directors in advancing the Company's long-term sustainable development.

Details of the Committee members' professional qualifications and experience are provided on pages 12-15 of this Annual Report. The operation of the Committee is conducted in accordance with the Organizational Charter of the Sustainable Development Committee. The Committee's responsibilities include:

- A. Formulating, promoting, and enhancing the Company's sustainability policies, annual plans, and strategies.
- B. Reviewing, monitoring, and revising the implementation and effectiveness of sustainability initiatives.
- C. Supervising sustainability-related disclosures and reviewing the Sustainability Report.
- D. Overseeing the implementation of the Company's Sustainability Principles and other sustainability-related initiatives as resolved by the Board of Directors.
- E. Addressing other sustainability matters as may be assigned by the Board of Directors.

Operation of the Sustainability Development Committee

Term of Office: From November 8, 2024 to May 27, 2027.

The Sustainable Development Committee convened a total of two meetings in 2025 (A).

Attendance records of the Committee members are as follows:

Title (Note1)	Name	Attendance in Person(B)	By Proxy	Attendance Rate in Person (%) (B/A)	Remarks
Convener	Shih-Kuang Li	1	0	50.00	
Member	Guo-Chao Hong	2	0	100.00	
Member	Chin-Tang Huang	2	0	100.00	

Other mentionable items :

Operations of Sustainable Development Committee :

Remuneration Committee of Date	Remuneration Committee of Term	Contents of Motion	Resolution
Feb 24, 2025	1st term 1st Meeting	<ul style="list-style-type: none"> <li>Proposal to Adjust the Organizational Structure of the Sustainable Development Executive Committee</li> <li>2024 Sustainable Development Implementation Results and Future Promotion Objectives</li> </ul>	Approved
Aug 01, 2025	1st term 2nd Meeting	<ul style="list-style-type: none"> <li>Proposal for the Company's 2024 Sustainability Report</li> </ul>	Approved

- a. Independent directors' dissenting opinions, qualified opinions, or major recommendations:  
None.
- b. Resolutions of the Remuneration Committee and the Company's handling of the Committee's opinions: All proposals were unanimously approved by the members of the Remuneration Committee.
- c. The Board of Directors adopted the Committee's recommendations without any amendments and approved all proposals.

5-1. The state of the company's promotion of sustainable development, any variance from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance

Assessed items	State of Operations			Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
I . Does the Company have a governance structure for sustainability development and a dedicated (or ad-hoc) sustainable development organization with Board of Directors authorization for senior management, which is reviewed by the Board of Directors?	✓		<p>(1) On December 28, 2022, the Board of Directors approved the establishment of the Sustainable Development Executive Committee (hereinafter referred to as the "Committee"), with the President appointed as Chief Executive. The Committee is responsible for proposing and implementing sustainability policies, systems, and action plans, and reports to the Board annually. Subsequently, on November 8, 2024, the Board further established the Sustainable Development Committee, composed of three independent directors with diverse expertise and solid practical experience. The committee oversees the company's sustainability strategy and execution, supporting the Board in driving long-term sustainable development.</p> <p>(2) Under the Committee, 8 task forces have been established based on 4 key aspects: environmental protection, social prosperity, corporate governance, and economic performance. Each task force is led by a senior executive to drive relevant initiatives. Key responsibilities include identifying material ESG issues, formulating response plans, budgeting for ESG-related activities, tracking performance, and establishing continuous improvement plans. Each task force reports quarterly to the Committee to ensure the effective integration of sustainability strategies into daily operations. In 2025, the Committee convened 3 meetings to review implementation progress, report annual outcomes, and set goals and plans for the following year.</p> <p>(3) The Committee consolidates the results of implementation and future strategies on an annual basis and regularly reports to the Sustainability Development Committee and the Board of Directors. It also reviews the feasibility of the Company's strategies and, when necessary, urges the management team to make</p>	No significant difference

Assessed items	State of Operations			Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps				
	Yes	No	Explanation					
			<p>timely adjustments. In addition to reporting on social inclusion, corporate governance, and economic performance, the Committee discloses information regarding environmental implementation. The relevant disclosure content has been approved by the Sustainability Development Committee and the Board of Directors and was presented at the meetings as follows:</p> <p>The Sustainability Report approved by the Board of Directors on August 1, 2025 disclosed, in the chapter on Environmental Management, the identification of climate change–related risks and opportunities and the corresponding response measures. The report also covered key environmental performance indicators, including greenhouse gas emissions, energy use and energy conservation achievements, renewable energy procurement, water resource reuse and recycling management, and circular utilization of waste.</p> <p>In addition, on February 10, 2026, the Committee reported on the implementation results for the year 2025 and proposed the work plan and targets for 2026.</p>					
<p>II. Does the Company follow materiality principle to conduct risk assessment for environmental, social and corporate governance topics related to company operation, and establish risk management related policy or strategy?</p>	✓		<p>The Company has prepared an annual Sustainability Report each year since 2022. The information disclosed in 2025 covers the Company's sustainability performance for the period from January to December 2025 across four key dimensions: economic, environmental, social, and corporate governance. The boundary of the risk assessment is primarily focused on the Company's operations in Taiwan.</p> <p>Based on the principles of materiality in sustainable development, the Company has identified material issues and assessed the impact of related risks, and has formulated the following risk management strategies accordingly.</p> <p>Environment Issues</p> <table border="1"> <thead> <tr> <th>Material Topics</th> <th>Risk Management Strategy</th> </tr> </thead> <tbody> <tr> <td>Energy Management</td> <td> <ul style="list-style-type: none"> <li>Enhance energy resource efficiency through process and equipment optimization, and develop renewable energy</li> </ul> </td> </tr> </tbody> </table>	Material Topics	Risk Management Strategy	Energy Management	<ul style="list-style-type: none"> <li>Enhance energy resource efficiency through process and equipment optimization, and develop renewable energy</li> </ul>	No significant difference
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Assessed items	State of Operations			Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
			<p>legal and ethical consciousness, while helping stakeholders understand the Company's code of conduct, thereby fostering a transparent and responsible corporate culture.</p> <p>Information Security Management</p> <ul style="list-style-type: none"> <li>Established an information security management framework and obtained ISO 27001 certification for international information security standards. The Company conducts regular disaster recovery drills for its information systems to ensure comprehensive confidentiality and protection of both customer and corporate data.</li> </ul> <p>Customer Service</p> <ul style="list-style-type: none"> <li>Understand customer feedback and needs to enhance satisfaction.</li> <li>Conduct customer satisfaction surveys and implement complaint-handling mechanisms to maintain service quality.</li> <li>Respond to market needs by introducing new products.</li> </ul> <p>Sustainable Supply Chain</p> <ul style="list-style-type: none"> <li>Strengthen sustainability risk management (e.g., multi-sourcing, responsible minerals sourcing, codes of conduct) to reduce the risk of operational disruption.</li> <li>Promote a green and low-carbon supply chain (e.g., local sourcing, ISO 14064 compliance) to enhance long-term supply chain sustainability.</li> </ul>	
<p>III. Environment issues</p> <p>(1) Does the company establish an appropriate environmental management system based on industry characteristics?</p>	✓		<p>(1) The company follows the PDCA of the ISO management system, and implements the ISO14001 environmental management system by establishing a complete SOP, independent internal audit and annual external audit by a third-party verification agency. Passed the ISO 14001 Environmental Management System in 2004 and verifies the effectiveness of the continuous system every year. Properly handle the waste, air pollution, wastewater discharge and other pollution generated in the production process in the factory and obtain the approval certificate issued</p>	No significant difference

Assessed items	State of Operations			Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
			<p>by the competent authority. By establishing an environmental management system and implementing specific action plans, the impact of business operations on the natural environment and human health can be reduced, and the sustainable use of energy resources can be promoted.</p> <p>The company continuously verifies the validity of the ISO 14001 certificate annually. The verification unit is the British Standards Institute (BSI). The last verification date is Oct 2024, the certificate is valid until October 7, 2028.</p>	
(2) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	✓		<p>(2) The Company remains committed to continuously improving energy efficiency. In accordance with the relevant requirements of the Energy Management Act, the Company plans and implements energy-saving programs on an annual basis to ensure that the annual energy efficiency improvement rate exceeds 1%. In addition, the Company began using renewable energy (solar power) in March 2025. The implementation results of these initiatives are regularly reported to the Sustainable Development Executive Committee to ensure effective execution and continuous improvement.</p> <p>With respect to the use of recycled materials, the Company currently primarily utilizes wafers supplied by customers and recycled target materials used in the manufacturing process, with the aim of reducing resource consumption and environmental impact. Due to product specification requirements and customer certification standards, other materials have not yet been fully replaced with recycled materials. Nevertheless, the Company will continue to evaluate feasibility and actively seek alternative solutions that meet both quality requirements and environmental sustainability goals.</p> <p>Through the aforementioned measures, the Company not only reduces the environmental impact of its operational activities but also demonstrates its commitment to sustainable resource utilization, while continuously</p>	No significant difference

Assessed items	State of Operations			Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
			promoting green manufacturing and sustainable development.	
(3) Does the Company evaluate current and future climate change potential risks and opportunities and take measures related to climate related topics?	✓		<p>(3) The Company has identified climate change as a material issue affecting its operations and has conducted scenario analyses to assess the potential risks and opportunities posed by climate change to its business, both at present and in the future. In accordance with international standards and domestic regulations, the Company has established carbon reduction targets and energy management strategies, and continues to promote the use of renewable energy, improve energy efficiency, and strengthen collaboration across the supply chain in order to mitigate climate-related risks and seize opportunities for sustainable development.</p> <p>The implementation results of relevant initiatives are regularly reported to the Sustainable Development Committee to ensure effective execution and continuous improvement. The Company obtained third-party verification of its greenhouse gas inventory in accordance with ISO 14064-1:2018 in July 2023, and completed third-party verification of its ISO 14067 Product Carbon Footprint in December 2025. Thereafter, the Company conducts annual third-party verification of its greenhouse gas emissions in accordance with ISO 14064 to confirm whether its established carbon reduction pathway is being achieved.</p> <p>In addition, the Occupational Safety Division regularly tracks and audits the implementation effectiveness of energy-saving and carbon reduction measures proposed by each department, and reports the results to the Sustainable Development Committee. Information related to climate change, including potential risks, opportunities, and corresponding response measures, is disclosed in the Environmental Sustainability section under the Sustainability area of the Company's website.</p>	No significant difference

Assessed items	State of Operations			Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps																																																						
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(4) Dose the company counted the greenhouse gas emissions, water consumption and total weight of waste in the past two years, and has it formulated policies for greenhouse gas reduction, water conservation or other waste management?	✓		<p>(4) The company is actively committed to the implementation of energy conservation and carbon reduction, water resource management and proper waste disposal. The statistics of the past two years are as follows:</p> <ol style="list-style-type: none"> <li>1. Scope: All factories in Taiwan</li> <li>2. Measurement: Measured per single product area.</li> <li>3. External authentication: The project was completed in Q1 2026.</li> <li>4. Full assurance information will be disclosed in the Sustainability Report.</li> </ol> <ul style="list-style-type: none"> <li>• Greenhouse Gas <table border="1" style="margin-left: 20px;"> <thead> <tr> <th colspan="3">Unit: ton CO2e</th> </tr> <tr> <th>Scope</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>4,679.7174</td> <td>9,819.5883</td> </tr> <tr> <td>2</td> <td>23,966.9688</td> <td>22,782.3800</td> </tr> <tr> <td>3</td> <td>10,494.8936</td> <td>11,600.7583</td> </tr> <tr> <td>Total</td> <td>39,141.5798</td> <td>44,202.7266</td> </tr> </tbody> </table> </li> <li>• Waste <table border="1" style="margin-left: 20px;"> <thead> <tr> <th colspan="3">Unit : ton</th> </tr> <tr> <th>type</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Harmful</td> <td>1,246.4460</td> <td>1,323.9730</td> </tr> <tr> <td>Non-harmful</td> <td>1,815.4821</td> <td>2,082.4850</td> </tr> </tbody> </table> </li> <li>• Environment performance of the unit product <table border="1" style="margin-left: 20px;"> <thead> <tr> <th colspan="3">Unit : per million in revenue</th> </tr> <tr> <th>item \ year</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>GHG emissions</td> <td>8.07 ton CO2e</td> <td>7.23 ton CO2e</td> </tr> <tr> <td>Water</td> <td>210.115 ton</td> <td>183.217 ton</td> </tr> <tr> <td>Waste</td> <td>0.878 ton</td> <td>0.767 ton</td> </tr> </tbody> </table> </li> <li>• Energy Usage Status (Disclosure of total annual energy consumption and the percentage of renewable energy for 2024 and 2025) <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>item \ year</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Energy (Diesel)</td> <td>2,008.545L</td> <td>4,798.245L</td> </tr> <tr> <td>Energy (Electricity)</td> <td>48,310,967 kwh</td> <td>48,064,093 kwh</td> </tr> </tbody> </table> </li> </ul>	Unit: ton CO2e			Scope	2024	2025	1	4,679.7174	9,819.5883	2	23,966.9688	22,782.3800	3	10,494.8936	11,600.7583	Total	39,141.5798	44,202.7266	Unit : ton			type	2024	2025	Harmful	1,246.4460	1,323.9730	Non-harmful	1,815.4821	2,082.4850	Unit : per million in revenue			item \ year	2024	2025	GHG emissions	8.07 ton CO2e	7.23 ton CO2e	Water	210.115 ton	183.217 ton	Waste	0.878 ton	0.767 ton	item \ year	2024	2025	Energy (Diesel)	2,008.545L	4,798.245L	Energy (Electricity)	48,310,967 kwh	48,064,093 kwh	No significant difference
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Percentage of Renewable Energy in Total Electricity Consumption (%)	0 %	8.15%								
IV. Social issues (1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		(1) The Company complies with applicable labor laws and internationally recognized human rights standards. It has established and implemented internal personnel regulations, including the Human Rights Policy, Work Rules, and Personnel Management Regulations, to explicitly safeguard employees' labor rights. These rights cover employment conditions such as recruitment, compensation, working hours, training, and promotion.  The Company ensures equal treatment without discrimination based on gender, race, age, marital status, religion, political affiliation, or family status. All forms of forced labor and discriminatory conduct are strictly prohibited, and the employment of child labor is categorically forbidden. The Company is committed to full compliance with labor laws and regulations.	No significant difference						

Assessed items	State of Operations			Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
			<p>The Company acknowledges and voluntarily adheres to internationally recognized human rights standards, including the Universal Declaration of Human Rights, the United Nations Global Compact, the UN Guiding Principles on Business and Human Rights, the International Labour Organization (ILO) Conventions, and the Responsible Business Alliance (RBA) Code of Conduct.</p> <p>The Company places great emphasis on workplace equality and the prevention of sexual harassment. In accordance with the Guidelines for the Prevention of Sexual Harassment in the Workplace, it continues to promote related education and training programs.</p> <p>In 2025, a total of 328 participants completed new employee orientation training. In addition, gender equality and workplace sexual harassment prevention courses were provided to directors, executives, and supervisors at all levels, with 115 participants completing the training during the year. These measures demonstrate the Company's commitment to fostering workplace equality and preventing sexual harassment.</p> <p>Looking ahead, the Company will continue to focus on human rights protection issues, strengthen advocacy, and promote related education and training to enhance awareness of human rights protection and reduce the likelihood of related risks.</p>	
(2)Dose the Company established appropriately managed employee welfare measures (include salary and compensation, leave and others), and link operational performance or achievements with employee salary and compensation?	✓		(2)The Company regularly benchmarks compensation-related metrics such as market salary levels and industry remuneration standards. Based on the Company's operating performance, consumer price index, and individual performance evaluations, annual salary adjustments are implemented, and holiday bonuses, year-end bonuses, and employee profit-sharing bonuses are granted. The determination of salaries and compensation is made without discrimination based on gender, age, race, religion, political affiliation, or marital status.	No significant difference

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			<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="5">2025 Gender Pay Ratio</th> </tr> <tr> <th rowspan="2">Job Category</th> <th colspan="2">Number of Employees</th> <th colspan="2">Pay Ratio</th> </tr> <tr> <th>F</th> <th>M</th> <th>F</th> <th>M</th> </tr> </thead> <tbody> <tr> <td>Managerial Positions</td> <td>35</td> <td>84</td> <td>0.79</td> <td>1.00</td> </tr> <tr> <td>Non-Managerial Positions</td> <td>220</td> <td>575</td> <td>1.03</td> <td>1.00</td> </tr> </tbody> </table> <p>Note: This ratio is calculated as the average annual salary of female employees divided by the average annual salary of male employees within the same category.</p> <p>The Company offers various incentive programs, including patent awards, proposal improvement bonuses, and MVP employee recognition. In addition to rewarding outstanding employee performance, the Company also provides long-service awards to recognize and reward senior employees.</p> <p>According to the Company's Articles of Incorporation, if the Company generates profits, 10% to 15% of such profits shall be allocated as employee remuneration. Pursuant to a resolution of the Board of Directors on February 10, 2026, 15% of the Company's 2025 profits was set aside for employee remuneration, of which 25% was further allocated to grassroots employees.</p> <p>For details regarding the Company's employee welfare policies, please refer to the "Labor Relations" section on pages 113-117 of this Annual Report.</p>	2025 Gender Pay Ratio					Job Category	Number of Employees		Pay Ratio		F	M	F	M	Managerial Positions	35	84	0.79	1.00	Non-Managerial Positions	220	575	1.03	1.00	
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(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>(3) To reduce workplace risks, weekly 6S inspections are conducted throughout the plant to identify potential abnormalities at an early stage. Through corrective actions and preventive measures, the safety of the plant's operating environment is effectively ensured.</p> <p>In addition to providing occupational safety and health education and training for all employees in accordance with applicable laws and regulations, the Occupational Safety Department continuously promotes various safety management initiatives to enhance employees' safety awareness.</p> <p>Furthermore, regular employee health examinations are arranged to help monitor employees' physical and mental well-being, safeguard their health, and foster a safe and healthy workplace environment.</p> <table border="1"> <thead> <tr> <th>Course Titles</th> <th>Frequency</th> </tr> </thead> <tbody> <tr> <td>Occupational Safety and Health Education and Training for On-the-Job Employees</td> <td rowspan="3">Semiannually</td> </tr> <tr> <td>Fire Safety Education and Training</td> </tr> <tr> <td>Chemical Hazard Communication Training</td> </tr> <tr> <td>Emergency Response Drills</td> <td>Quarterly</td> </tr> <tr> <td>Employee Health Examinations</td> <td>Every Two Years</td> </tr> <tr> <td>Health Examinations for Special Hazardous Operations</td> <td>Annually</td> </tr> <tr> <td>Health Promotion Seminars / Activities</td> <td>Quarterly</td> </tr> <tr> <td>Health Education and Awareness Programs</td> <td>Monthly</td> </tr> </tbody> </table> <p>The Company has obtained full certification for the ISO 45001 Occupational Health and Safety Management System and conducts annual surveillance audits to ensure the continued validity of the certification. The certification body is the British Standards Institution (BSI). The most recent audit was conducted in October 2025, and the certificate is valid through October 7, 2028. The scope of certification covers the existing production process areas and product</p>	Course Titles	Frequency	Occupational Safety and Health Education and Training for On-the-Job Employees	Semiannually	Fire Safety Education and Training	Chemical Hazard Communication Training	Emergency Response Drills	Quarterly	Employee Health Examinations	Every Two Years	Health Examinations for Special Hazardous Operations	Annually	Health Promotion Seminars / Activities	Quarterly	Health Education and Awareness Programs	Monthly	No significant difference
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(4) Does the company established an effective career development training program for employees?	✓		<p>(4) The Company continues to invest in training resources to support talent development. Training programs are designed according to employees' job functions and include professional knowledge enhancement, skills training, and certification support, enabling employees to continuously improve their professional capabilities. In 2025, total training hours reached 48,662 hours, with an average of 54 training hours per employee, and a total of 13,951 person-times of training completed.</p> <p>The Company continuously strengthens talent development and has established a comprehensive training framework covering employees from new hires to managerial personnel, thereby supporting the sustainable growth of the organization. In 2025, the</p>	No significant difference

Assessed items	State of Operations			Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
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			<p>Company obtained TTQS (Talent Quality-management System) certification, which demonstrates that the Company's planning and implementation of talent development systems have been officially recognized by government authorities.</p> <p>To help new employees integrate quickly into the organization, the Company provides a well-structured onboarding training program that includes corporate culture, institutional policies, occupational safety and health, departmental On-the-Job Training (OJT), and professional training. In 2025, a new professional written assessment threshold was introduced for the IDL new employee training program to strengthen competency verification. During the year, a total of 163 person-times of new employee training were conducted.</p> <p>To enhance employees' cross-border collaboration capabilities, the Company implemented the Psi E-Power English Proficiency Enhancement Program, providing English proficiency assessments and an online learning platform. Total learning hours reached 6,794 hours. In 2025, 102 employees passed the English proficiency assessments. In 2026, the Company plans to introduce an English mock examination platform to further enhance practical training and examination effectiveness.</p>	
(5) Does the Company's product and service comply with related regulations and international rules for customers' health and safety, privacy, sales, labelling and set policies to protect consumers' or customers' rights and consumer appeal procedures?	✓		<p>(5) To safeguard customer rights and interests, the Company has established the Customer Complaint Handling Standard Operating Procedures and the Customer Feedback Handling Procedures. Through continuous needs assessment, the Company continuously enhances its quality management practices and has implemented a customer service mechanism to promptly address complaints and track improvement actions.</p> <p>The Company ensures that product labeling, technical documentation, and customer communications comply with applicable regulations and international standards. All information is subject to internal review and</p>	No significant difference

Assessed items	State of Operations			Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
			<p>approval. In addition, suppliers are required to sign compliance agreements to ensure that manufacturing processes and materials meet regulatory requirements. The Company strictly adheres to the principles of the Responsible Business Alliance (RBA) and the Responsible Minerals Initiative (RMI), and is committed to avoiding the use of conflict minerals.</p> <p>Through ongoing optimization of quality management and customer feedback mechanisms, the Company aims to enhance customer satisfaction and strengthen its market competitiveness.</p> <p>The Company maintains regular and ad hoc meetings and customer visits, coupled with ongoing reviews and communication, to establish strong and long-term cooperative relationships with its customers. Dedicated service representatives are assigned to meet the needs of different customers. In accordance with the Company's Quality Policy and HSF (Hazardous Substance Free) Policy, related requirements are implemented to ensure compliance with both customer expectations and regulatory requirements.</p> <p>Customers may communicate with the Company through its official website. In addition, the Company has established a Customer Complaint Management Procedure, which requires relevant departments to acknowledge and respond to customer complaints within 24 hours of receipt and to provide an investigation report within 7 days.</p> <p>In 2025, the Company achieved a 100% on-time response rate for customer complaints, demonstrating its commitment to service quality and customer satisfaction.</p>	
(6) Does the company set supplier management policies that require suppliers to follow relevant regulations on environmental protection, occupational safety and	✓		(6) The Company has established supplier management procedures, under which all suppliers are required to sign a Supplier Commitment Statement. The statement stipulates that suppliers shall adhere to principles of ethical business conduct, intellectual property protection, and	No significant difference

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health, or labor human rights, and their implementation status?			<p>confidentiality of trade secrets.</p> <p>All contracts or purchase orders entered into between the Company and its suppliers clearly specify that suppliers are required to cooperate with the Company in implementing the Environment, Safety, Health, and Energy Management System, support energy conservation and carbon reduction initiatives, and comply with contractor safety and health regulations. Suppliers are also required not to use hazardous substances, not to use conflict minerals, and to commit to compliance with the Responsible Business Alliance (RBA) Code of Conduct.</p> <p>Through the selection of new suppliers as well as supplier audits and corrective improvement processes, the Company enhances supplier capabilities, strengthens supply chain resilience, and reduces operational risks.</p> <p>In 2025, the Company's cooperative suppliers met the following criteria:</p> <table border="1"> <tr> <td> <p><b>New supplier evaluation:</b> All new suppliers are selected through an evaluation process. Follow the supplier's code of conduct and sign a "Supplier Commitment". Raw material-related suppliers are required to pass the ISO 9001 or IATF16949 quality management system.</p> </td> </tr> <tr> <td> <p><b>Supplier audit:</b> The Company formulates an annual supplier audit plan, under which document reviews, remote (virtual) audits, and on-site audits are conducted. The Company places great importance on sustainable supplier management and incorporates environmental protection, occupational safety and health, and labor and human rights into the audit scope. For any audit non-conformities identified, suppliers are required to submit corrective action plans and improvement measures within a specified timeframe, which are subsequently verified by the Company. The annual supplier audit items cover environmental protection, occupational safety and health, and labor and human rights compliance. In addition, to continuously promote green procurement, the Company</p> </td> </tr> </table>	<p><b>New supplier evaluation:</b> All new suppliers are selected through an evaluation process. Follow the supplier's code of conduct and sign a "Supplier Commitment". Raw material-related suppliers are required to pass the ISO 9001 or IATF16949 quality management system.</p>	<p><b>Supplier audit:</b> The Company formulates an annual supplier audit plan, under which document reviews, remote (virtual) audits, and on-site audits are conducted. The Company places great importance on sustainable supplier management and incorporates environmental protection, occupational safety and health, and labor and human rights into the audit scope. For any audit non-conformities identified, suppliers are required to submit corrective action plans and improvement measures within a specified timeframe, which are subsequently verified by the Company. The annual supplier audit items cover environmental protection, occupational safety and health, and labor and human rights compliance. In addition, to continuously promote green procurement, the Company</p>	
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			<p>gives priority to suppliers that demonstrate environmental protection and carbon reduction practices.</p> <p>In 2025, the Company added 79 new suppliers, and 100% of them signed the Supplier Commitment Statement.</p> <p>Supplier Evaluation Status for FY2025:</p> <table border="1"> <thead> <tr> <th>Quarterly Evaluation</th> <th>A Grade</th> <th>B Grade</th> <th>C Grade</th> </tr> </thead> <tbody> <tr> <td>308 forms</td> <td>98.7%</td> <td>1.3%</td> <td>0%</td> </tr> <tr> <th>Rating</th> <th colspan="3">Follow-up Actions</th> </tr> <tr> <td>A</td> <td colspan="3">Approved for continued cooperation</td> </tr> <tr> <td>B</td> <td colspan="3">owngraded to Grade C if rated Grade B for three consecutive quarters</td> </tr> <tr> <td>C</td> <td colspan="3">Supplier is required to propose corrective actions and will be subject to re-evaluation; cooperation will be temporarily suspended until the supplier passes the re-evaluation</td> </tr> </tbody> </table> <p>2025 Supplier Audit Results:</p> <table border="1"> <thead> <tr> <th>Number of Suppliers Audited</th> <th>A Grade</th> <th>B Grade</th> <th>C Grade</th> </tr> </thead> <tbody> <tr> <td>11</td> <td>90.91%</td> <td>9.09%</td> <td>0%</td> </tr> <tr> <th>Rating</th> <th colspan="3">Follow-up Actions</th> </tr> <tr> <td>A</td> <td colspan="3">Approved for continued cooperation</td> </tr> <tr> <td>B</td> <td colspan="3">Improvement performance will be monitored and the procurement volume will be reduced</td> </tr> <tr> <td>C</td> <td colspan="3">Improvement performance will be monitored and the supplier phase-out mechanism will be initiated</td> </tr> </tbody> </table>	Quarterly Evaluation	A Grade	B Grade	C Grade	308 forms	98.7%	1.3%	0%	Rating	Follow-up Actions			A	Approved for continued cooperation			B	owngraded to Grade C if rated Grade B for three consecutive quarters			C	Supplier is required to propose corrective actions and will be subject to re-evaluation; cooperation will be temporarily suspended until the supplier passes the re-evaluation			Number of Suppliers Audited	A Grade	B Grade	C Grade	11	90.91%	9.09%	0%	Rating	Follow-up Actions			A	Approved for continued cooperation			B	Improvement performance will be monitored and the procurement volume will be reduced			C	Improvement performance will be monitored and the supplier phase-out mechanism will be initiated			
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V. Does the Company refer to international reporting rules or guidelines to publish Sustainability Report to disclose non-financial information of the Company? Has the said		✓	The company refers to internationally recognized reporting guidelines or standards to prepare the 2024 sustainability report, which discloses non-financial information about the company. The aforementioned report has not yet obtained the assurance or opinion of a third-party verification unit.	The research and development of obtaining third-party certification or assurance																																																

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Report acquire third party verification or statement of assurance?				opinions is underway.
<p>VI. If the company has its own sustainable development code in accordance with the "Code of Practice for the Sustainable Development of Listed OTC Companies", please describe the differences between its operation and the prescribed code:</p> <p>The Company's Board of Directors approved the establishment of the "Code of Practice for Corporate Social Responsibility" on October 16, 2017, which was amended to the "Code of Practice for Sustainable Development" by the Board of Directors on February 23, 2023, and the current operation is not materially different from the prescribed Code.</p>				
<p>VII. Other important information helpful to understand the implementation of the promotion of sustainable development:</p> <p>The specific implementation results of the company's sustainable development (ESG) in 2025 :</p> <p>1. Environment</p> <p>The Company places a strong emphasis on environmental sustainability and continues to promote energy management, greenhouse gas reduction, water resource management, and waste recycling. Through these initiatives, the Company aims to reduce the environmental impact of its operations while enhancing resource use efficiency.</p> <p>(1) Energy Management</p> <p>The Company continues to replace high energy-consumption equipment and lighting systems and integrates energy-saving devices to improve overall energy efficiency. In 2025, cumulative electricity savings reached 880,000 kWh.</p> <p>(2) Greenhouse Gas Management</p> <p>In response to capacity expansion and new equipment installations, total greenhouse gas emissions (Scope 1 + Scope 2) increased by approximately 10% in 2025 compared to 2023. Going forward, the Company will continue to implement energy-saving and carbon-reduction measures through process optimization and equipment energy efficiency management, with the aim of gradually reducing greenhouse gas emission intensity.</p> <p>(3) Water Resource Management</p> <p>By improving manufacturing efficiency and promoting water recycling and reuse, the Company seeks to reduce reliance on municipal water supplies. In 2025, the reclaimed water recovery rate reached 44%, while the process water recycling rate reached 57%.</p> <p>(4) Waste Management</p> <p>The Company continues to increase the proportion of waste reused and recycled. In 2025, the waste recycling and reuse rate reached 96%, and circular products accounted for 0.04% of total waste. These efforts demonstrate the Company's active commitment to resource circularity and waste reduction.</p> <p>2. Industry–Academia Collaboration and Social Engagement</p> <p>Through industry–academia collaboration and educational support, the Company promotes talent development within the industry while giving back to society.</p> <p>(1) Campus Engagement and Talent Development</p> <p>In 2025, the Company organized an online campus lecture series, inviting students from nearly 20 universities and colleges to participate. The sessions shared insights into semiconductor industry job roles and included interactive Q&amp;A segments. A total of 260 students participated, fostering industry–academia exchange and enhancing students' understanding of the semiconductor industry.</p>				

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<p>(2) Support for Education in Rural Areas</p> <p>The Company has long supported the educational development of Fulong Elementary School and Hengshan Junior High School in Hsinchu County by providing educational assistance resources. In addition, the Company sponsors the drum team at Fulong Elementary School and the archery team at Hengshan Junior High School, supporting students' diversified development and promoting balanced access to educational resources.</p> <p>3. Social Philanthropy and Volunteer Activities</p> <p>The Company continues to care for disadvantaged groups and encourages employees to participate in public welfare services, thereby fulfilling its corporate social responsibility.</p> <p>(1) Charitable Donations</p> <p>In 2025, the Company partnered with the Hua Shan Social Welfare Foundation to donate 200 Mid-Autumn Festival gift boxes. Donations were also made to the Children and Family Welfare League Foundation, including 320 KG of rice from Chishang, Taitung, 33 boxes of daily necessities, and a co-branded 2026 commemorative desk calendar, along with NT\$ 20,000 in children's drawing award incentives. In addition, the Company donated five refurbished computers. A total of 151 volunteer participations were recorded for charitable donation activities.</p> <p>(2) Participation in Public Welfare Activities</p> <p>In 2025, the Company organized blood donation events, collecting a total of 54,000 cc of blood, with 152 volunteer participations, demonstrating its commitment to supporting public welfare through concrete actions.</p> <p>(3) Environmental Volunteer Activities</p> <p>In 2025, the Company organized a volunteer weed-removal activity at a fishing port environmental park, with 60 employees participating. Approximately 320 KG of weeds were removed, demonstrating the Company's dedication to environmental protection through hands-on volunteer action.</p> <p>4. Consumer Rights</p> <p>Our company's primary customers are corporate clients. Although we do not directly serve end consumers, we remain committed to ensuring product quality and safety. Through a comprehensive quality management system and rigorous process controls, we ensure that our products comply with relevant regulations and meet customer requirements, thereby safeguarding customer interests and enhancing market trust.</p> <p>5. Employees and Human Rights</p> <p>The Company places great importance on diversity, inclusion, and a fair workplace environment. We are committed to fostering a friendly work environment that offers growth and development opportunities. Through talent development, employee care initiatives, and internal communication mechanisms, we continuously enhance employee engagement and organizational cohesion.</p> <p>(1) Diversity and Inclusion</p> <p>Beginning in October 2025, the Company promoted 10 foreign colleagues to mid-level management positions, without imposing any restrictions on their length of stay in Taiwan. This initiative aims to cultivate a diverse and inclusive workplace culture while retaining outstanding technical talent.</p> <p>(2) Employee Communication and Care</p> <p>The Company continues to promote employee satisfaction surveys and a new employee care program. In 2025, a total of 647 employees participated in the employee satisfaction survey, achieving a response rate of 75.2%, representing a significant increase compared to the previous year. In addition, starting in August 2025, a care questionnaire and interview mechanism was implemented for new production-line employees, with 30 care interactions conducted throughout the year.</p> <p>(3) Internal Communication Mechanisms</p> <p>Since October 2022, the General Manager has issued a monthly message titled "A Letter from the General</p>				

Assessed items	State of Operations			Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
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<p>Manager” to communicate the Company’s business direction and strengthen employee alignment and engagement.</p> <p>(4) Talent Development and Career Advancement The Company places strong emphasis on talent cultivation and the enhancement of professional competencies. It has passed the assessment and certification of the Ministry of Labor’s Talent Quality-management System (TTQS), institutionalizing its talent development framework. Furthermore, a key talent development program has been implemented, whereby each department nominates approximately 2% to 5% of high-potential employees annually for inclusion in the development pipeline, thereby building a robust talent succession structure and reinforcing the Company’s long-term growth momentum.</p> <p>(5) Continuing Education and Learning Development To encourage continuous learning and professional growth, the Company launched an on-the-job continuing education subsidy program in September 2025, offering full tuition reimbursement to eligible employees. As of the end of 2025, two employees had successfully applied for and received the subsidy, supporting the enhancement of professional capabilities and career development.</p> <p>6. Occupational Safety and Health The Company places great importance on employee health and workplace safety and continues to promote health enhancement and safety management systems to create a safe, healthy, and employee-friendly working environment. The Company has been awarded the “Sports-friendly Enterprise Certification” by the Sports Administration, Ministry of Education, encouraging employees to develop regular exercise habits. In addition, starting in 2025, the Company obtained the “Healthy Workplace Certification – Health Promotion Label” issued by the Health Promotion Administration, Ministry of Health and Welfare. This certification is valid through December 31, 2027, demonstrating the Company’s concrete achievements in workplace health management.</p> <p>(1) Occupational Health Services System The Company has established an on-site medical office and employs one full-time occupational health nurse. In addition, a specialist physician in occupational medicine provides on-site health services on a monthly basis to support employee health management and consultation. In 2025, the occupational health nurse delivered a total of 345 health-related services, while the occupational physician conducted 12 on-site service sessions and provided health consultations and education to 148 employees.</p> <p>(2) Health Examinations and Health Management The Company conducts regular employee health examinations and implements tiered follow-up management based on examination results, enabling effective monitoring of employee health conditions and the provision of appropriate health management measures.</p> <p>(3) Health Promotion and Awareness Programs The Company regularly organizes health promotion seminars and activities and disseminates health-related knowledge and event information through its internal website and email communications. In 2025, a total of 66 health promotion announcements were released, continuously enhancing employees’ health awareness.</p> <p>(4) Maternal Health Protection Program Under the maternal health protection program in 2025, health risk assessments were conducted for 9 employees, achieving a 100% completion rate. In addition, 3 employees returned to work within one year after childbirth, with follow-up assessments completed at a 100% completion rate, ensuring the health and workplace safety of female employees during pregnancy and the postpartum period.</p> <p>(5) Prevention of Overwork-related Hazards In 2025, a total of 42 employees were assessed under the overwork hazard prevention program, including 20 identified as low risk and 22 as moderate risk. Occupational medicine specialists conducted consultation interviews and continued follow-up to safeguard employees’ physical and mental well-being.</p>				

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<p>(6) Ergonomic Hazard Prevention Program</p> <p>In 2025, ergonomic risk assessments were conducted for 19 employees, among whom 4 were identified as having potential risks. Medical personnel provided follow-up on musculoskeletal discomfort, while safety officers and department supervisors jointly conducted workplace hazard assessments to reduce the risk of work-related musculoskeletal disorders.</p> <p>7. Corporate Governance</p> <p>The Company continues to strengthen its corporate governance framework, enhance transparency in information disclosure, and foster a culture of integrity and compliance, with the aim of improving operational efficiency and long-term sustainability.</p> <p>(1) Strengthening Corporate Governance</p> <p>In the 2024 Corporate Governance Evaluation, the Company ranked within the top 6% to 20% among all listed companies. In the area of sustainable governance, the Company received an A rating in the Taiwan Sustainability Assessment and achieved a B (Management) level rating in the CDP Climate Change assessment.</p> <p>(2) Enhanced Transparency in Information Disclosure</p> <p>Since 2023, the Company has published annual sustainability reports. In 2025, the Company completed the preparation of its latest sustainability report, continuing to enhance the transparency and completeness of sustainability-related information disclosure.</p> <p>(3) Ethical Management and Regulatory Compliance</p> <p>In 2025, the Company conducted four training sessions on ethical management, achieving a 100% completion rate. All suppliers are subject to integrity record assessments, and integrity clauses are explicitly incorporated into supplier contracts. No violations of ethical management principles or professional conduct were reported during the year.</p> <p>(4) Intellectual Property Management</p> <p>As of the end of 2025, the Company held a total of 1,236 intellectual property assets, including 36 patents and 1,200 trade secrets. These assets are regularly reviewed and updated to strengthen the management of technological and intellectual assets.</p> <p>(5) Information Security Management</p> <p>The Company continues to advance its information security management system and has successfully passed ISO 27001 recertification. It has also joined TWCERT/CC and the CISO Alliance to stay informed of cybersecurity intelligence. Through measures such as social engineering drills and vulnerability scanning, the Company proactively mitigates information security risks.</p> <p>(6) Sustainability Initiatives and External Recognition</p> <p>The Company actively participates in sustainability initiatives and industry collaborations. In 2025, it was once again recognized in the Top 25 of the Small and Medium Enterprise Category of Common Wealth Magazine's Corporate Citizenship Award. The Company was also selected for the FINI 100 – Top 100 Foreign Institutional Investor Picks by the Taiwan Institute of Directors and participated in the E.SUN ESG Initiative, collaborating with enterprises across sectors to advance sustainable development. These recognitions demonstrate broad acknowledgment by domestic and international institutions of the Company's achievements in sustainable governance, information transparency, and capital market performance.</p>				

## 5-2. Climate-Related Information of TWSE/TPEX Listed Company

### (1) Implementation of Climate-Related Information

Item	Implementation status																																													
<p>1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.</p> <p>(1) On November 8, 2024, the Board of Directors of the Company established the Sustainable Development Committee, composed of three independent directors, with Independent Director Shih-Kuang Lee serving as the convener. Under its supervision, the Sustainable Development Executive Committee, led by the President as authorized by the Board, is composed of senior management and holds quarterly meetings to track progress, with an annual report submitted to the Board outlining performance and future targets.</p> <p>(2) On February 10, 2026, the Company reported the implementation status of sustainability initiatives to the Board of Directors. A dedicated TCFD chapter disclosing climate-related risks and opportunities will be included in the 2025 Sustainability Report.</p> <p>(3) To enhance the Board of Directors' and management's awareness and governance capabilities regarding climate-related issues, the Company has continuously arranged climate change-related training programs for directors and the corporate governance officer from 2022 to 2025. In 2025, the total training hours amounted to 51 hours. These efforts are intended to effectively promote a shared understanding and coordinated decision-making between the Board and the management team with respect to climate-related risks and opportunities, thereby enhancing the effectiveness of sustainable governance practices.</p>																																														
<p>2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).</p> <p>Major Climate – related risks</p> <table border="1"> <thead> <tr> <th>Risk</th> <th>Type</th> <th>Risk Description</th> <th>Timeframe</th> <th>Likelihood</th> <th>Impact Severity</th> </tr> </thead> <tbody> <tr> <td>Transition Risk</td> <td>Policy &amp; Regulation</td> <td>Rising GHG emissions pricing (carbon fees)</td> <td>Medium to Long Term</td> <td>Almost Certain</td> <td>Minor</td> </tr> <tr> <td>Transition Risk</td> <td>Technology</td> <td>Cost of transitioning to low-carbon technologies</td> <td>Medium to Long Term</td> <td>Almost Certain</td> <td>Minor</td> </tr> <tr> <td>Physical Risk</td> <td>Acute</td> <td>Typhoons</td> <td>Short Term</td> <td>Likely</td> <td>Minor</td> </tr> <tr> <td>Physical Risk</td> <td>Acute</td> <td>Water Shortage</td> <td>Short Term</td> <td>Likely</td> <td>Minor</td> </tr> </tbody> </table> <p>Major Climate-Related Opportunities:</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Opportunity Description</th> <th>Timeframe</th> <th>Likelihood</th> <th>Impact Severity</th> </tr> </thead> <tbody> <tr> <td>Resource Efficiency</td> <td>Use of more efficient production processes</td> <td>Short/Medium /Long Term</td> <td>Likely</td> <td>Minor</td> </tr> <tr> <td>Energy Source</td> <td>Use of low-carbon or alternative energy</td> <td>Short/Medium /Long Term</td> <td>Likely</td> <td>Minor</td> </tr> </tbody> </table> <p>Note: Short term (1–3 years), Medium term (3–5 years), Long term (5+ years)</p>	Risk	Type	Risk Description	Timeframe	Likelihood	Impact Severity	Transition Risk	Policy & Regulation	Rising GHG emissions pricing (carbon fees)	Medium to Long Term	Almost Certain	Minor	Transition Risk	Technology	Cost of transitioning to low-carbon technologies	Medium to Long Term	Almost Certain	Minor	Physical Risk	Acute	Typhoons	Short Term	Likely	Minor	Physical Risk	Acute	Water Shortage	Short Term	Likely	Minor	Category	Opportunity Description	Timeframe	Likelihood	Impact Severity	Resource Efficiency	Use of more efficient production processes	Short/Medium /Long Term	Likely	Minor	Energy Source	Use of low-carbon or alternative energy	Short/Medium /Long Term	Likely	Minor	
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<p>3. Describe the financial impact of extreme weather events and transformative action.</p> <p>(1) Rising GHG Emission Pricing (Carbon Fee)</p> <ul style="list-style-type: none"> <li>• Risk Description: The 2023 Climate Change Response Act introduced a carbon fee mechanism targeting enterprises.</li> <li>• Strategic Response: To address tightening carbon pricing regulations, Psi plans to allocate resources for external training on carbon-related issues and implement systems such as ISO 50001, ISO 14067, and ISO 14064 to mitigate regulatory impact.</li> </ul>																																														

Item		Implementation status	
Type of Financial Impact	Potential Financial Impact	Financial Impact (Short-Term)	Financial Impact (Long-Term)
Risk-related Financial Impact	Increase in Operating Costs	Emissions are regulated, and the threshold for carbon fee collection is lowered.	
Strategic Response to Financial Impact	Increase Operating Costs	<ul style="list-style-type: none"> <li>Evaluate allocation of personnel to external training on carbon-related topics</li> <li>Plan to implement ISO 50001, ISO 14067, ISO 14064, etc.</li> <li>Install CF<sub>4</sub> exhaust treatment facilities at the Hsinchu and Chungkang Plants</li> <li>Total costs are estimated to account for approximately 0.11% of 2025 revenue</li> </ul>	Invest in Green Transportation and Green Supply Chain
	Reduce Operating Costs	<ul style="list-style-type: none"> <li>Utilizing Government Support Resources: ISO 50001, ISO 14067, ISO 14064</li> <li>The Hsinchu Plant installed its first fluorinated gas treatment system in 2023. The Chungkang Plant completed the installation of its first fluorinated gas treatment system in 2024 and its second system in 2025. Each treatment system achieves a perfluorocarbons (PFCs) removal efficiency of over 90%, effectively reducing greenhouse gas emissions.</li> </ul>	
<b>(2) Costs of Low-Carbon Technology Transition</b>			
<ul style="list-style-type: none"> <li><b>Risk Description:</b> In 2023, the Renewable Energy Development Act was passed, requiring major electricity users to install renewable energy generation facilities with a contracted capacity equivalent to 10% of their electricity usage.</li> <li><b>Strategic Response:</b> To address the increasingly stringent requirements of renewable energy regulations, low-carbon transition services, and low-carbon products and services, Psi will evaluate the purchase of renewable energy and amend the registration and sales agreement for the Fab3's solar power equipment, transitioning from feed-in tariff sales to on-site generation for self-consumption, in order to mitigate the impact of climate-related regulations.</li> </ul>			
Type of Financial Impact	Potential Financial Impact	Financial Impact (Short-Term)	Financial Impact (Long-Term)
Risk-related Financial Impact	Increase in Operating Costs	As international standards increase and the thresholds for low-carbon transformation and net-zero emissions become higher, greater costs for green energy will be incurred.	
Strategic Response to Financial Impact	Increase Operating Costs	<ul style="list-style-type: none"> <li>In 2025, the office areas of the Chungkang Plant achieved 100% utilization of solar photovoltaic (PV) power, while solar PV accounted for 10% of total electricity consumption across the plant. The proportion of solar PV usage at the Chungkang Plant is planned to increase to 20% in 2026 and 30% in 2027.</li> <li>Beginning in 2025, the Company commenced the procurement of renewable energy. The self-generated renewable energy systems at the Chungkang Plant are planned to be</li> </ul>	Continuous Use of Solar Photovoltaics

Item		Implementation status	
		<p>evaluated for conversion to self-generation and self-consumption in 2028.</p> <ul style="list-style-type: none"> <li>The total related costs are estimated to account for approximately 0.54% of revenue in 2025, 1.04% in 2026, and 0.87% in 2027.</li> </ul>	
	Reduce Operating Costs	<ul style="list-style-type: none"> <li>The Company has installed a 499.7 kW solar photovoltaic (PV) system at its plant, with all generated electricity currently sold to Taiwan Power Company under the feed-in tariff mechanism. The Company plans to evaluate converting the system to self-generation and self-consumption in 2028. Based on a total power generation of 529,584 kWh in 2025, the system is expected to increase revenue by approximately 0.06%.</li> <li>In addition, under the assumption that the carbon fee levy threshold is lowered to 20,000 metric tons and a carbon fee of NT\$500 per metric ton is imposed, the use of renewable energy and associated emission reductions are expected to help reduce carbon fee expenditures.</li> </ul>	<p>It is estimated that the carbon fee threshold will be lowered to 20,000 metric tons, with a charge of NT\$500 per ton, which is expected to reduce carbon fee expenditures.</p>

### (3) Typhoon Risk

- Risk Description:** According to IPCC AR6 under scenario SSP5-8.5, Taiwan may face a 100% increase in strong typhoons. From 2030, two annual typhoons may cause property damage and the factory shutdown.
- Strategic Response:** The company will closely monitor typhoon impacts and purchase insurance to mitigate operational risks.

Type of Financial Impact	Potential Financial Impact	Financial Impact (Short-Term)	Financial Impact (Long-Term)
Risk-related Financial Impact	Reduce Revenue	Employee unavailability may lead to abnormal production output and the inability to achieve operational targets. As a result, shutdown losses (based on one day of revenue) are estimated to account for approximately 0.27% of annual revenue.	
Strategic Response to Financial Impact	Increase Operating Costs	<ul style="list-style-type: none"> <li>Damage to Plant or Equipment</li> <li>Increase in insurance premiums related to natural disaster.</li> </ul>	
	Reduce Operating Costs	<ul style="list-style-type: none"> <li>Employee Attendance (Taxi Fees)</li> <li>Transfer insurance to reduce financial losses.</li> </ul>	

### (4) Water Shortage Risk

- Risk Description:** According to IPCC AR6 under scenario SSP5-8.5, annual total precipitation in Taiwan is projected to increase by 15%, while the number of consecutive dry days is expected to rise by 5.5%. These climate changes could lead to water supply disruptions by the local water utility, resulting in financial impacts such as reduced revenue and increased operating costs for the Company.

Item		Implementation status																			
<ul style="list-style-type: none"> <li>Strategic Response: PSI has established a long-term plan to reduce process water consumption by increasing the recycling and reuse of process water and installing additional water treatment facilities. The Company aims to introduce an internal closed-loop water recycling system to enable on-site reuse, thereby mitigating the financial impacts of potential revenue reduction and cost increases.</li> </ul>																					
Type of Financial Impact	Potential Financial Impact	Financial Impact (Short-Term)	Financial Impact (Long-Term)																		
Risk-related Financial Impact	Reduce Revenue	Failure to Meet Process Conditions Causing Line Shutdown Water shortages may result in the inability to achieve operational targets, leading to production shutdowns. The resulting shutdown losses (based on one day of revenue) are estimated to account for approximately 0.27% of annual revenue.																			
Strategic Response to Financial Impact	Increase Operating Costs	The Company plans to install a process wastewater recycling system and equipment for distilling wastewater into reusable raw materials. The related investment is estimated to account for approximately 1% of annual revenue in 2025.	<ul style="list-style-type: none"> <li>Continuously implement water conservation and water recycling measures.</li> <li>steadily expanding the installation of water recycling facilities and process wastewater recovery systems.</li> </ul>																		
<p>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</p> <p>The Company conducts a comprehensive assessment of potential climate-related risks and their financial impacts and integrates the identified risks through a structured risk identification process. Following joint discussions and reviews by senior management, climate-related issues relevant to operations are categorized and consolidated to formulate the Company’s annual key risk topics. These key climate risks are planned to be incorporated into the annual enterprise risk management program and are monitored by the Sustainability Development Executive Committee, which reports the status and outcomes to the Board of Directors on an annual basis.</p>																					
<p>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.</p> <p>Relevant departments assess the likelihood and potential impact of various risk factors in accordance with their respective responsibilities. The Company adopts the 1.5°C scenario and Taiwan’s “2050 Net-Zero Emissions Pathway and Strategy” as its transition risk scenarios, and the worst-case global warming scenario (SSP5-8.5) from the IPCC Sixth Assessment Report (AR6) as its physical risk scenario.</p> <p>Based on these scenarios and their implications for physical risks and transition risks such as regulatory changes, the Company conducts the identification and assessment of climate-related risks and opportunities.</p> <p>Likelihood Scale</p> <table border="1"> <thead> <tr> <th>level</th> <th>Frequency</th> <th>instruction</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>1 times/11~20 year</td> <td>rare</td> </tr> <tr> <td>2</td> <td>1 times/5~10 year</td> <td>unlikely</td> </tr> <tr> <td>3</td> <td>1 times/3~4 year</td> <td>Possible</td> </tr> <tr> <td>4</td> <td>1 times/2 year</td> <td>Very likely</td> </tr> <tr> <td>5</td> <td>1~2 times/1 year</td> <td>Almost Certain</td> </tr> </tbody> </table>				level	Frequency	instruction	1	1 times/11~20 year	rare	2	1 times/5~10 year	unlikely	3	1 times/3~4 year	Possible	4	1 times/2 year	Very likely	5	1~2 times/1 year	Almost Certain
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Item		Implementation status		
<b>Financial Impact Scale</b>				
Financial impact	Financial	Personnel	Downtime	Environment impact
Low risk	≤2 million	False alarm/ No injury	≤12hr	No obvious hazard
acceptable	From 2 million to 5 million	slight injury	12~24hr	Impact extends near the source of occurrence
minor	From 5 million to 10 million	Temporary Total Disability	25~48hr	Impact confined to a single area or floor
Serious	From 10 million to 20 million	Permanent Partial Disability	49~168hr	Impact extends across the entire plant
Very serious	≥ 20 million	Dead/Permanent Total Disability	≥168hr	impact extends beyond the factory
<b>Climate Scenario Setting</b>				
Types of Climate-Related Risks and Opportunities	Scenario for Strategy Evaluation		Scenario Content	
Transition Risk Opportunities	<ul style="list-style-type: none"> <li>• 1.5°C Scenario</li> <li>• Taiwan's "2050 Net-Zero Emissions Pathway and Strategy"</li> </ul>		Achieving net-zero carbon emissions by 2050 has become a global trend. In March 2022, Taiwan released the "2050 Net-Zero Emissions Pathway and Strategy Overview," which outlines four major transitions—energy, industry, lifestyle, and society—and two key governance foundations—technology R&D and climate legislation—to strictly control greenhouse gas emissions. These measures may have operational impacts on enterprises and their value chains.	
Physical Risk	The worst-case global warming scenario (SSP5-8.5) in the IPCC Sixth Assessment Report (AR6)		Under an extremely high greenhouse gas emissions scenario (SSP5-8.5), climate change is expected to intensify changes in future average temperatures, extreme heat events, total annual precipitation, maximum one-day rainfall intensity, the maximum number of consecutive dry days, and the proportion of severe typhoons. These changes may have potential operational impacts on the Company and its supply chain.	
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.				
TYPE	Climate Risk Description		Financial Impact Assessment	
Increase in Greenhouse Gas Emission Pricing (Carbon Fee Collection)	Carbon fees are levied on businesses in accordance with the Climate Change Response Act.		The carbon fee in 2025 is NT\$ 300 per ton of CO <sub>2</sub> e.	
Cost of Low-Carbon Technology Transition	In accordance with the Renewable Energy Development Act, large electricity consumers are required to install or procure green electricity equivalent to 10% of their contracted capacity.		The estimated cost of renewable energy purchases in 2025 is approximately 0.54% of revenue.	

Item	Implementation status
<p>7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated. Based on Microsoft's internal carbon pricing principles, the formula for internal carbon price is: Starting in 2025, the Company will implement an internal carbon pricing mechanism. The carbon price is determined based on environmental initiative costs, including projected renewable energy procurement expenses over the next three years and costs associated with replacing energy-intensive equipment with energy-efficient alternatives. These costs are used as the basis for setting the internal carbon price for the period 2025~2027, calculated as: Internal carbon price = environmental initiative costs ÷ total carbon reduction achieved. The internal carbon pricing framework will be applied to benefit assessments for new equipment purchases, energy-saving programs, and evaluations of the economic benefits of carbon reduction within the plant. This approach is intended to gradually embed carbon value into internal decision-making and strengthen incentives for emissions reduction. The internal carbon price established for 2025 is NTD 1,220 per metric ton of CO<sub>2</sub>e.</p>	
<p>8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified</p> <ul style="list-style-type: none"> <li>• The Company's renewable energy usage rate reached 10% in 2025 and is targeted to increase to 20% in 2026 and 30% in 2027.</li> <li>• Solar photovoltaic (PV) systems have been installed at all Company sites, with capacities of 175.5 kW and 499.7 kW, respectively. At present, all generated electricity is sold to Taiwan Power Company under the feed-in tariff mechanism. The Company plans to evaluate converting these self-built solar PV systems to self-generation and self-consumption, with implementation expected in 2028.</li> <li>• If the carbon fee levy threshold is lowered to 20,000 metric tons in the future, with a fee of NT\$500 per metric ton, the installation of solar photovoltaic systems is expected to reduce carbon fee expenditures.</li> </ul>	
<p>9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separatel fill out in points 1-1 and 1-2 below).</p>	<p>Please refer to 1-1 and 1-2 below.</p>

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

<p>Information of the Company</p> <p><input type="checkbox"/> Companies with capital of \$10 billion or more, iron and steel industry, cement industry</p> <p><input type="checkbox"/> Companies with capital of \$5 billion or more but less than \$10 billion</p> <p><input checked="" type="checkbox"/> Companies with capital less than \$5 billion</p>	<p>According to the Sustainability Roadmap, at least the following should be disclosed:</p> <p><input checked="" type="checkbox"/> Individual inventory of the parent company</p> <p><input checked="" type="checkbox"/> Individual Confirmation of the Parent Company</p> <p><input type="checkbox"/> Inventory of Consolidated Financial Reporting Subsidiaries</p> <p><input type="checkbox"/> Confirmation of Consolidated Financial Reporting Subsidiaries</p>
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Year	Indicators (Note 1)	Total Emissions (metric tons CO <sub>2</sub> e)	Density (Note 2) (metric tons CO <sub>2</sub> e)/million)	Assurance Institutions	Assured Situation
2024	Scop 1	4,679.7174	1.3176	LRQA	<ul style="list-style-type: none"> <li>• Scop: Fab 1 and Fab 3</li> <li>• Standards: ISO 14064-1:2018</li> <li>• LRQA's Opinion: The Report has been prepared in conformance with ISO 14064-1:2018.</li> </ul>
	Scop 2	23,966.9688	6.7482		
2025	Scop 1	9,820.8752	2.1775	LRQA	<ul style="list-style-type: none"> <li>• Scop: Fab 1 and Fab 3</li> <li>• Standards: ISO 14064-1:2018</li> <li>• Verification Timing: Expected to be</li> </ul>

Year	Indicators (Note 1)	Total Emissions (metric tons CO2e)	Density (Note 2) (metric tons CO2e)/million	Assurance Institutions	Assured Situation
	Scop 2	22,782.38	5.0520		completed in the second quarter of 2026, with comprehensive verified information disclosed in the sustainability report.

Note 1: Direct emissions (Scope 1, meaning emissions directly from sources owned or controlled by the company), Indirect emissions from energy (Scope 2, meaning indirect GHG emissions from imported electricity, heat or steam).

Note 2: The Company's operating revenue amounted to NT\$3,551.6 million in 2024 and NT\$4,509.587 million in 2025, respectively.

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

Describe of the baseline year and data for greenhouse gas reduction, reduction targets, strategies, specific action plans, and progress towards achieving reduction goals.
<p>1. Baseline Year and Data for Greenhouse Gas Reduction: The baseline year for greenhouse gas reduction is 2023, as verified by the certification body (LRQA). Scop 1: 7,120.8969 tonCO<sub>2</sub>e , Scop 2: 24,433.1625 tonCO<sub>2</sub>e</p> <p>2. Reduction target: By 2026, greenhouse gas emissions will decrease by over 4%. By 2030, the reduction will exceed 10%, and by 2050, carbon neutrality will be achieved.</p> <p>3. Reduction strategies:</p> <p>(1) The Company has incorporated energy conservation and carbon reduction into its key operational management priorities. By integrating resources from customers and government agencies, the Company actively implements various energy-saving and carbon reduction initiatives. An Environmental Committee has also been established to regularly review the implementation progress and effectiveness of these initiatives.</p> <p>(2) In 2025, the Company purchased a total of 4,265,406 kWh of green electricity from Sunnyfounder Co., Ltd. All purchased green electricity was supported by Renewable Energy Certificates (RECs) issued by the Taiwan Renewable Energy Certificate Center and was wheeled to the Company through Taiwan Power Company. In 2025, the Company's Scope 2 greenhouse gas emissions for the Chungkang Plant amounted to 8,374.8178 metric tons of CO<sub>2</sub>e on a location-based basis and 6,353.0139 metric tons of CO<sub>2</sub>e on a market-based basis.</p> <p>4. Specific Action Plan :</p> <p>Establishment of perfluorocarbon (PFCs) treatment equipment, with a processing efficiency verified to exceed 90% through testing. Planning to reduce energy consumption in the manufacturing process. ° Replacement of old equipment with high energy consumption.</p> <p>5. Achievement of Reduction Targets: The Company had set a target to reduce greenhouse gas emissions (Scope 1+ Scope 2) at the Hsinchu site by more than 8% by 2025; however, emissions increased by 3% during the period. This was mainly due to increased use of fluorinated gases driven by production demands, while the deployment of fluorinated gas abatement systems did not fully align with the scale of production equipment, resulting in emissions exceeding the target level.</p>

### 1-3 Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans

The Company continues to promote water reduction and circular utilization as part of its water resource management efforts. Multiple initiatives have been implemented to enhance water use efficiency and reduce wastewater discharge. These initiatives include increasing the recycling and reuse of process water and reducing overall process water consumption. In addition, the Company has introduced a process cleaning wastewater recovery system, enabling wastewater generated during cleaning processes to be reused in production, thereby reducing freshwater consumption.

At the same time, technical improvements have been made to the ultrapure water system by converting the original EDI water production method to a 3B4T water production system, combined with wastewater segregation and treatment. This ensures that wastewater from different sources is properly segregated, managed, and effectively recovered for reuse. Through these measures, the Company has not only reduced water consumption during production but also decreased wastewater discharge, significantly improving water use efficiency. These results are adopted as key indicators of the Company's annual environmental performance.

Looking ahead, the Company will continue to optimize water resource management technologies, set clear water reduction targets, and track and disclose performance through key performance indicators (KPIs) such as water recycling rate, water intensity, and wastewater reduction rate, demonstrating its commitment to circular economy practices and sustainable development.

The Company's water resource management objective is to achieve cumulative water savings. From 2023 (the baseline year) through 2025, cumulative water savings reached 1.14 million cubic meters, with a target to reach 1.6 million cubic meters by 2026.

### 1-4 Goals, Strategies, and Specific Action Plans for the Circular Economy or Waste Reduction

The Company is committed to source management, waste reduction, and the continuous improvement of resource reuse efficiency. With respect to waste treatment, the Company prioritizes the recycling and reuse of waste generated during processing through off-site transfer for appropriate treatment. These methods include cleaning and reuse, waste liquid purification, and conversion into by-products through refining processes. Thermal treatment is applied to inorganic sludge, which is reused as secondary raw material in cement production.

The Company has set a waste reutilization target of achieving a reuse rate of over 95% annually, with the waste reutilization rate reaching 96% in 2025.

In addition, due to significant ammonia water usage in production processes, the Company actively promotes circular economy practices by regarding ammonia wastewater as a reusable resource. Through distillation technology, ammonia wastewater that would otherwise require discharge is concentrated and converted into ammonia water with a concentration of 25%, which is then reintroduced into the production process.

This initiative not only effectively reduces the volume of ammonia wastewater discharged and lowers environmental impact, but also decreases the demand for externally purchased virgin ammonia water, thereby delivering dual benefits of resource circularity and cost reduction. The recovery system has already been established and is operating stably. It is estimated that approximately 162 metric tons of 25% ammonia water can be produced annually. This system is considered a core achievement of the Company's annual circular economy initiatives and is scheduled to be fully completed by April 2026.

To ensure effectiveness, the Company has established the following sustainability management indicators:

**Waste Liquid Reduction Rate:** Annual ammonia wastewater discharge reduced by at least 50% compared to the baseline year.

**Raw Material Substitution Rate:** Recovered ammonia water replacing more than 25% of externally

purchased virgin ammonia water.

Resource Recovery Volume: Annual recovery of ammonia water reaching 162 metric tons, with continuous improvement over time.

## 1-5 Energy Management Plan and Specific Action Plans (Including ISO 50001 Implementation)

The Company upholds the principle of sustainable operations and continues to promote energy conservation and carbon reduction, with the dual objectives of increasing production capacity while lowering energy consumption. In 2025, production capacity increased by 33.48% compared to 2024, while total electricity consumption decreased by approximately 246,000 kWh, resulting in a 25.46% reduction in energy intensity. These results demonstrate the Company's ongoing improvements in energy efficiency.

### I. Energy Management Strategy

#### Company-wide Engagement:

The Sustainability Development Executive Committee oversees energy management initiatives and promotes cross-departmental communication and collaboration to ensure that all business units actively implement energy-saving measures.

#### Regulatory Compliance:

All facilities operate in compliance with applicable energy-related regulations, with an annual electricity-saving target of at least 1% set for each site.

#### Continuous Improvement:

Using 2023 as the baseline year, the Company aims to achieve cumulative electricity savings of more than 1.2 million kWh by 2026. The Company also plans to complete the implementation of the ISO 50001 Energy Management System and obtain third-party certification by the end of 2026.

### II. Specific Action Plans

The Company's energy-saving measures cover utility systems, production areas, and manufacturing equipment, and are categorized into four major areas:

#### A. Process Energy Efficiency

Production processes are optimized to reduce energy waste, and high-efficiency process technologies are introduced to enhance overall energy utilization.

#### B. Use of Energy-Efficient Equipment

High energy-consuming equipment is gradually replaced with energy-efficient alternatives, including high-efficiency motors, lighting, and HVAC systems. Equipment energy consumption monitoring mechanisms are established to ensure sustained performance.

#### C. Smart Energy Management

Smart monitoring systems are implemented to enable real-time data analysis and energy-use optimization. Automation and intelligent control technologies are introduced to enhance the precision of energy management.

#### D. Adoption of Renewable Energy

The Chungang Plant began using solar photovoltaic renewable energy in March 2025, and the Hsinchu Plant will commence the use of renewable energy in January 2026.

### III. Future Outlook

#### Ongoing Energy Conservation and Carbon Reduction:

Through technological innovation and management optimization, the Company will continue to improve energy efficiency on a year-by-year basis.

#### Expansion of Renewable Energy Use:

The proportion of self-generated and self-consumed renewable energy will be gradually increased to reduce carbon emissions.

Adoption of International Standards:

The Company will complete the implementation of the ISO 50001 Energy Management System and establish a systematic energy management framework. Third-party verification will be conducted to ensure transparency, credibility, and continuous improvement.

6. The state of the company's performance in the area of ethical corporate management, any variance from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance.

Assessed items	State of Operations			Gaps with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
I. Establishment of ethical corporate management policies and programs				
(1) Does the company declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its board to implement the policies?	✓		(1) The Company has established the Code of Ethical Conduct for Directors and Managers and the Ethical Corporate Management Best Practice Principles, both of which have been approved by the Board of Directors. The Legal Department is responsible for reporting the implementation status to the Board at least once a year. These principles are strictly enforced in both internal management and external business activities in a fair, impartial, and transparent manner. To promote and reinforce ethical conduct, the Company continuously provides training to all employees and has made relevant policies available on the Company's intranet for convenient access.	No significant difference
(2) Does the company establish policies to prevent unethical conduct with clear statements regarding relevant procedures, guidelines of conduct, punishment for violation, rules of appeal, and the commitment to implement the policies?	✓		(2) The Company manages its relationships with suppliers in accordance with the Code of Ethical Conduct for Directors and Managers, the Ethical Corporate Management Best Practice Principles, and the Procedures and Guidelines for Ethical Business Practices. The Company conducts regular audits and reports to the Board of Directors at least once a year on the	No significant difference

Assessed items	State of Operations			Gaps with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
(3) Does the company establish appropriate precautions against high-potential unethical conducts or listed activities stated in Article 2, Paragraph 7 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies?	✓		<p>implementation status. Contracts with suppliers include clauses stipulating that, in the event of any unethical conduct, the Company may terminate or rescind the contract at any time.</p> <p>(3) To prevent any unethical conduct, the Company requires employees to proactively disclose any ethical concerns or conflicts of interest and comply with the relevant internal policies. A whistleblower mailbox has been established to allow employees and related parties to report any improper business conduct. Such reports are handled directly by designated members of the management team.</p>	No significant difference
<p>II. Fulfill operations integrity policy</p> <p>(1) Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?</p>	✓		(1) Prior to engaging in transactions with vendors, responsible personnel are required to review past transaction records and conduct online searches to verify whether the vendor has any history of unethical conduct. Contract terms explicitly state that the Company may terminate or rescind the contract at any time should any unethical behavior occur.	No significant difference
(2) Does the company establish an exclusively (or concurrently) dedicated unit supervised by the Board to be in charge of corporate integrity?	✓		(2) The Company has designated the Legal Department as the responsible unit for assisting the Board of Directors and management in formulating and overseeing the implementation of ethical corporate management policies and preventive measures. To ensure the effective enforcement of the ethical management guidelines, the system is reviewed at least once annually. The latest compliance report was presented to the Board	No significant difference

Assessed items	State of Operations			Gaps with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	✓		of Directors on November 6, 2025. (3)To prevent any unethical conduct, the Company requires employees to proactively disclose any ethical concerns or conflicts of interest. In 2025, no violations of professional ethics by employees were reported.	No significant difference
(4) Has the company established effective systems for both accounting and internal control to facilitate ethical corporate management, and are they audited by either internal auditors or CPAs on a regular basis?	✓		(4)The Company has established an effective accounting system and internal control system to ensure the implementation of ethical corporate management. The audit plan includes various operational cycles to verify the effective execution of ethical practices.	No significant difference
(5) Does the company regularly hold internal and external educational trainings on operational integrity?	✓		(5) In 2025, the Company conducted education and training programs related to corporate integrity and ethical management. The training topics included the prevention of insider trading, introduction to confidentiality agreements, trade secret awareness, personal data protection systems, and sexual harassment prevention. Employees were required to complete online courses and assessments, and the training completion rate reached 100%, demonstrating the Company's commitment to strengthening ethical awareness, legal compliance, and corporate governance.	No significant difference
III. Operation of the integrity channel (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?	✓		(1) The Company has established the Guidelines for Handling Employee Irregularities and Whistleblower Complaints, the Procedures for Handling Complaints and Reports, and the Whistleblower Protection Management Procedures. A dedicated whistleblower mailbox has been set up and is managed	No significant difference

Assessed items	State of Operations			Gaps with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
(2) Does the company establish standard operating procedures for confidential reporting on investigating accusation cases?	✓		by the Legal Department as the responsible unit. All cases are handled in accordance with the prescribed procedures. In 2025, the Company did not receive any whistleblower reports related to violations of ethical corporate management. (2)The Company's Ethical Corporate Management Best Practice Principles provide clear and legitimate channels for whistleblowing, which are strictly implemented. Designated personnel or units are assigned to handle the acceptance of reports and to oversee the investigation process, results, and the preparation and retention of related documentation. The Company has an obligation to protect the confidentiality of whistleblowers' identities and information.	No significant difference
(3) Does the company provide proper whistleblower protection?	✓		(3)The Company's Ethical Corporate Management Best Practice Principles also include measures to ensure that whistleblowers are protected from improper treatment as a result of their reports.	No significant difference
IV. Enhanced information disclosure (1) Does the company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS?	✓		(1) In October 2025, the Company uploaded regulations and promotional training materials related to ethical corporate management to its digital learning platform. The training programs covered topics including the prevention of insider trading, introduction to confidentiality agreements, trade secret awareness, personal data protection systems, and sexual harassment prevention.	No significant difference

Assessed items	State of Operations			Gaps with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
			<p>Employees were required to complete online courses and corresponding assessments. The training completion rate reached 100%, reflecting the Company's commitment to promoting ethical conduct, legal compliance, and sound corporate governance.</p> <p>(2) The Company's Ethical Corporate Management Best Practice Principles are publicly disclosed on both the Company's official website and the Market Observation Post System (MOPS). The effectiveness of the Company's ethical management practices is updated annually on the website, and related goals and performance are disclosed in the Company's Sustainability Report.</p>	
<p>V. 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: No significant differences.</p>				
<p>VI. Other important information to facilitate a better understanding of the company's ethical corporate management policies (under situations such as review and revision of regulations):</p> <ol style="list-style-type: none"> <li>1. The company consistently operates with integrity, transparency, and accountability, establishing policies based on integrity and fostering good corporate governance and risk management mechanisms to create a sustainable operating environment. Directors, managers, and employees represent the symbol of integrity management for the company in all internal and external business operations. The company discloses its adherence to integrity management guidelines on its external website, annual reports, and public disclosure documents.</li> <li>2. The Board of Directors of the company effectively implements a system for directors to avoid conflicts of interest.</li> <li>3. The company continually monitors the development of integrity management regulations domestically and internationally, using them as a basis for reviewing and formulating relevant management policies.</li> <li>4. The company adheres to the Company Act, Securities and Exchange Act, internationally recognized accounting standards approved by the Financial Supervisory Commission, and other relevant laws and regulations as the foundation for implementing integrity management.</li> </ol>				

7. Other Important Information Regarding Corporate Governance:

- (1) Professional Certifications Held by the Company's Financial Accounting and Audit Personnel

Certification Name	No. of Certified Personnel
Certified Public Accountant (CPA)	1
Certified Internal Auditor (CIA)	1
Professional Certification for Shareholder Services Personnel	2

(2) Training and Continuing Education of Directors, Senior Executives, and Corporate Governance Officer in 2025:

Title	Name	Training date	Institution	Training course	Training hours
Chairman	Mike Liang	2025/05/02	Securities & Futures Institute	2025 Insider Trading Prevention Seminar	3hr
		2025/08/07		Trade Secrets and Insider Trading Prevention (including Gender Equality)	3hr
Director	Wen-Cheng Cheng	2025/11/18	Chinese Corporate Governance Association	Building Sustainable Performance Indicators and Compensation	3hr
		2025/11/20	Securities & Futures Institute (SFI)	Outlook for Global and Taiwan Economic Trends in 2026	3hr
Corporate Director Representative	Shin-Chin Huang	2025/08/22	Securities & Futures Institute (SFI)	Wealth Succession and Trusts from a Corporate Governance Perspective	3hr
		2025/09/26		2025 Insider Trading Prevention Seminar	3hr
Corporate Director Representative	Yaw- Zen Chang	2025/09/04	Taiwan Project Management Association	Applications of Generative AI and ChatGPT	3hr
		2025/09/11		Financial Statement Analysis and Trends in Financial Accounting	3hr
Corporate Director Representative	Frank Liang	2025/09/18	Securities & Futures Institute (SFI)	Trends and Risk Management of Digital Technology and Artificial Intelligence	3hr
		2025/10/31		2025 Legal Compliance Seminar on Insider Equity Trading	3hr
Corporate Director Representative	Chun-Wei Liang	2025/07/09	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	6hr
Independent Director	Guo-Chao Hong	2025/01/14	Taiwan Institute for Sustainable Energy (TAISE)	Advanced Training Program for Directors and Supervisors of Listed Companies	3hr
		2025/07/09	Taipei Financial Research & Development Foundation	Corporate Governance – Financial Friendliness and Ethical Management Training	1hr
			Chinese Corporate Governance Association	Cybersecurity Governance and Case Studies	2hr
Independent Director	Chin-Tang Huang	2025/05/16	Securities & Futures Institute (SFI)	2025 Insider Trading Prevention Seminar	3hr
		2025/05/28		Practical Workshop on	9hr

Title	Name	Training date	Institution	Training course	Training hours
				Sustainability Disclosure for Listed Companies	
		2025/07/15	Chinese Corporate Governance Association	Greenhouse Gas Management Practical Workshop and Sustainability Promotion Seminar	9hr
		2025/07/17	Securities & Futures Institute (SFI)	Issuance, Impact, and Response to IFRS S1 and S2 Sustainability Disclosure Standards	3hr
Independent Director	Shih-Kuang Li	2025/07/09	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	6hr
Corporate Governance Officer	FN Huang	2025/04/16	Financial Law Institute and Crime Prevention Center	2025 Phase I Corporate Governance Practices Training – Corporate Sustainability Performance Evaluation	3hr
		2025/05/28	Accounting Research and Development Foundation	Practical Workshop on Sustainability Information Preparation and Reporting	6hr
		2025/07/09	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	6hr
Accounting supervisor	Megan Yang	2025/08/18~2025/08/19	Accounting Research and Development Foundation	Continuing Education Program for Accounting Officers of Issuers and Securities Firms	12hr
Audit Manager	Chien-Hsin Chang	2025/06/25	Institute of Internal Auditors, Taiwan	Information Governance and Internal Control Auditing (Personal Data, Trade Secrets Protection, and Artificial Intelligence)	6hr
		2025/08/25		Ethical Auditing and Professional Judgment in the AI Era: Technology Risks, Ethical Dilemmas, and New Governance Challenges	6hr

Note1: Information as of the printing date of the annual report.

#### 8. The state of implementation of the Company's internal control system

(1) The Company's 2025 Statement on Internal Control System was approved by the Board of Directors on February 10, 2026. Please visit the Market Observation Post System (MOPS) at

<https://mops.twse.com.tw/mops/#/web/t06sg20> and enter the Company Code: 8028 to access related information.

(2) CPA Audit Report Should Be Disclosed If CPA Is Entrusted To Perform Internal Audit: None.

9. As of the date of this Annual Report, the following resolutions are adopted regarding annual shareholders' meeting and Board of Directors Meeting.

(1) Important resolutions and implementation status of the annual Shareholders' Meeting.

Shareholders' Meeting	Resolution	Review of Implementation Status
Annual General Meeting of Shareholders (May 26, 2025)	Recognize the 2024 annual business report and financial statements.	Resolution was passed.
	Acknowledgment of the 2024 Earnings Distribution.	Resolution was passed. After the resolution of the shareholders' meeting, the cash dividend distribution operation was completed on July 10, 2025 (NT\$2.2per share, totaling NT\$ 379,781,673).
	Proposal for Amendments to the Company's Articles of Incorporation	RESOLVED, that the amendments were duly approved and shall be implemented in accordance with the revised Articles.

(2) Important resolutions of the Board of Directors

Board of Directors Date	Board of Directors Term	Contents of Motion
Feb 26, 2025	10th term 5th Meeting	<ol style="list-style-type: none"> <li>1. Approval of the Company's 2024 Financial Statements</li> <li>2. Evaluation of the independence and suitability of the Company's CPA</li> <li>3. Approval of the effectiveness assessment of the 2024 Internal Control System and the "Internal Control Statement"</li> <li>4. Resolution to convene the 2025 Annual Shareholders' Meeting</li> <li>5. Approval of year-end operating bonuses for managers for 2024</li> <li>6. Approval of the distribution of directors' remuneration for 2024</li> <li>7. Approval of the distribution of employees' compensation for 2024</li> </ol>
Apr 15, 2025	10th term 6th Meeting	<ol style="list-style-type: none"> <li>1. Approval of the Company's 2024 Business Report</li> <li>2. Approval of the proposal for 2024 earnings distribution</li> <li>3. Amendment to the Company's Articles of Incorporation</li> <li>4. Amendment to the Organizational Charter of the Audit Committee</li> <li>5. Approval of loan and financing credit limits with financial institutions</li> </ol>
May 13, 2025	10th term 7th Meeting	<ol style="list-style-type: none"> <li>1. Approval of the Company's Q1 2025 Financial Statements</li> <li>2. Approval of the distribution of managers' and employees' compensation for 2024</li> <li>3. Approval of salary adjustments for managers for 2025</li> <li>4. Amendment to the "Directors' Remuneration and Compensation Distribution Policy"</li> </ol>
Aug 1, 2025	10th term 8th Meeting	<ol style="list-style-type: none"> <li>1. Approval of the Company's Q2 2025 Financial Statements</li> <li>2. Approval of the Company's 2024 Sustainability Report</li> <li>3. Approval of capital expenditure proposal</li> <li>4. Approval of loan and financing credit limits with financial institutions</li> <li>5. Approval of issuance of new shares from the Company's second domestic unsecured convertible bonds and determination of the</li> </ol>

Board of Directors Date	Board of Directors Term	Contents of Motion
		capital increase record date
Nov 6, 2025	10th term 9th Meeting	<ol style="list-style-type: none"> <li>1. Approval of the Company's Q3 2025 Financial Statements</li> <li>2. Approval of the 2026 Internal Audit Plan</li> <li>3. Resolution on the scope of entry-level employees of the Company</li> <li>4. Approval of issuance of new shares from the Company's second domestic unsecured convertible bonds and determination of the capital increase record date</li> <li>5. Amendment to the issuance and conversion terms of the Company's second domestic unsecured convertible bonds</li> <li>6. Approval of loan and financing credit limits with financial institutions</li> </ol>
Dec 30, 2025	10th term 10th Meeting	<ol style="list-style-type: none"> <li>1. Approval of the Company's 2026 Operating Plan</li> <li>2. Amendment to the Company's Internal Control System</li> <li>3. Amendment to the "Performance Evaluation Measures for the Board of Directors and Functional Committees"</li> </ol>
Feb 10, 2026	10th term 11th Meeting	<ol style="list-style-type: none"> <li>1. Approval of the Company's 2025 Financial Statements</li> <li>2. Approval of the Company's 2025 Business Report</li> <li>3. Approval of the proposal for 2025 earnings distribution</li> <li>4. Evaluation of the independence and suitability of the Company's CPA</li> <li>5. Approval of the effectiveness assessment of the 2025 Internal Control System and the "Internal Control Statement"</li> <li>6. Approval of issuance of new shares from the Company's second domestic unsecured convertible bonds and determination of the capital increase record date</li> <li>7. Adoption of the Company's "Risk Management Policies and Procedures"</li> <li>8. Resolution to convene the 2026 Annual Shareholders' Meeting</li> <li>9. Approval of year-end operating bonuses for managers for 2025</li> <li>10. Approval of the distribution of directors' remuneration for 2025</li> <li>11. Approval of the distribution of employees' compensation for 2025</li> <li>12. Approval of syndicated credit facilities with financial institutions</li> <li>13. Approval of loan and financing credit limits with financial institutions</li> </ol>

10. During the most recent fiscal year and up to the date of publication of this Annual Report, there were no dissenting opinions, records, or written statements from any Director regarding resolutions passed by the Board of Directors: None.

iv. Information Regarding Audit Fees

1. Information on CPA Fees

Unit: NT\$ thousand

Accounting Firm	Name of CPA	Audit Period	Audit Fees	Non-Audit Fees	Total	Remarks
PwC Taiwan	Chien-Yu Liu	Jan 1, 2025   Dec 31, 2025	1,880	1,090	2,970	Non-audit fees mainly related to tax audit and certification services; regulatory filing and capital verification for the issuance of unsecured convertible corporate bonds and changes in registration; bonded inventory verification and settlement certification; matters related to the application of tax incentives under the Statute for Industrial Innovation; and a project concerning the calculation basis of management fees charged by the Science Park Administration.
	Tien-Yi Lee					

2. When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous year, the reduction in the amount of audit fees, reduction percentage, and reasons, therefore shall be disclosed: None.
3. When the audit fees paid for the current year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reasons, therefore shall be disclosed: None.
4. The audit fees include fees paid by the Company to the CPA for the audit, review and second review of financial reports, and for financial forecast reviews.

v. Information on replacement of Independent Auditors

1. Regarding the former CPA

Date of replacement	Since the financial statements of the first quarter of 2024.		
Replacement reasons and explanations	To accommodate the internal adjustment of PwC Taiwan, the Company's CPA were changed from Chien-Yu Liu and Chih-Cheng Hsieh to Chien-Yu Liu and Tien-yi Li.		
Describe whether the Company is terminated or the CPA did not accept the appointment	Party Condition	CPA	Consignor
	Engagement terminated automatically	Not applicable	Not applicable
	Engagement discontinued	Not applicable	Not applicable
The Opinions other than Unmodified Opinion Issued within the last 2 years and the reason for the Said Opinion	None.		

Any disagreement in Opinion with the issuer	Yes	Accounting principles or practices
		Disclosure of financial report
		Scope or procedure of auditing
		Others
	No	V
		Explanation
Supplementary Disclosure (Specific Disclosures mentioned in Article 10.6.1.4~7 of the Regulation)	None.	

## 2. Regarding the successor CPA

Name of the firm	PwC Taiwan
Name of CPA	Chien-Yu Liu and Tien-yi Li.
Date of appointment	Since the financial statements of the first quarter of 2024
Prior to the Formal Engagement, Any Inquiry or Consultation on the Accounting Treatment or Accounting Principles for Specific Transactions, and the Type of Audit Opinion that Might be Rendered on the Financial Report	Internal audit firm adjustment, not applicable.
Written Opinions from the successor CPA that are Different from the Former CPA Opinions	Internal audit firm adjustment, not applicable.

## 3. The Reply of Former CPAs on Article 10.6.1 and Article 10.6.2.3 of the Regulations Governing Information to be Published in Annual Reports of Public Companies:

Not applicable

vi. The Chairperson, President, Finance or Accounting Manager Who Has Worked in the Accounting Firm or Affiliates in the Most Recent Year, the Name, Position and the Service Period Shall Be Disclosed: None.

vii. Changes in Share Transfers and Pledge of Shares by Directors, Managers, and Shareholders Holding More Than 10% of Shares During the Most Recent Fiscal Year and up to the Date of Publication of this Annual Report:

### 1. Changes in Shareholding of Directors, Managers, and Major Shareholders:

Unit: Shares

Title (Note1)	Name	2025 (Note2)		Current year to Mar 23, 2026	
		Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged
Chairman	Mike Liang	-	-	-	-
Director	Wen-Cheng Cheng	-	-	-	-
Director	Ting Dong Liang Investment Co., Ltd	150,000	-	-	-
	Representative : Shin-Chin Huang	-	-	-	-
Director	Min Ho Shuen Investments	-	-	-	-
	Yaw Zen- Chang	-	-	-	-

Title (Note1)	Name	2025 (Note2)		Current year to Mar 23, 2026	
		Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged
Director	Gallant Precision Machining Co., Ltd.	-	-	-	-
	Representative : Frank Liang	-	-	-	-
Director	Acter Group Co Ltd	-	-	-	-
	Representative: Chun-Wei Liang	-	-	-	-
Independent Director	Guo-Chao Hong	-	-	-	-
Independent Director	Shih-Kuang Li	-	-	-	-
Independent Director	Chin-Tang Huang	-	-	-	-
President	Tony Tsai	17,333	-	-	-
Senior Vice President	FN Huang	-	-	4,000	-
Vice President	Eric Pan	-	-	20,000	-
Vice President	TK Huang	-	-	-	-
Vice President	CM Ho	(12,919)	-	(8,000)	-
Accounting officer	Megan Yang	-	-	(4,000)	-
Financial officer	Yun-Jia Shan	-	-	(2,000)	-

Note 1: Refers to those who were in office as of the publication date of the Annual Report.

Note 2: Changes in shareholding are disclosed only for directors or managers during their term of office. Monthly changes in shareholding can be found in the "Changes in Shareholding of Directors, Supervisors, Managers, and Shareholders Holding More Than 10%" section on the Market Observation Post System (MOPS).

2. Shares Trading with Related Parties: None.

3. Shares Pledge with Related Parties: None.

viii. Relationship Information of the Top 10 Shareholders among who are Related Parties

Mar 23, 2026 ; Unit: Shares ; %

Name	Shareholding		Shareholding under spouse or underage children		Shareholding under other		Among who are related parties		Remarks
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Name	Relationship	
Gallant Precision Machining Co., Ltd. Chairman: Jason Chen	8,999,461	5.02	-	-	-	-	None	None	-
	11,048	0.01	-	-	-	-	None	None	-
Acter Group Co., Ltd. Chairman: Chin-li Liang	6,460,456	3.60	-	-	-	-	None	None	-
	0	0	-	-	-	-	None	None	-
Chen, Tzu-Yuan	4,500,000	2.51	-	-	-	-	-	-	-
JPMorgan, held in custody by the Banking Department of Standard Chartered Bank (Taiwan) Limited.	3,346,402	1.87	-	-	-	-	-	-	-
UBS Europe SE Investment Account, held in custody by Citibank.	2,927,729	1.63	-	-	-	-	-	-	-
Wen- Cheng Cheng	2,828,277	1.58	-	-	-	-	None	None	-
Held in custody by HSBC Bank (Taiwan) Limited	2,779,717	1.27	-	-	-	-	-	-	-
Min Ho Shuen Investments Co., Ltd Chairman: Yaw- Zen Chang	2,256,245	1.26	-	-	-	-	None	None	-
	1,846,662	1.03	524,302	0.29	-	-	None	None	-
Ting Dong Liang Investment Co., Ltd. Chairman: Ding, Bai-Zong	1,893,000	1.06	-	-	-	-	-	-	-
	1,564,000	0.87	-	-	-	-	-	-	-
New Labor Pension Fund	1,867,700	1.04	-	-	-	-	-	-	-

ix. Total Numbers and Equity of Shares Held in any Single Enterprise by the Company, Directors, Supervisors, Managers and Any Companies Controlled Either Directly or Indirectly by the Company: None.

### III Capital Overview

#### i. Capital and Shares

##### 1. Source of capital

As of March 31, 2026 Units: NT\$ thousand; thousand shares

Year/ month	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Remarks		
		Shares (thousand shares)	Amount (NT\$ thousands)	Shares (thousand shares)	Amount (NT\$ thousands)	Source of capital	Capital Increased by Assets Other than Cash	Other
Sep 2025	10	400,000	4,000,000	172,630	1,726,302	Corporate bond conversion	None	Note 1
Nov 2025	10	400,000	4,000,000	174,073	1,740,736	Corporate bond conversion	None	Note 2
Mar 2026	10	400,000	4,000,000	175,283	1,752,830	Corporate bond conversion	None	Note 3
-	10	400,000	4,000,000	179,471	1,794,917	Corporate bond conversion	None	Note 4

Note1: Sep 2, 2025, Zhu-Shang No. 1140027600

Note2: Nov 26, 2025, Zhu-Shang No. 1140037446

Note3: Mar 13, 2026, Zhu-Shang No. 1150007589

Note4: As of the printing date of the annual report, the number of outstanding shares after the conversion of corporate bonds has not yet been registered for change.

Units: Shares

Type of Stock	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Ordinary share	179,491,729	220,508,271	400,000,000	The stock is an TSE stock

##### 2. Major Shareholders (Top ten shareholders)

Mar 23, 2026 ; Unit: Person; Share; %

Name of Major Shareholders	Number of shares held	Percentage (%)
Gallant Precision Machining Co., Ltd.	8,999,461	5.02
Acter Group Co., Ltd.	6,460,456	3.60
Chen, Tzu-Yuan	4,500,000	2.51
JPMorgan, held in custody by the Banking Department of Standard Chartered Bank (Taiwan) Limited.	3,346,402	1.87
UBS Europe SE Investment Account, held in custody by Citibank.	2,927,729	1.63
Wen- Cheng Cheng	2,828,277	1.58
Held in custody by HSBC Bank (Taiwan) Limited	2,279,717	1.27
Min Ho Shuen Investments Co., Ltd	2,256,245	1.26
Ting Dong Liang Investment Co., Ltd.	1,893,000	1.06
New Labor Pension Fund	1,867,700	1.04

### 3. Dividend Policy and Execution Status

#### (1) Dividend Policy

If there is a surplus in the annual final accounts, it should first make up for the losses, pay taxes, and deposit 10% as the statutory surplus reserve. However, the statutory surplus reserve is not included in the total capital. The Company shall provide or revolve special surplus reserves as needed. The balance plus the previously undistributed surplus is the distributable surplus. Depending on the Company's operating conditions, the Board of Directors shall make the shareholder's dividend and dividend distribution proposal and submit the proposal to the shareholders' meeting for resolution.

If the Company distributes dividends and bonuses or statutory surplus reserve and capital reserve, if it is paid in cash, the board of directors is authorized to attend with more than two-thirds of the directors, and more than half of the Directors present agree to do so, and report to the shareholders meeting. The provisions of the preceding paragraph shall be subject to the resolution of the shareholders meeting.

When forming its dividend policy, the Corporation considers various factors such as its plans relating to current and future development, the overall investment environment, its financial needs, competition in the domestic and foreign markets, as well as the interest of shareholders and the principles of stability and balance in the distribution of dividends. Each year it will set aside as shareholder dividends an amount of not less than 10% of the earnings available for distribution. Dividends to shareholders may be distributed in cash or shares, but in any event the amount of cash dividends may not be less than 50 % of the total dividends.

#### (2) Proposed dividend distribution of shareholders' meeting

A. The proposed dividend distribution on the year 2025 as below :

Unit: NT\$

Item	Amount
Unappropriated retained earnings at beginning of year	352,029,273
Actuarial (loss) gain included retained earning	(957,928)
2025 net income after tax	756,578,032
Legal reserve	(75,562,010)
Earnings available for distribution	1,032,087,367
Common shares cash dividends (per share NT\$2.8)	(490,792,641)
Unappropriated retained earnings at end of year	541,294,726

Note1 : The distribution of 2025 retained earnings not yet approved by Shareholders' Meeting.

Note2 : According to the Ministry of Finance letter No. 871941343, dated April 30, 1998, the principle of distributing the Company's earnings is to distribute the 2025 year's earnings first. If there is a shortfall, it will be distributed in the order of first-in, first-out, in the year in which the surplus is generated.

#### 4. Impact of the Stock Dividend Proposal of this Shareholders meeting on Operational Performance and Earning per Share: None.

5. Employee Bonus and Directors' Remuneration:

- (1) Ratio or scope of compensation to employees and directors, as set forth in the Company's Articles of Incorporation:

The Company shall allocate between 10% and 15% of its annual profits as employee compensation. Of the aforesaid employee compensation, no less than 25% shall be allocated to non-management (rank-and-file) employees. The Company shall allocate no more than 2% of its annual profits as directors' remuneration. However, if the Company has accumulated losses, such losses shall first be offset.

The employee compensation could either be distributed via share or cash, entitled employees include subsidiaries' employees who meet the conditions.

The current year's profit situation referred to in the first item refers to the current year's pre-tax benefits minus the distribution of employee's compensation and directors' remuneration.

- (2) Accounting treatment for the difference between the estimated remuneration to employees, directors and supervisors and the actual amount distributed:

The company provides remuneration to employees and directors in proportion to the company's articles of association. Under the current expenses, the amount of remuneration for employees is NT\$159,313 thousand and the amount of directors' remuneration is NT\$21,242 thousand. There is no difference between the allotment amount and the annual estimated amount of the recognized expense, so there is no need to disclose the difference, the reason and the handling situation.

- (3) Information on the amount of compensation for distribution as approved by the Board of Directors:

- A. The compensation of employees, directors and supervisors is distributed in the form of cash dividend or stock dividend. If there is any discrepancy between the actual distributed amount and figure, the difference, reason and response should be disclosed:

2025 remuneration for employees and directors was approved by the Board of Directors on February 10, 2026 as follows:

Unit: shares, NT\$ thousand

Distribution	Actual distributed amount as resolved by the Shareholders' Meeting	The original estimated amount approved by the Board of Directors	Differences	Reason for difference
Employee cash dividends	159,313	159,313	0	-
Employee stock dividends	-	-	-	-
Remuneration of directors	21,242	21,242	0	-

- B. The amount of stock dividend and ratio of the total net profit after-tax and individual employee compensation or standalone financial report for the current period: None.

- (4) The actual distributed compensation to employees and remuneration to directors and supervisors in the previous year:

Unit: shares, NT\$ thousand

Distribution	Actual distributed amount as resolved by the Shareholders' Meeting	The original estimated amount approved by the Board of Directors	Differences	Reason for difference
Employee cash dividends	101,014	101,014	0	-
Employee stock dividends	-	-	-	-
Remuneration of directors	13,469	13,469	0	-

On February 24, 2025, the Board resolved to appropriate compensation to employees for 2024 in the amount of NT\$101,014 thousand and remuneration to directors of NT\$13,469 thousand. There is no difference between the actual number of distributions and the number of recognitions.

6. Repurchase by the Company of its own shares : None.

ii. Issuance of Corporate Bonds:

1. Issuance of Corporate Bonds

Type of Corporate Bonds	Second Domestic Unsecured Convertible Bonds	
Issuance (Processing) Date	January 22, 2025	
Par Value	NT\$ 100,000	
Issuance and Trading Location	Taiwan / Taipei Exchange (TPEX)	
Issuance Price	103.5% of par value	
Total Amount Issued	NT\$ 2 billion	
Interest Rate	0%	
Term	5 years; maturity date: January 22, 2030	
Guarantor	None	
Trustee	Taipei Fubon Commercial Bank Co., Ltd., Trust Department	
Underwriter	SinoPac Securities Corporation	
Legal Counsel (Certifying Lawyer)	Not applicable	
Certifying CPA	Not applicable	
Repayment Method	Bondholders may convert the bonds into the Company's common shares according to Article 10 of the Conversion Rules for the Second Domestic Unsecured Convertible Bonds, or the Company may redeem them early under Article 18 of the Rules. Otherwise, the Company will repay the bonds in full in cash at maturity based on the bond's face value.	
Outstanding Principal	NT\$1,052,800 thousand	
Terms of Redemption or Early Repayment	Please refer to the Company's Rules for the Issuance and Conversion of Convertible Bonds.	
Restriction Clauses	None	
Credit Rating Agency Name, Rating Date, and Rating Result	Not applicable	
Other Rights Attached	Amount Already Converted (Exchanged or Subscribed) into Common Shares, GDRs, or Other Securities as of the Date of Publication of the Annual Report	As of March 31, 2026, a total of 6,863,696 common shares had been converted, with an aggregate amount of NT\$947,200 thousand.
	Issuance and Conversion (Exchange or Subscription) Method	Please refer to the Company's Rules for the Issuance and Conversion of Convertible Bonds.

Type of Corporate Bonds	Second Domestic Unsecured Convertible Bonds
Impact of Issuance, Conversion, Exchange, or Subscription Conditions on Equity Dilution and Shareholder Rights	The issuance of these unsecured convertible bonds is primarily intended for the purchase of machinery and equipment and repayment of bank loans, aiming to support future operational development and moderately improve the Company's financial structure. This move is expected to enhance the Company's competitiveness and provide strong support for overall business growth, positively impacting earnings per share (EPS) in future fiscal years without causing profit dilution. The Company has carefully considered its future development prospects, and the terms of issuance have been designed to protect shareholder rights. The impact on equity dilution is controllable and does not pose any significant risk.
Custodian for Exchange Underlying Assets	Not applicable

## 2. Convertible Bond Information

Type of Corporate Bonds	Second Domestic Unsecured Convertible Bonds	
	year	As of the Date of Publication of the 2026 Annual Report
Convertible Bond Market Price	Highest	149.5
	Lowest	95
	Average	118.38
Conversion Price	NT\$ 138	
Issuance (Processing) Date and Conversion Price at Issuance	issued on January 22, 2025, with an initial conversion price of NT\$ 140.3	
Method of Fulfilling Conversion Obligations	Delivery by Issuance of New Shares	

iii. Status of Preferred Stocks: None.

iv. GDR Issuance: None

v. Employee Stock Options: None.

vi. Status of New Shares Issuance of Limited Stocks for Employees: None.

vii. Status of New Shares Issuance in Connection with Mergers and Acquisitions: None.

viii. Financing Plans and Implementation:

In 2025, the Company issued its second domestic unsecured convertible corporate bonds.

1. Total Funds Required for the Plan:

NT\$2,083,401 thousand, including NT\$1,083,401 thousand for the acquisition of machinery and equipment and NT\$1,000,000 thousand for the repayment of bank borrowings.

2. Source of Funds:

The Company had fully received proceeds totaling NT\$2,074,846 thousand as of January 20, 2025. The shortfall of NT\$8,555 thousand was covered by the Company's own funds or bank financing.

3. Status of Implementation:

As of the fourth quarter of 2025, the fund utilization plan has been fully executed as planned.

## IV Operational Highlights

### i. Business Activities

#### 1. Business Scope

##### (1) Business scope

The main business of the company is research and development, manufacturing, and sales of semiconductor wafer processing services, including providing wafer reclaim and wafer thinning process services. The end products are mainly used in semiconductor wafer processing service, consumer electronics, industrial electronics, and automotive electronic components.

##### (2) Business proportion

Unit: NT\$ thousand ; %

Item \ Year	2024		2025	
	Net operating revenue	Proportion %	Net operating revenue	Proportion %
Semiconductor wafer service	3,551,607	100.00	4,509,587	100.00
Total	3,551,607	100.00	4,509,587	100.00

##### (3) Current Products and Service

Item	product name		Main purpose or function
semiconductor wafer service	Wafer reclaim	6", 8", 12" wafer reclaim	Used by IC manufacturers for machine testing and process data validation.
		8", 12" test wafer	Used by IC manufacturers for quality verification of thin films for various processes.
	Wafer thinning	6", 8", 12" wafer thinning	Consumer and industrial electronics, power management for automotive and aerospace applications, medical and optoelectronics-related optoelectronic semiconductor components.
		Wafer Frontside and backside metal process	

##### (4) Future New Products and Services

- A. 12-inch, 15nm recycled wafer technology development.
- B. 12-inch, advanced technology development of recycled wafer with low copper content (polishing and cleaning process).
- C. 12-inch, high flatness test wafer development.
- D. 12-inch, Silicon / Silicon carbide carrier wafer development.
- E. Grinding, etching and metal sputter processes development for 6 / 8-inch Wide Band Gap high power device wafers.
- F. 12" MOSFET wafer grinding, etching and metal coating process development.
- G. Point of care diagnostic system: Mono/ multiple protein chips.
- H. Point of care diagnosis chip: Nucleic acid chip.
- I. The customized biochip design and manufacture service.

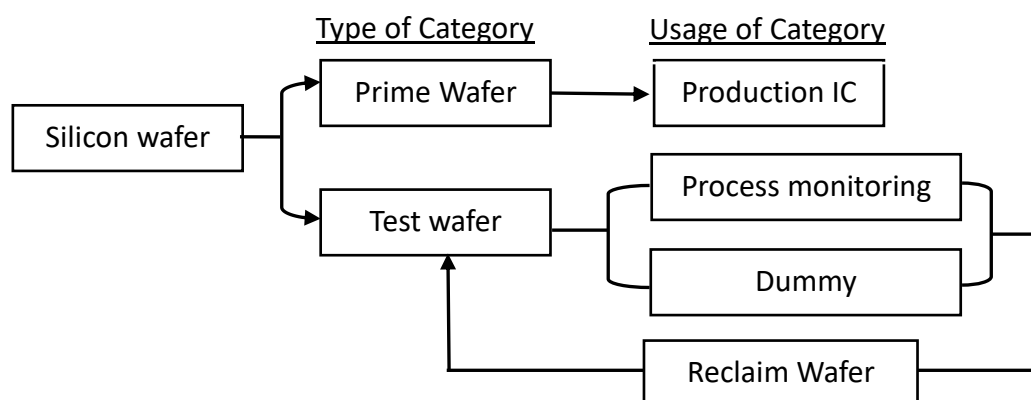
## 2. Industry Overview

### (1) Current status and development of the industry

The company belongs to the semiconductor industry, and semiconductor wafer processing services include wafer reclaim and wafer thinning process services. The following are the main service items for regenerated wafers and product wafer thinning process services.

#### A. Wafer reclaim contract manufacturing service

In the classification of silicon wafers, there are different ways to distinguish them according to their size or usage characteristics. In response to the trend of larger size, 12-inch silicon wafers are currently the mainstream product, which can be divided into two categories based on their properties, namely product wafers and test wafers.



【Source: Psi】

The growth of the wafer reclaim market is highly positively correlated with the proportion of advanced process nodes and wafer starts.

According to a report by Grand View Research, the global wafer reclaim market was valued at approximately USD 600 million in 2025, is expected to reach USD 630 million in 2026, and is projected to grow to USD 890 million by 2034, representing a compound annual growth rate (CAGR) of 4.2%.

In addition, Gartner, Inc. estimates that global semiconductor revenue totaled USD 793 billion in 2025, representing a 21% increase compared to 2024, and is forecast to exceed USD 1 trillion in 2026, with an annual growth rate of 26%.

Furthermore, a report by the World Semiconductor Trade Statistics (WSTS) organization indicates that demand for AI-related products is the primary driving force behind market growth.

Taiwan leads the way in advanced foundry processes. As demand from advanced foundries grows, our business grows in tandem with our customers' demand for recycled wafers.

### Global Semiconductor Market Revenue Forecast

Spring 2024	Amounts in US\$M			Year on Year Growth in %		
	2024	2025	2026	2024	2025	2026
<b>Americas</b>	195,123	<b>230,256</b>	<b>252,472</b>	45.2	18.0	9.6
<b>Europe</b>	51,250	<b>52,969</b>	<b>56,201</b>	-8.1	3.4	6.1
<b>Japan</b>	46,739	<b>47,037</b>	<b>49,776</b>	0.0	0.6	5.8
<b>Asia Pacific</b>	337,437	<b>370,613</b>	<b>402,252</b>	16.4	9.8	8.5
<b>Total World - \$M</b>	630,549	<b>700,874</b>	<b>760,700</b>	19.7	11.2	8.5
<b>Discrete Semiconductor</b>	31,026	<b>30,219</b>	<b>32,733</b>	-12.7	-2.6	8.3
<b>Optoelectronics</b>	41,095	<b>39,290</b>	<b>39,956</b>	-4.8	-4.4	1.7
<b>Sensors</b>	18,923	<b>19,782</b>	<b>20,622</b>	-4.1	4.5	4.2
<b>Integrated Circuits</b>	539,505	<b>611,582</b>	<b>667,390</b>	25.9	13.4	9.1
Analog	79,588	<b>81,642</b>	<b>85,535</b>	-2.0	2.6	4.8
Micro	78,633	<b>77,840</b>	<b>80,186</b>	3.0	-1.0	3.0
Logic	215,768	<b>267,259</b>	<b>286,842</b>	20.8	23.9	7.3
Memory	165,516	<b>184,841</b>	<b>214,826</b>	79.3	11.7	16.2
<b>Total Products - \$M</b>	630,549	<b>700,874</b>	<b>760,700</b>	19.7	11.2	8.5

Source: : WSTS Semiconductor Market Forecast Spring 2025

#### B. Wafer Thinning Processing Outsourcing Services

Wafer thinning technology is classified as a mid-end semiconductor process, positioned between front-end (front-side) and back-end (back-side) manufacturing. With the rapid advancement of heterogeneous integration and packaging technologies, a range of emerging technologies has gradually evolved, including wafer bumping and wafer-level packaging (WLP) solutions such as fan-out WLP, WLCSP, 3D WLP, and wafer-level optics (WL optics). Associated process technologies encompass photolithography, wafer thinning, backside grinding, and backside metal deposition.

From the perspective of the overall IC supply chain—covering both IDM output value and outsourced foundry revenue—the combined output value of IC design and wafer manufacturing has exceeded USD 500 billion, accounting for approximately 90% of the total supply chain. Back-end processes represent around 9%, while mid-end processes account for slightly over 1%. Despite their relatively small share, mid-end processes serve as a critical and indispensable enabler for high-performance advanced packaging.

In recent years, benefiting from the rapid growth of the consumer electronics market and computer system upgrades driven by operating system advancements, demand for power management ICs and discrete components has increased significantly. This trend has, in turn, driven parallel expansion in the market scale for related foundry process services. In particular, leading international IDM manufacturers—such as NXP, Renesas, Infineon, Texas Instruments, and STMicroelectronics—have gradually released portions of their internal process capacity and shifted toward an OEM (Original Equipment Manufacturing) model, resulting in a marked increase in market demand for mid- and back-end foundry services.

Meanwhile, considering chip characteristics and packaging requirements, the majority of design houses are concentrated in Taiwan and mainland China. This geographic concentration has further stimulated synchronized growth in

production demand for analog component wafer fabs and foundries across both regions. In recent years, geopolitical factors such as the U.S.–China trade war have significantly increased demand for advanced wafer thinning and packaging services in Southeast Asia. At the same time, mainland Chinese wafer fabs have increasingly shifted 12-inch mature process capacity toward the manufacturing of analog ICs and power semiconductors, forming a critical inflection point in wafer thinning design strategies.

Such consumer-oriented products typically require backside thinning and metal deposition processes, further expanding the development potential and growth space of the mid- and back-end semiconductor foundry industries.

The growth of the power semiconductor device market is primarily driven by the following factors:

(a) High-Performance Computing and Data Centers:

With the growing demand for AI computing and cloud services, energy consumption in data centers has become an increasingly critical issue. Power semiconductors can significantly enhance power delivery and thermal management efficiency, thereby reducing overall energy consumption. Under the ongoing evolution of Moore’s Law, some IDM companies have begun integrating power semiconductor devices from discrete components into integrated Driver MOS ICs, or assembling discrete components into module-based solutions. As a result, business opportunities associated with the industry’s transition from 8-inch to 12-inch wafers have been quietly emerging.

(b) Energy Conservation and Carbon Reduction Policies:

Governments worldwide are actively promoting energy efficiency improvements and carbon emission reductions. This trend is driving increased demand for power semiconductor devices in applications such as electric vehicles, smart grids, and industrial automation.

(c) Rapid Growth of the Electric Vehicle (EV) Market:

The widespread adoption of electric vehicles (EVs) and hybrid electric vehicles (HEVs) is accelerating the use of power semiconductors—such as SiC and GaN devices—in on-board chargers, motor drives, and inverter systems.

(d) Renewable Energy Development:

Green energy systems, such as solar and wind power, require high-performance power semiconductors to improve power conversion efficiency and minimize energy loss.

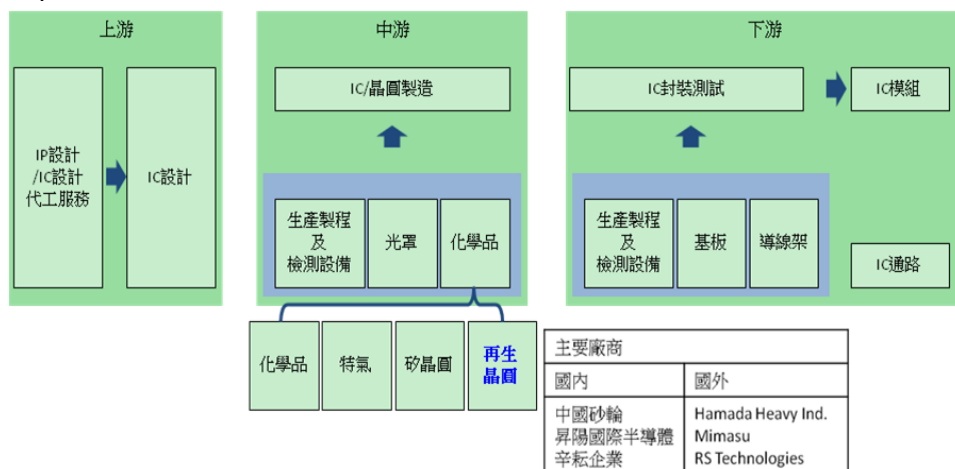
(e) Industrial and Home Appliance Upgrades:

The advancement of smart factories, industrial automation, energy management systems, and high-efficiency home appliances (e.g., inverter air conditioners and refrigerators) has increased the reliance on high-efficiency power components, thereby promoting broader adoption of power semiconductors in end-use applications.

According to analysis by Yano Research Institute, the global power semiconductor market is expected to maintain steady growth in the coming years. Growth will be particularly strong in segments such as electric vehicles, renewable energy, industrial automation, and home appliances. The adoption of new material technologies—such as silicon carbide (SiC) and gallium nitride (GaN)—is expected to further expand the overall market size and increase the rate of technology penetration.

(2) Interrelationship between upstream, midstream, and downstream in the industry

The IC manufacturing process includes design, manufacturing, packaging, and testing. It mainly involves converting the designed circuit layout into a photomask, which is then used to mass-produce ICs. The silicon wafers produced by the wafer fab are inspected for defects, and the good dies are cut from the wafers and then packaged and tested. International companies mostly operate in a vertically integrated manner, from design, manufacturing, packaging, testing, and even system products (IDM; Integrated Device Manufacturer). Taiwanese companies adopt a more efficient and specialized vertical division of labor system, divided into upstream IC design, midstream IC photomask, manufacturing, and downstream IC packaging and testing industries, emphasizing professional division of labor. Our company mainly engages in wafer reclaim and wafer thinning process services. The recycled wafers are processed using special chemicals to acid wash, polish, and clean the customer's wafers in sequence, and then provide the IC manufacturing industry with regenerated wafers with high cleanliness for monitoring the process quality. The wafer thinning process is used to reduce the thickness of the wafers after manufacturing, deposit metal on the front and back, and test before packaging. Therefore, the semiconductor services provided by our company are wafer manufacturing services in the semiconductor manufacturing industry, belonging to the midstream of the entire industry supply chain. The interrelationships between upstream, midstream, and downstream are listed as follows:



【 source: OTC , Introduction to Semiconductor Industry Chain and Psi 】

### (3) Product Development Trends and Competitive Landscape

#### A. Wafer Reclaim Contract Manufacturing Services

Taiwan currently has the highest concentration of 12-inch semiconductor fabs worldwide and stands as one of the most competitive semiconductor manufacturing hubs globally. Evidently, from a domestic market perspective, as semiconductor manufacturers continue to develop advanced process technologies, the volume of business related to 12-inch reclaimed wafers has shown sustained and significant growth. To date, major semiconductor players in Taiwan—including TSMC, Micron, UMC, PSMC, Nanya Technology, Macronix, and Winbond, among others—have actively participated in 12-inch wafer manufacturing, all of which demonstrate strong demand for reclaimed wafers used in process monitoring and control.

As semiconductor process technologies continue to advance toward the 2 nm node and advanced packaging applications, demand for test wafers has increased accordingly. From a cost management perspective, reclaimed wafers offer a clear cost advantage over test wafers, driving customers to place higher requirements on reclaimed wafer cleanliness while also expanding the utilization rate of reclaimed wafers. Looking ahead, with the continued growth of the semiconductor industry, market demand for reclaimed wafers is expected to maintain an upward trajectory.

#### B. Wafer Thinning Processing Outsourcing Services

With the trend towards lighter, thinner, shorter, smaller, and more energy-efficient 3C products, the electronics industry continues to shrink the size of integrated circuits. However, the degree to which the transistor, the basic building block of ICs, can be miniaturized is limited by existing physical constraints. As a result, effective wafer thinning is necessary to reduce the TSV channel width in 3D ICs, further shrinking the footprint of ICs, and the design of silicon wafer thinning is essential for controlling the thickness of the final product in chip design (SoC). The demand for thinning processes has evolved from the initial 260um to the current 38um (1.5 mil) technology.

Our company has been deeply engaged in the wafer reclaim industry for more than a decade, during which we have accumulated mature and stable capabilities in wafer thinning and etching roughening technologies. By introducing e-beam evaporation and sputtering technologies, we have established a comprehensive backside grinding and metallization process platform. Leveraging this foundation, we actively expand service offerings for Driver MOS, Power Driver ICs, TMBS (Trench MOS Barrier Schottky), SBR (Schottky Barrier Diode), as well as general silicon wafer thinning and metallization services.

In addition, the Company has completed the deployment of front-side metal sputtering for product wafers and electrical characteristic testing, thereby establishing a comprehensive, end-to-end wafer-level process capability for semiconductor products. As wafer breakage risks increase significantly during

transportation after thinning, customers are increasingly inclined to select service providers with integrated solution capabilities—namely, those able to complete multiple processes within a single foundry—to reduce logistics costs and process-related risks. In response to this industry trend, mid-end service providers are actively expanding their process portfolios to include both front- and backside metallization as well as pre-packaging wafer-level testing.

By leveraging our existing technical expertise and process integration advantages, the Company continues to enhance customer stickiness while strengthening its overall market competitiveness.

Driven by the rapid development of artificial intelligence (AI) and automotive electronics, demand for power semiconductors has increased significantly. At the same time, 12-inch fabs in Mainland China have continued to strengthen their capabilities in BGBM (Backside Grinding and Backside Metallization), while one-stop packaging and testing services offered by fabs in Mainland China and South Korea—under the FSM (Full Service Model) covering UBM, BGBM, and CP testing—have gradually matured and gained momentum. As a result, industry competition has become increasingly intense.

In the field of wafer thinning foundry services, Psi has already established a leading position in Taiwan in terms of 8-inch wafer thinning technology, process yield performance, and one-stop turnkey service offerings. Moreover, the company has been actively investing in R&D for 12-inch wafer thinning technologies as well as 8-inch third-generation semiconductor-related technologies, and is expected to achieve mass production capabilities in the near future.

#### (4) Possible future competitors in the market

##### A. Wafer reclaim foundry services

Japanese reclaim wafer suppliers such as RS Tech and HAMADA, which have been affected by the transformation of the Japanese semiconductor industry, are actively expanding into the Taiwanese and Chinese markets, thereby forming a competitive relationship with our company. However, after continuously improving the quality, widening the gap between us and our competitors, and effectively controlling costs, our company has become the main supplier of regenerated wafers for semiconductor foundries, and can provide high-specification products for customers to use in the most advanced processes. Among many competitors, we still have a clear advantage.

##### B. Wafer thinning foundry services

In addition to the aforementioned Taiwanese manufacturers and Hangzhou Silan Microelectronics, several 12-inch foundries in China are also actively promoting 12-inch BGBM wafering services.

AVIC Semiconductor: As an important part of China's military and power semiconductor supply chain, AVIC Semiconductor has invested in 8-inch and 12-inch power semiconductor manufacturing processes. HHGrace: One of China's major power semiconductor foundries, HHGrace provides 8-inch and 12-inch BGBM process

services. CSMC (China Resources Microelectronics): Specializing in power semiconductor foundry services, CSMC possesses backside metallization capabilities and offers wafer foundry services for IGBT, MOSFET, and SiC devices.

### 3. Technology and R&D Overview

#### (1) R&D expenses for the year 2025 and up to the issuance date of this annual report

Unit: NT\$ thousand

Item/Year	2025	2026 First Quarter (Note)
R&D expenses	97,288	21,766
Operating revenue	4,509,587	1,303,393
R&D expenses of operating revenue (%)	2.16	1.67

Note: The Financial Report for the first quarter of 2026 have not yet been reviewed by the CPA.

#### (2) Newly Developed Technology and Products in Recent Years

Product Category	R & D results	Benefits
Wafer reclaim foundry service	Technology to reduce metal residue on surface	To reduce surface metal contamination on test and carrier wafers, thereby improving the cleanliness of reclaimed wafers and reinforcing customer demand for high-standard, high-quality products.
	12" flat & low trace metal test wafer process technology	Developing new process technologies to meet the advanced processing demands of AI products
Power Device wafer thinning process service.	6"/8" GaN wafer thinning process development	The development of GaN (gallium nitride) power device wafer thinning at thicknesses of 150 μm and 300 μm, along with backside metallization processes, has been successfully completed and has entered the sample qualification and validation phase with international customers.
	12" MOSFET wafer BGBM process technology development	The company has established comprehensive wafer thinning process capabilities and has entered the sample qualification and validation phase with international customers.
Point of care diagnosis chip	protein chips	The chip-based detection platform offers key advantages including high sensitivity (pg/mL level), high recovery rates (80–120%), and rapid response time (<30 minutes). It enables customers to obtain real-time sample information while requiring only a minimal sample volume, effectively meeting the needs of time-critical diagnostics. In serum sample validation, the multi-analyte four-in-one composite chip achieved specificity and sensitivity exceeding 90%, demonstrating its

Product Category	R & D results	Benefits
		capability to meet market demands for rapid and simultaneous multi-target detection.
	Nucleic acid chip	The bacterial multiplex detection chip is designed for the detection of both Gram-negative and Gram-positive bacteria. The manufacturing process achieves a process variation of less than 15%, while overall chip performance meets industry requirements. With a response time of under one hour, the chip is well suited for point-of-care (POC) applications.
	The customized biochip service for academic research institutions	Providing comprehensive end-to-end services for customized diagnostic chips, including chip design and fabrication, as well as reagent development services.

#### 4. Long and Short-Term Business Development Plan

##### (1) short-term Plan

###### A. Marketing Strategy

- a. Our company's top priority in management is customer satisfaction, improving yield rates, maintaining short and stable lead times, and providing prompt resolution to customer complaints, all following QS9000 operation processes, to comprehensively enhance competitiveness.
- b. We are committed to meeting the increasing demands of our business and actively seeking various production solutions based on different customer usage characteristics, formulating marketing strategies, actively developing domestic and foreign markets, and meeting customer needs.

###### B. Production Strategy

- a. In line with market strategy, fully utilize machine capacity, improve yield, shorten delivery time, meet different product demands in the market, and develop unique products based on core technologies to differentiate ourselves from competitors.
- b. Implement quality management systems to further enhance our company's quality image, and improve competitiveness.

###### C. R&D Strategy

Our R&D philosophy centers on the development of higher value-added existing products, utilizing innovation to enhance value, drive profitability, and establish a leading advantage in the market.

##### (2) Long-term Plan

###### A. Marketing Strategy

- a. In addition to our current domestic and international clientele, we are actively expanding into the Asia-Pacific, European, and American markets to diversify our global footprint. Simultaneously, we are enhancing the international marketing expertise of our sales team through targeted training to provide more comprehensive customer service.
- b. Through the established domestic customer base, actively introduce new processes and equipment and promote them to top international factories to establish a dual barrier of technology and marketing.

**B. Production Strategy**

The Company has established long-term strategic partnerships with major domestic and international wafer fabs, key customers, and distributor partners, ensuring stable wafer supply quality and secure sales channels to achieve mutual growth and shared success. At the same time, the Company actively promotes and implements key quality management certifications, including IATF 16949 (automotive quality management certification) and ISO 13485 (medical device quality management certification), comprehensively enhancing both quality and production scale, with the goal of becoming a world-class foundry service provider.

To support and meet growing customer demand, the Company has continuously expanded its production capacity and, in 2025, became the world’s largest wafer reclaim foundry. In addition, the Chungkang Plant in Taichung commenced operations in June 2022, adopting automated overhead hoist transport (OHT) systems to enable efficient and intelligent manufacturing. Since then, the Company has continued to scale up capacity and output through ongoing expansion initiatives, further strengthening its production capabilities.

**C. R&D Strategy**

- a. Create more core technologies to develop high-value-added products in line with the improvement of production processes and continue to research related technologies.
- b. Seek cooperation with academic research institutions or wafer manufacturing peers at home and abroad to obtain key technologies to enhance product levels and accelerate product development.

**ii. Markets and Sales Overview**

**1. Market analysis**

**(1) Sales Area**

Unit: NT\$ thousand ; %

Area \ Year		2024		2025	
		Amount	%	Amount	%
Domestic sales		3,016,433	84.93	3,921,171	86.95
Export	Asia	325,357	9.16	227,454	5.05

Area	Year	2024		2025	
		Amount	%	Amount	%
	Americas	203,927	5.74	354,989	7.87
	Europe	5,890	0.17	5,973	0.13
	Sub-total	535,174	15.07	588,416	13.05
	Total	3,551,607	100.00	4,509,587	100.00

## (2) Market share

Wafer reclaim focuses on regional services. According to statistical data, according to statistics, major suppliers in Taiwan's wafer reclaim market include our company, RS, Kinik and Scientech.

According to Psi's own statistics from the second half of 2025, our company's current 12-inch reclaim wafer production capacity accounts for approximately 55-60% of the Taiwan market share. Although there is no public research organization to quantify the exact proportion of the wafer thinning market, our company has a monthly production capacity of approximately 40,000 wafers, accounting for approximately 20% of the Taiwan market, and mainly serves well-known vertically integrated manufacturers (IDMs) and IC design companies at home and abroad. Our company has a certain operating scale and corporate image in the industry, providing a reference and learning direction for competitors in the same industry

## (3) Future market supply and demand and growth prospects:

### A. Wafer reclaim foundry services

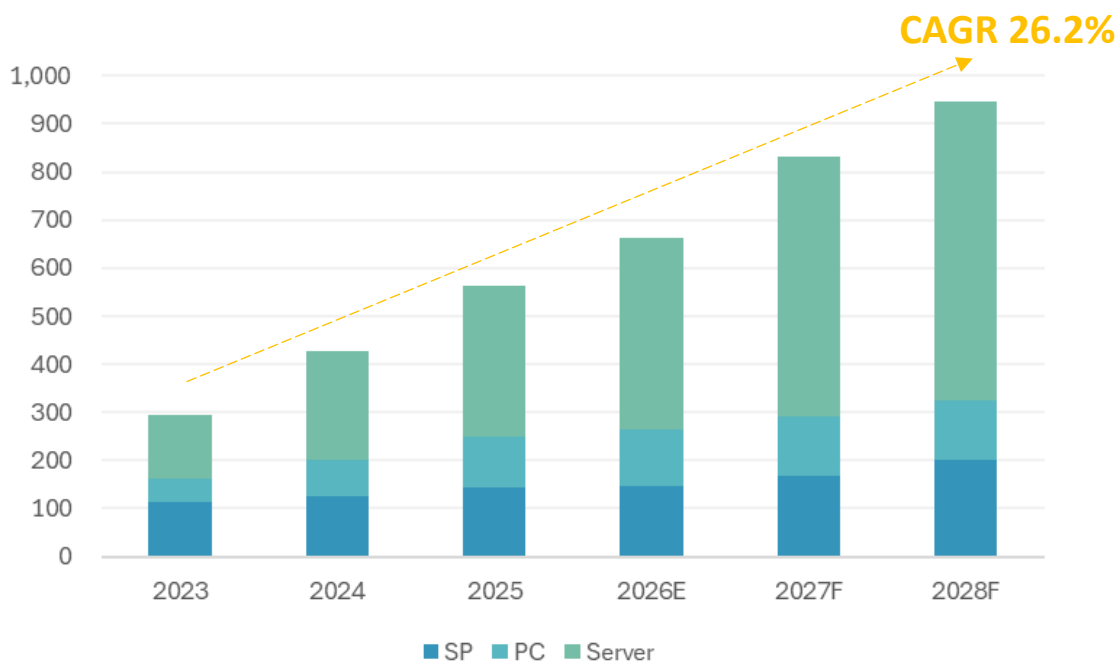
Wafer reclaim foundry services are inherently regional, with customers primarily being local wafer foundry companies.

As wafer sizes increase, stricter product cleanliness requirements and substantial capital expenditures on equipment create high entry barriers. Except for a few Japanese semiconductor companies that have entered the wafer reclaim business as part of their industrial transformation and emerged as major new competitors, the structural barriers of this industry make it difficult for new entrants. As a result, Taiwan's wafer reclaim industry has developed into an oligopolistic market.

Based on relevant research reports, the Company estimates that from 2023 to 2028, the compound annual growth rate (CAGR) of capacity for advanced process technologies is expected to exceed 26%, primarily driven by strong growth in three major application areas: AI servers, AI-powered personal computers, and intelligent electric vehicles. These applications not only significantly increase demand for wafers, but also accelerate the rise in capacity requirements for advanced process technologies below 7 nanometers. For example, AI servers consume approximately 3.8 times the volume of advanced-process wafers required by general-purpose servers. This trend raises the technological threshold and capacity requirements for semiconductor manufacturing, further driving technological upgrades and innovative development across the industry. Looking ahead, in view of strong market and customer demand, the Company will timely plan capital

expenditures to meet both the quality and volume requirements of its customers.

This trend raises the technical barriers and capacity requirements of semiconductor manufacturing, further driving technological upgrading and innovative development across the industry. Looking ahead, in light of continued robust market momentum and strong customer demand, the Company will prudently plan capital expenditures to ensure that both quality and volume requirements of customers are fully met.



【Advanced process capacity growth forecast. Source: SEMI, Sumco, and Psi analysis.】

## B. Wafer Thinning Foundry Services

Wafer thinning can effectively reduce the on-resistance ( $R_{DS(on)}$ ) of power semiconductors, thereby minimizing power losses during conduction and enabling low-power operation. It is a key process technology that enhances device performance. As high-value-added power semiconductors transition toward 12-inch wafers and the demand for high-frequency switching and fast charging in electric vehicles increases rapidly, our company has collaborated with customers to jointly develop 12-inch wafer thinning processes for analog ICs and compound semiconductor (e.g., SiC-based) thinning services to meet growing market demand. In addition, with countries worldwide promoting ESG-driven sustainable development, the power semiconductor device market is expected to continue expanding.

Driver MOS (Dr. MOS) technology integrates three discrete components—the gate driver IC, high-side MOSFET, and low-side MOSFET—into a single, highly integrated device using quad flat no-lead (QFN) packaging, enabling more efficient power management. As CPU and GPU power requirements continue to rise, Dr. MOS solutions, compared with discrete components, can significantly reduce parasitic capacitance and inductance, thereby lowering switching losses and improving overall power efficiency.

Furthermore, the increasing demand driven by AI servers and the rapid iteration of GPU architectures has accelerated the trend toward higher integration of driver ICs and MOSFETs, making wafer thinning requirements increasingly critical for Dr. MOS technologies. At the same time, the declining production costs of silicon carbide (SiC) have further promoted its adoption, providing more stable power delivery for CPUs and GPUs while effectively reducing the number of required power components.

According to a study by Yano Research Institute of Japan, the global power semiconductor market (based on vendor shipment volume) is expected to experience steady growth in the coming years. This growth will be driven by demand from home appliances, next-generation vehicles (including EVs and HEVs), renewable energy equipment, and factory automation.

#### (4) Competitive advantage

##### A. High production technology content

Our company has professional technical personnel and continuously improved professional technology, providing semiconductor manufacturers with highly efficient technical services. Our performance in terms of removal rate, flatness, and cleanliness can meet the strict quality control requirements of our customers, not only meeting their quality and production capacity needs but also providing them with cost-saving solutions. Our thinning process technology and high yield in the production process have achieved a production record equivalent to more than 7 million 8-inch wafers.

##### B. Our customers are mostly international well-known semiconductor giants, which enhances market competitiveness.

Our company is located in a highly competitive production center with a high density of 12-inch semiconductor factories, close to the semiconductor industry chain. Our process capabilities have been certified by end customers, and we maintain a close relationship with our customers in both business and production personnel who actively cooperate with customer needs. Our research and development personnel plan ahead for new product applications and establish a new type of supply chain and value chain services for our customers. We are committed to improving product yield and reducing unnecessary costs, successfully surpassing foreign competitors in terms of delivery time, flexibility, and cost advantages. We have gained recognition from international well-known semiconductor customers and have been awarded the Outstanding Supplier Award. Our technical capabilities are highly recognized by international giants, which is one of our company's advantages for future market competition.

##### C. Multiple patent layout

In addition to continuously enhancing process capabilities and exploring new product applications, our company also maintains a focus on reclaiming wafer processes and patents related to wafer thinning. We have obtained several invention patents and utility model patents, with several invention patents awaiting approval.

The strategic deployment of these patents and trade secrets will be key to differentiating our company from competitors and standing out in the industry.

D. Production line automation

In addition to process technology, our company has also introduced a fully automated production line. In addition to maintaining high-quality production, this production line can further improve production efficiency and reduce labor costs. Under mass production, customers will have more competitive space, and it will also be helpful for business expansion.

(5) Favorable and unfavorable factors for future development and response strategies

A. Favorable factors

a. Complete professional division of labor in the domestic semiconductor industry

The Taiwanese semiconductor industry has the advantage of a complete upstream and downstream industry chain, high degree of professional division of labor, significant industry cluster effect, and perfect peripheral support industry. The foundries, packaging, and testing factories all have economies of scale, specialized manufacturing capabilities, flexible production scheduling, world-class service quality, and quick response capabilities, which can provide high-quality and internationally competitive products. This will be a major foundation for future development.

b. The industry and end-market applications to which the products belong will continue to grow in the future

The products served by the company are used in consumer electronics, smart cars, and the Internet of Things (IoT) products. The main product in the consumer electronics market is smartphones, although the growth rate of the smartphone market has slowed down, demand remains high. Handheld mobile devices and other consumer electronics products continue to pursue the characteristics of being light, thin, short, small, and low power consumption, which requires increasingly specialized processes for wafers and sensors. Smart cars will replace traditional cars and become mainstream, and the widespread use of sensors is critical for achieving smart cars. The demand for sensors in the IoT is particularly high, and it is expected that the application areas of the process services provided by the company will become more extensive in the future, and demand will continue to grow.

c. Customers are mostly internationally renowned companies

Most of our customers are globally renowned semiconductor giants. By obtaining ISO9001 and IEQC certifications as guarantees of production quality, we also assist our customers in establishing related product information and providing real-time technical support. We engage in long-term and continuous

cooperation with our customers to develop new applications for products, such as the development of new materials, front-end metal processing, and wafer testing. We aim to establish new types of supply chain and value chain services for our customers and maintain a close cooperative relationship with them. We have been awarded the Annual Outstanding Supplier Award by our customers and expect to continue our close cooperation with them, leading to stable business growth.

B. Adverse Factors and Response Strategies

- a. The market changes rapidly, and the life cycle of end-use products is short, and competition is fierce.

Semiconductor technology is constantly evolving, and product functionality and specifications are constantly being updated. Rapid market demand changes require the midstream semiconductor manufacturing industry to constantly improve R&D and manufacturing processes to keep up with upstream IC design companies and wafer foundries' new product development process applications and meet the trend of lighter, thinner, shorter, and smaller end products.

Response strategies:

In response to the continuous evolution of the semiconductor industry and its underlying technologies, the Company's competitive advantage lies in the ongoing development of advanced processes and new technologies, the strengthening of strategic partnerships with key customers, and the integration of upstream and downstream industry technologies to provide high value-added foundry services. These efforts support leading global customers in gaining market share. With the steady emergence of markets such as automotive electronics, the Internet of Things (IoT), and artificial intelligence (AI), our major customers have begun diversifying their product portfolios to mitigate operational risks arising from weakening demand for mature products. Looking ahead, by continuing to collaborate with leading international clients and leveraging the Company's diverse foundry capabilities, we aim to broaden the application scope of our services and effectively respond to rapid market changes and increasing industry competition.

- b. Risk of R&D talent loss

With the continuous development of the semiconductor industry, the demand for R&D talent from domestic and foreign semiconductor companies has increased, making R&D talent gradually scarce. Experienced R&D personnel often become targets for recruitment by competitors, creating a risk of talent loss.

Response strategy:

The company establishes a mechanism for cultivating technical personnel through the transfer of knowledge from senior technical personnel, sharing of practical experience, case studies, and internal education and training to reduce the impact of personnel turnover. At the same time, the company actively recruits outstanding talent to build a strong R&D team. In addition, the company provides a good working environment and establishes a systematized employee benefit and reward system to enhance employee morale. For R&D personnel, the company requires them to sign confidentiality agreements and appropriately save data related to the technologies they have developed to prevent the risk of technology loss due to personnel turnover. In addition, the Company continues to promote long-term stock subscription and employee stock ownership trust plans for key talents, and has increased the company's contribution ratio for stock ownership trusts to 50% since December 2025 to strengthen the long-term incentive mechanism and in the future, we can share the Company's operating results with our employees through the issuance of employee stock option certificates, new shares with restricted employee rights, and employee compensation and other tools, in order to increase the centripetal force of our employees.

- c. Companies with wafer production experience entering the competitive foundry services market

The emerging mid-end industry that our company belongs to is a focus of attention in the semiconductor upstream and downstream industry chains. These emerging technology methods were originally part of various industry supply chains, resulting in an industry gray area. Both front-end and back-end semiconductor manufacturers want to enter the mid-end process. Back-end testing and packaging companies and printed circuit board manufacturers have also become potential competitors in the emerging embedded die and interposer markets.

Response strategy:

The Company's customers include globally renowned total solution providers in the semiconductor industry. Through joint development projects, the Company has established strong collaborative relationships, enabling it to gain early insight into end-market demand and proactively adjust process technologies. The Company also collaborates with leading global wafer foundries to secure a stable stream of orders and maintain visibility into downstream needs, thereby enabling the early launch of high-quality power devices and reinforcing its position as a market benchmark. With years of experience in contract manufacturing, the Company now offers a comprehensive Total Turnkey Solution, and going forward, will further

strengthen customer relationships and assist clients in resolving process and technical challenges.

d. Global supply chain restructuring and intensified technological competition

In 2026, the global economy and semiconductor industry continue to face challenges stemming from the rapid development of generative AI technologies and adjustments in U.S. tariff policies, creating uncertainties in market demand and supply chain stability. With rising geopolitical risks, the United States is accelerating the localization of semiconductor production, prompting global manufacturers to restructure their capacity allocation. The Company is also exposed to potential risks arising from customer production line shifts and changes in procurement models, which may affect the stability of existing supply nodes and delivery performance.

Response strategies:

Our company's customers are globally renowned Total Solution semiconductor manufacturers. Through joint development with customers, we establish cooperative tacit understanding and can understand end-market demand to adjust process technology in advance. Our company also collaborates with globally renowned wafer foundries to solidify order sources and grasp end demand, leading to the launch of high-quality power components and establishing a benchmark image in the market. Our company has accumulated years of foundry experience and provides Total Turnkey Solutions. In the future, we will strengthen customer relationships and assist customers in solving process and technology problems.

2. Important Uses and Manufacturing Processes of Main Products

(1) Important Uses of Main Products

A. Reclaimed Wafer Foundry Services

Reclaimed wafer foundry services and thin dummy wafer foundry services are provided to semiconductor manufacturers for use in testing equipment cleanliness, adjusting and optimizing process parameters, and monitoring processes before large-scale production of IC products. In terms of chemical deposition processes, various thin films (such as oxide films, polysilicon films, and silicon nitride films) are deposited. The electrical and physical properties of these thin films on the test wafers are then measured, and the measurement results are used to adjust and optimize important process parameters for controlling thickness and uniformity. Monitoring the processes of important equipment in the furnace tube area, photoresist area, and metal film area is also crucial. Clearly, control wafers are necessary consumables in the mass manufacturing process to maintain optimal process yield. Using reclaimed wafers can save a lot of wafer material operating costs compared to new test wafers (virgin test wafers).

## B. Wafer Thinning Foundry Services

Wafer thinning foundry services are a critical part of midstream semiconductor manufacturing, comprising several essential process steps. The wafer thinning process mainly focuses on the thinning and backside processing of analog and power semiconductor wafers, enabling these power devices to meet both electrical performance requirements and packaging specifications. It is an indispensable step in power semiconductor manufacturing. Furthermore, wafer thinning is often integrated with related services such as front-side metallization (secondary process), wafer testing, and wafer dicing, and offered as a turnkey foundry solution. This integrated service model not only enhances the breadth and depth of customer service but also simplifies the customer's product processing supply chain, improves product quality and delivery lead time, and ultimately supports customer satisfaction.

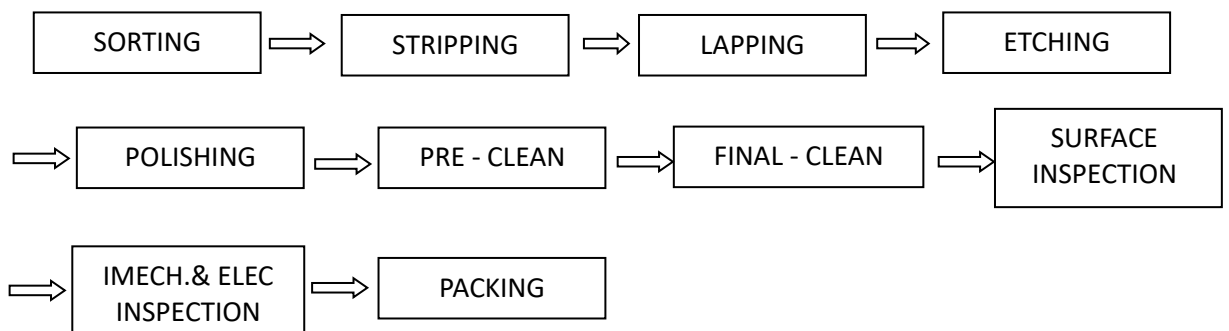
## C. Customized Bio-Detection Chip Services

Silicon-based bio-detection chips (biochips) offer significant advantages in miniaturization and high-throughput analysis. The development of such chips relies heavily on rigorous design and manufacturing management, encompassing multiple critical stages. In the front-end process, electrode fabrication requires precise control over etching uniformity and metal deposition purity. The mid-end bio-probe functionalization process involves careful management of probe type selection, surface density, and the stability of anti-interference coatings. Finally, chip packaging must be designed to ensure ease of operation and practical usability.

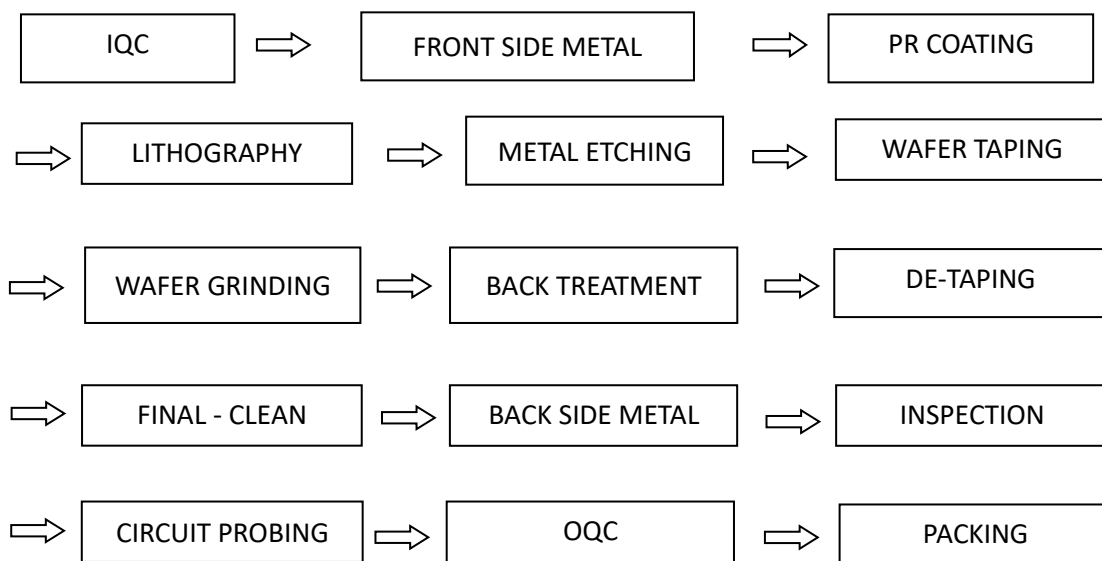
We provide a one-stop, customized service covering the entire development cycle—from conceptual design and prototype validation to seamless transition into mass production—ensuring tight integration across every stage of product development. This comprehensive service model not only shortens development timelines, but also accelerates commercialization, helping customers enhance their market competitiveness.

### (2) Process Flow

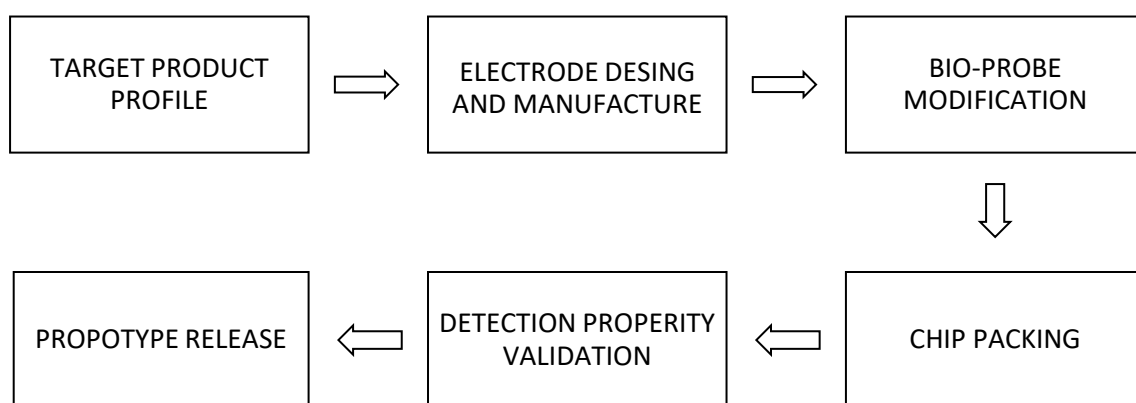
#### A. Wafer Reclaim Process



## B. Wafer Thinning Process



## C. Customized Bio-Detection Chip Services



## 3. The Supply Status of the Main Raw Materials

The Company's primary raw materials include coarse polishing slurry, fine polishing slurry, grinding wheels, 12-inch grinding pads, and 12-inch packaging materials. Its procurement policy is based on a comprehensive evaluation of suppliers, taking into account factors such as product quality, pricing, delivery lead time, and level of cooperation. In addition to maintaining strong, long-term relationships with existing suppliers, the Company actively seeks and develops qualified alternative suppliers.

Among the Company's procurement activities, purchases are not concentrated with any single supplier, and sourcing remains well diversified. As a result, the Company currently faces no significant risk related to procurement concentration or supply instability.

Main materials	Supplier name	Supply situation
Slurry	A Company	good
Slurry	B Company	good
Sputtering Target	C Company	good
12" PAD	D Company	good
12-inch Packaging Materials (Metal Vacuum Bags)	E Company	good

4. Name of clients who have accounted for 10% or more of the annual purchase (sales) in either of the last two years; the amount and ratio of such purchase (sales); the reason for changes

(1) Net purchase accounted for 10% or more of the annual purchase

Unit: NT\$ thousand ; %

Item	2024				2025			
	Company	Amount	Ratio to net annual purchase (%)	Relationship with the Issuer	Company	Amount	Ratio to net annual purchase (%)	Relationship with the Issuer
1	AA Company	61,401	9.07	None	AA Company	95,584	11.31	None
2	BB Company	75,694	11.19	None	BB Company	71,746	8.49	None
3	Others	539,516	79.74	-	Others	677,541	80.20	-
	Net purchase	676,611	100.00		Net purchase	844,871	100.00	
Reasons for changes : The changes in procurement are primarily influenced by variations in market conditions and differences in customer product demands.								

(2) Net sales accounted for 10% or more of the annual sales

Unit: NT\$ thousand ; %

Item	2024				2025			
	Company	Amount	Ratio to net annual sales (%)	Relationship with the Issuer	Company	Amount	Ratio to net annual sales (%)	Relationship with the Issuer
1	AA Company	2,486,982	70.02	None	AA Company	3,249,437	72.06	None
3	Others	1,064,625	29.98	-	Others	1,260,150	27.94	-
	Net sales	3,551,607	100.00		Net sales	4,509,587	100.00	
Reasons for changes : The changes in sales are primarily driven by variations in market conditions and the individual business needs and performance of specific customers.								

iii. Human Resources

Unit: person

Year		2024	2025	2026 as of March 31
Number of employees	Direct Staff	452	530	521
	Indirect Staff	375	380	368

Year		2024	2025	2026 as of March 31
(persons)	Total	827	910	889
Average Age		36.95	37.62	37.60
Average Seniority (years)		4.87	5.30	5.51
Education %	Doctors	1.09	0.82	0.96
	Masters	11.97	11.32	11.80
	Bachelor's Degree	70.86	69.43	68.83
	Senior high schools and below	16.08	18.43	18.41
	Total	100.00	100.00	100.00

iv. Environmental Protection Expenditures

1. The loss (including indemnity) caused by pollution to the environment, the total amount of penalty in the last years to the day this report was printed, and disclose the policy in response (including corrective action plan) to the situation and possible spending (including the loss deriving from the failure to take action in response to the situation, penalty, and the estimated amount of indemnity. If it is not possible to make reasonable estimation, explain with evidence):

Company Name	Incident	Countermeasures and improvements
Phoenix Silicon International Corporation	<ol style="list-style-type: none"> <li>1. Date of Penalty: October 17, 2025</li> <li>2. Penalty Reference Number: Fu-Shou-Huan-Kong-Tzu No. 1140162555</li> <li>3. Violated Regulations: Article 35 of the Air Pollution Control Act, and Article 3, Paragraph 1 of the Regulations Governing Information Disclosure and Trade Secret Review for Stationary Pollution Sources</li> <li>4. Description of Violation: The Company obtained an Operating Permit for a Stationary Pollution Source – Integrated Circuit Manufacturing Process (M01), issued under Ref. No. Zhu-Huan-Tzu-1130022071 in July 2024. However, the Company failed to, within 15 days from the date of issuance of the approved permit, remove personal data and disclose the required information on the website designated by the competent central authority, as required by applicable regulations.</li> <li>5. Penalty: A fine of NT\$ 200,000 and mandatory environmental education training.</li> </ol>	Any changes to environmental permits are incorporated into the Company's "Environmental, Safety and Health (ESH) Change Management Review Form" procedure. Upon completion of the environmental permit modification process, screenshots of the publicly disclosed information must be attached for verification. The change case may only be closed after completion has been duly confirmed.

Company Name	Incident	Countermeasures and improvements
Phoenix Silicon International Corporation	<ol style="list-style-type: none"> <li>1. Date of Penalty: October 17, 2025</li> <li>2. Penalty Reference Number: Fu-Shou-Huan-Kong-Tzu No. 1140156434</li> <li>3. Violated Regulations:</li> <li>4. Article 34, Paragraph 4 of the Air Pollution Control Act, and Article 9 of the Regulations Governing the Establishment and Management of Dedicated Air Pollution Control Units or Personnel.</li> <li>5. Description of Violation: The Company's designated air pollution control personnel resigned and had their insurance coverage terminated on July 31, 2024. Although the Company completed the required registration for a newly appointed designated personnel within the prescribed timeframe, it failed to deregister the departing personnel through the Environmental Protection Administration's online designated personnel application system, as required by regulations.</li> <li>6. Penalty: A fine of NT\$ 200,000 and mandatory environmental education training.</li> </ol>	<p>Changes to designated responsible personnel are incorporated into the "Environmental, Safety and Health (ESH) License Personnel List Establishment" procedure. When processing changes involving designated environmental responsible personnel, screenshots of the system application pages must be attached as supporting documentation (new appointments: establishment; personnel changes: revocation). The change case may only be closed after completion has been duly verified and confirmed.</p>
Phoenix Silicon International Corporation	<ol style="list-style-type: none"> <li>1. Date of Penalty: November 10, 2025</li> <li>2. Penalty Reference Number: Fu-Shou-Huan-Kong-Tzu No. 1140178758</li> <li>3. Violated Regulation:</li> <li>4. Violation of Article 24, Paragraph 2 of the Air Pollution Control Act.</li> <li>5. Description of Violation: During an on-site inspection conducted by the Hsinchu City Environmental Protection Bureau at the Company's Hsinchu plant on August 14, 2025, the pH monitoring reading of the air pollution control equipment (scrubber A005) indicated a value of 11.5. This differed from the reading of 11.28 measured by the inspection personnel using a water quality testing instrument (CP-411). Both values fell outside the permitted operating condition specified in the stationary pollution source permit (approved pH range: 6–10), thereby constituting a violation of the Air Pollution Control Act.</li> <li>6. Penalty: A fine of NT\$ 100,000 and mandatory environmental education training.</li> </ol>	<p>All operational control values stipulated under the permitting requirements for air pollution control equipment are incorporated into the Company's Statistical Process Control (SPC) system, with upper and lower control limits duly established. When any parameter reaches the warning threshold, the electronic system will automatically issue alerts to notify relevant personnel for immediate response and corrective action.</p>

v. Labor Relations

1. Employee Benefits, Training, Education, Retirement Policy, Executions and Labor Negotiations and Measures to Protect Employee Rights.

(1) Employee Welfare Policies:

- A. The Company provides stable and growing salary packages, promotion procedures, and employee reward systems to recognize the contributions and efforts of all employees.
- B. In addition to basic benefits such as labor insurance, health insurance, group insurance, and retirement payments, the Company also offers various welfare measures, including year-end bonuses, birthday and holiday gifts, annual parties, support for weddings and funerals, scholarship subsidies, childbirth subsidies, free indoor parking, an employee cafeteria (providing lunch, dinner, and late-night meals) with meal subsidies, free self-service beverage machines, and employee dormitories, striving to create a comprehensive life support system.
- C. The Company implements flexible working hours and lunch break systems, and promotes a precision time tracking policy, where leave and overtime are calculated by the minute, balancing the protection of employee rights with work efficiency.
- D. The Company offers diverse voluntary benefits such as departmental gatherings and deferred annual leave, enhancing employee engagement and satisfaction, and fostering a friendly workplace environment.
- E. The Company promotes an Employee Stock Ownership Trust Program. Beginning in December 2024, the Company increased its contribution ratio to 50% and provides employees with a flexible range of plan options. This initiative is intended to strengthen long-term incentive mechanisms, enhance employees' sense of belonging, and thereby foster organizational cohesion and overall competitiveness.

(2) Employee Education and Training:

The Company has established a comprehensive training system that provides a wide range of learning opportunities, including diverse training programs, professional on-the-job training, and self-development courses. These programs encompass new employee orientation, team-building activities, in-service training courses, occupational safety and health education, professional development programs, and various externally assigned training courses related to job functions.

In 2025, the Company successfully obtained TTQS (Taiwan TrainQuali System) certification, demonstrating that its talent development and training effectiveness have been formally recognized by the government. Upholding a spirit of continuous improvement, the Company will continue to design and provide diversified learning resources covering general competencies, professional skills, and management capabilities, tailored to employees' job functions and operational needs. Through these efforts, the Company strives to create an environment that supports employee growth, while achieving sustainable talent development and enhanced organizational resilience.

(3) Retirement System and Implementation:

The Company has established a defined benefit retirement plan in accordance with the Labor Standards Act, contributing 4% of the total monthly salary of employees under the old system to a retirement reserve fund, which is deposited in a dedicated account

at Taiwan Bank under the name of the Labor Retirement Reserve Supervisory Committee. The balance of this account is regularly reviewed to ensure it is sufficient to meet the retirement benefit obligations for employees under the old system, thereby safeguarding their retirement rights.

Since the implementation of the Labor Pension Act (New Pension System), the Company has complied with relevant regulations by contributing 6% of each new employee's monthly salary to their individual pension accounts. To further enhance employees' retirement security, starting from July 1, 2024, the Company has increased its contribution rate from the statutory 6% to 7% for employees who voluntarily contribute 6% of their salary, resulting in a total contribution rate of 13%. In a continued effort to optimize the pension system, the Company will further raise its employer contribution rate to 8% starting April 1, 2025, bringing the total contribution to 14%. This initiative reflects the Company's strong commitment to employee well-being and demonstrates its dedication to long-term talent development and sustainable workforce care.

(4) Labor-Management coordination

The rules and regulations of the Company were instituted in accordance with the Labor Standard Act. Labor-Management conference is held at regular intervals under the Regulations Governing Labor-Management Conferences. The Labor-Management relation of the Company has long been harmonious with through channels for communications. Discussion would be held in the Labor-Management Conference and the Employee Welfare Committee on matters related to the benefits on both sides. Communication of this kind helps to improve mutual understanding of the needs and expectation. All of the Company share the common value of coexistence and mutual prosperity and create a better future of the Company in joint effort.

(5) Employee Rights Protection Measures:

The company has established a comprehensive management system that specifies the rights, obligations, and welfare benefits of employees and periodically reviews and revises welfare contents to protect the rights and interests of all employees.

(6) Employee Rights Protection Measures:

A. Measures

- (a) Conduct regular employee health examinations and implement tiered follow-up management.
- (b) Establish an on-site medical room, staffed with one full-time occupational health nurse, and arrange monthly on-site services by a board-certified occupational medicine physician.
- (c) Organize health promotion seminars and activities.
- (d) Disseminate health knowledge on a monthly basis.
- (e) Implement a Maternal Health Protection Program to prevent workplace environment and job-related risks from affecting pregnant employees and their fetuses.

- (f) Implement an Overwork Hazard Prevention Program to reduce the risk of cerebrovascular and cardiovascular diseases caused by extended working hours, night shifts, and rotating shifts.
- (g) Implement an Ergonomic Hazard Prevention Program to mitigate the risk of musculoskeletal occupational diseases.

#### B. Implementation Status

- (a) In 2025, the Company conducted health examinations for senior executives, with a total of 33 participants and an attendance rate of 100%. In addition, 56 employees engaged in operations involving special health hazards participated in the corresponding health examinations, also achieving an attendance rate of 100%. Reports from periodic employee health examinations and pre-employment physical examinations are managed under a tiered classification system in accordance with the Company's Health Management Policy. Employees identified as having medium to high health risks are provided with follow-up monitoring and health education by medical and nursing professionals, resulting in a total of 188 follow-up and counseling instances.
- (b) In 2025, the Company's occupational health nurse provided health-related services totaling 345 instances. In addition, on-site physician services were conducted on 12 occasions, delivering health consultations and health education services to employees, with a total of 148 service instances.
- (c) In 2025, the Company organized a series of health promotion initiatives, including adult vaccination health seminars, free low-dose lung CT screening programs, and on-site influenza vaccination services, with a total of 108 participants. These activities aimed to provide employees with accurate health information, promote disease prevention awareness, and enhance overall health literacy.

The Company also conducted Forest Wellness Walking and weight management programs, attracting a total of 212 participants. The weight management program resulted in a cumulative weight reduction of 300 kilograms, while participants in the walking program accumulated 57,745,267 steps, corresponding to an estimated reduction of approximately 8,200 kilograms of carbon emissions. These initiatives not only helped employees improve obesity-related conditions, increase physical activity levels, and reduce prolonged sedentary behavior, but also contributed to energy conservation and carbon reduction, thereby lowering the risk of chronic diseases.

Beginning in the Q4 of 2025, the Company established a multi-purpose classroom and regularly engaged external instructors to offer fitness and exercise courses. A total of 18 classes were conducted, with cumulative participation reaching 232 attendances. These initiatives encourage employees to develop regular exercise habits, helping to improve cardiopulmonary fitness, enhance muscular endurance, reduce health risks associated with prolonged sedentary behavior, and promote overall physical and mental well-being.

- (d) In 2025, a total of 66 health-related knowledge-sharing posts and activity announcements were disseminated through the Company’s internal website and email communications.
- (e) In 2025, the Company conducted maternal health protection program assessments and management for 9 employees, achieving a completion rate of 100%. Additionally, 3 employees returned to work within one year postpartum, with a 100% completion rate for post-return follow-up assessments and evaluations.
- (f) In 2025, the Company conducted assessments under its Overwork Hazard Prevention Program for a total of 42 employees, of whom 20 were classified as low risk and 22 as moderate risk. Employees identified as having moderate risk were arranged to receive consultations and interviews with occupational medicine specialists, with ongoing follow-up to monitor their physical and mental well-being.
- (g) In 2025, the Company carried out evaluations under its Ergonomic Hazard Prevention Program for 19 employees, among whom 4 were identified as potentially at risk. Medical and nursing personnel conducted follow-up monitoring of musculoskeletal pain symptoms, and collaborated with occupational safety personnel and department supervisors to perform workplace hazard assessments, with the aim of preventing work-related musculoskeletal disorders.

(7) Work environment and employee personal safety protection measures

A. The Company adheres to the highest guiding principle of “Safety First, Prevention-Oriented”, and has fully implemented the ISO 45001 Occupational Health and Safety Management System and the ISO 14001 Environmental Management System. We are committed to creating a zero-incident, safe, and friendly working environment. Through strong leadership from senior management and active participation by all employees, safety indicator (KPI) are deeply integrated with operational performance, embedding core safety awareness into the daily operations of every employee and contractor.

In addition to complying with ISO standard requirements as well as relevant regulations governing science parks and industrial parks, the Company has introduced systematic management methodologies, achieving significant improvements and effective control outcomes. A summary of the key objectives and management programs is presented as follows:

Item	Target	Program	Presentation	Implementation situation
1	Pass fire safety inspection	According to fire inspection related measures	Fire facilities, fire lines and regular safety inspections.	Equipped with qualified fire protection facilities, making signs and advocacy
2	Installation of leakage protection devices to protect electrical pipelines.	Power safety management program	According to the OPSE-014 power safety management program.	1. No personal electrical appliances are allowed in the factory. 2. It is prohibited to connect extension cables in the factory.

Item	Target	Program	Presentation	Implementation situation
3	The product properties are in compliance with environmental protection specifications, ensuring that no impurities such as organic solvents and non-environmental materials are added during the test	Product property control	During the test, it is not allowed to change raw materials, auxiliary materials, tools or equipment, and it is forbidden to add impurities such as organic solvents. The components that the maintenance personnel need to replace must meet the same suppliers used in the environmental protection materials regulations, and the product names and specifications of the same batch must be replaced or replaced by non-environmental materials for private use.	Compliant with ISO 9001.
4	Bright working environment and fire safety inspection facilities	Control of the work environment	Lighting equipment and fire extinguishers should be sufficient. If they are inadequate or damaged, they should be replaced immediately. Regular inspections should be performed once a month	It complies with the ISO 45001 standard and passed the audit of the fire control authority.
5	Environmental permits obtained	Pollution projects have obtained environmental permits	The plant has a fixed pollution source prevention permit, a water pollution prevention permit, and a letter of approval for the waste cleaning plan.	Meets ISO 14001 specifications
6	Operating environment meets regulatory standards	Working environment detection	Every 6 months, the operation environment monitoring is performed to ensure that the operation environment control factors meet regulatory standards	Comply with Occupational Safety and Health Law
7	Implement the prevention of fires, earthquakes and other disasters to protect human lives and reduce	Fire protection plan	According to the fire protection law, the necessary matters of fire prevention shall be implemented, and the purpose of preventing fire, earthquake and	Hsinchu City Fire Bureau inspection and approval.

Item	Target	Program	Presentation	Implementation situation
	the chance of disasters in an all-round way		other disasters shall be implemented.	
8	Business Continuity Plan	establish business continuity plan	Establish BCP based on risk indicators in the factory	Based on internal risk indicators, run BCP drills every two years, reviewed by executives.
9	Contractor's operation is harmless	Contracted Safety Management	Operate according to the OPSE-005 safety and health management procedures for contractors to effectively manage contracting operations and ensure operational safety.	Comply with Occupational Safety and Health Law.
10	Proper use of protective gear	establish protective gear using SOP	Operate according to the OPSE-003 protective gear management program in the factory to provide operator safety protection	Comply with ISO 45001 and Occupational Safety and Health Law.
11	Equipment Safety Management	Establish a safety specification review process	In accordance with the in-house OPSE-012 Equipment Relocation Safety Inspection Procedure, the required safety mechanisms for equipment must be incorporated into the mandatory evaluation criteria at the time of equipment procurement. Before the equipment is put into use upon arrival at the facility, it must undergo a safety inspection by relevant departments and obtain approval prior to activation.	Comply with ISO 45001 and Occupational Safety and Health Law.
12	Chemical management	Establish chemical usage standards	All chemicals used on site are approved in accordance with regulations and are declared within required timeframes. Clear application and procedural controls are in place for production and laboratory chemicals	Compliant with ISO 45001 and Occupational Safety and Health regulations
13	Environment,	Define ESH	In addition to legally	Compliant with ISO

Item	Target	Program	Presentation	Implementation situation
	Safety and Health (ESH) training	training frequency and content	required training (hazard communication, in-service safety training, evacuation drills), non-mandatory training covering contractor management, emergency response, and PPE usage is periodically arranged for designated personnel	45001 and Occupational Safety and Health regulations
14	Change management	Establish change management processes and procedures	Change management scope is defined. Any operational changes must undergo a comprehensive review to assess impact and necessary protective measures	Compliant with ISO 45001, ISO 14001, and Occupational Safety and Health regulations
15	On-site environmental inspections	Establish environmental governance practices	Weekly 6S inspections are conducted at all facilities. Any abnormalities identified are promptly addressed and corrective actions implemented to prevent recurrence	Compliant with ISO 45001, ISO 14001, and Occupational Safety and Health regulations

#### B. Safety environment

The Company conducts annual fire safety inspections at its facilities. Any non-compliance issues identified are rectified within the same year to ensure compliance with regulatory requirements. Building safety inspections are carried out every two years, and inspection records are duly submitted for reporting purposes. In addition, the Company's fire protection engineers perform monthly self-inspections of fire safety systems. Employees also participate in internal fire safety training and emergency response drills to familiarize themselves with evacuation routes and enhance their emergency response capabilities. Furthermore, the Company conducts occupational environment monitoring every six months to ensure that exposure to workplace pollutants remains within legally permissible limits, at the same time, the Company continues to invest in workplace facility improvements, including ventilation, lighting, noise control, and ergonomic design.

#### C. Comprehensive security guarantee

The company's operating environment planning and design take safety as the first consideration and comply with relevant laws and regulations to protect the

personal safety of employees. Regular fire safety inspections and a "fire manager" to plan the fire safety operations of our factory. Our insurance covers "fire and public accident insurance" to protect company property and equipment; employees participate in "group insurance" to provide life protection and Medical quality, including medical insurance such as life insurance, accident insurance, and hospitalization insurance; resident security personnel regularly inspect the perimeter environment of the factory area; infrared sensors are set on the perimeter of the factory area, which will be triggered when outsiders enter the factory through abnormal channels. Alarm, security personnel will immediately track to ensure the safety of plant personnel; the Company has established a transparent reporting mechanism to encourage employees to raise safety hazards and improvement suggestions, and continuously optimizes safety management processes through data analysis and performance indicators.

(8) Employee Code of Conduct:

To ensure that employees at all levels understand ethical concepts, rights, obligations, and behavioral guidelines, the company has developed related regulations and provisions for employees to follow. Relevant regulations are summarized as follows:

A. Authority delegation and hierarchical responsibility rules:

To improve work efficiency, strengthen hierarchical responsibility management, and effectively regulate the scope of authority and accountability for employees at all levels.

B. Departmental organizational structure and job responsibilities:

Clearly define the organizational functions of each unit and the scope of responsibilities of each job.

C. Compilation of employee manuals to assist all colleagues in understanding relevant regulations and provisions

a. New Employee Training Program: To help new employees quickly overcome unfamiliarity with the new work environment after onboarding and to become acquainted with the Company's organizational structure, culture, working environment, and personnel, the Company assigns experienced employees to serve as mentors. This program is complemented by meal allowance support to facilitate interaction and guidance. Through these measures, the Company assists new employees in achieving physical and mental readiness within a short period, enabling them to become productive more quickly and reducing employee turnover.

In addition, the Company designs and regularly administers a "New Employee Care Survey." Through the feedback mechanism, the Company gains insights into new employees' adaptation status and needs, which serve as an important basis for the continuous improvement of training programs and employee care initiatives.

- b. Code of Ethics: To enhance the behavioral standards, professional ethics, and professional competence of all employees, and to pursue the Company's interests within the scope of the law, every employee bears the responsibility to prevent any impairment or loss of the Company's interests and has the obligation to safeguard the Company's reputation, thereby ensuring the Company's sustainable growth and development.
  - c. Work Rules: Clearly define various labor conditions, personnel management regulations, etc., for employees to follow.
  - d. Employee Attendance and Leave Management: A sound attendance and leave management system is established to foster good work discipline among employees. Office-based employees are subject to a flexible working hours system, which balances work efficiency with employees' ability to autonomously arrange their schedules, thereby enhancing overall flexibility in working hours utilization and workplace satisfaction. Both leave and overtime are calculated using "minutes" as the minimum unit to improve the accuracy of working hours calculation and to safeguard employees' rights and interests.
  - e. Reward and punishment regulations: Employees are rewarded or disciplined based on behaviors or actions that result in operational gains or losses for the Company.
  - f. Employee performance Evaluation: Employee work results and performance are assessed on a quarterly basis, serving as the basis for salary adjustments, promotions, bonus distribution, and the planning of education and training programs.
2. List the losses suffered due to labor disputes in the most recent year and up to the date of publication of the annual report (including labor inspection results that violate the Labor Standards Act, and the date of punishment, the name of the punishment, the violation of laws and regulations, the content of violations of laws and regulations, and the content of punishment should be listed), And disclose the estimated amount and countermeasures that may occur at present and in the future. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated should be explained:
- (1) Losses Arising from Labor Disputes:

There were no incidents of fines paid due to violations of regulations during fiscal year 2025 and up to the date of publication of this annual report.
  - (2) Estimated Potential Liabilities and Response Measures: The Company continuously ensures compliance with the Taiwan Labor Standards Act and related regulations by implementing management mechanisms to prevent oversights. Efforts are made to strengthen communication between labor and management and to conduct exit interviews with departing employees. Additionally, employees are encouraged to raise concerns or inquiries through various internal communication channels to promote two-way dialogue. Through active participation and open communication between labor and management, the Company expects to effectively reduce the occurrence of labor disputes and avoid

potential expenditures.

vi. Information and Communications Security Management

1. Information Security Risk Management Framework

PSI has established an IT Security Committee, led by the General Manager, with the Legal Room and IT Department. The committee is comprised of three subgroups: the Information Security Team, the Emergency Response Team, and the Information Security Audit Team, with a total of 28 members. On August 3, 2023, PSI appointed Ms. Annie Chen, the Chief Legal Officer, as the Chief Information Security Officer (CISO) of PSI., with one Information Security Manager and one Information Security Staff member.

The committee is responsible for planning, monitoring, and managing information security policies and systems. It collaborates with the company's information technology and related information security units, including but not limited to the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC), to strengthen Information Security protection and management mechanisms.

The Information Security Team holds regular monthly meetings to review and decide on the implementation status of important information security and information protection policies and plans. Each year, the Chief Information Security Officer (CISO) reports to the IT Security Committee on information security risk management, global Information Security risk trends, company information security policies, plans, and execution results. Additionally, at least once a year, the CISO reports the effectiveness of information security regulations and risk control measures to the board of directors. In 2025, a total of 12 information security meetings were held, and on November 6, 2025, a report on information security implementation was presented to the board to ensure the achievement of PSI's information security policy objectives.

2. Information Security Policy

Information security and the protection of confidential information are PSI's commitments to its customers, shareholders, and partners. To strengthen Information Security protection and management mechanisms, PSI has established a Chief Information Security Officer (CISO) and a dedicated information security organization, allocating professional personnel and resources. The company has set clear information security policies, management procedures, and regulations, and issued an "Information Security Declaration" to demonstrate its determination to safeguard information security and promote its Information Security goals—maintaining PSI's market competitiveness and protecting the interests of customers and partners.

3. Specific Management Plan for Information and Communication Security

(1) Computer Information Security Management

For the control of system development, acquisition and maintenance, information system processing, computer equipment and system software, network system security, etc., ensure that all operations comply with information security and regulatory

requirements. Additionally, conduct annual system vulnerability scans, assessments, and patches.

(2) Personal Information and Confidential Information Management

- A. In accordance with the company's "Personal Data Protection Management Policy" and "Confidential Information Management Policy," strict controls are implemented for the custody, transmission, and maintenance of personal data to safeguard the company's operational security and interests, while strengthening the management of the company's competitive advantage, core technologies, and business information. The Legal Room is responsible for the formulation and coordination of personal data and confidential information management, with each department within the company cooperating with the respective responsible units to promote and implement the management system.
- B. During new employee training or management policy briefings, efforts are made to strengthen awareness and explanation to employees.
- C. In March 2025, the Company conducted an educational training program on the Personal Data Protection Act, with a total of 655 participants successfully completing the course. The program delivered an aggregate of 655 training hours, and all participants achieved a 100% pass rate in the post-training assessment.

(3) The overall planning of information systems, the establishment and maintenance of hardware and software, database backup and restoration drills, as well as security protection and control of systems are well controlled. Server virtualization has been implemented to reduce the number of physical servers, achieving environmental protection and energy saving, and reducing maintenance costs. It also strengthens disaster prevention, information security, monitoring, notification mechanisms, anomaly management, and backup.

(4) Implemented 3 hours of Information Security training and regularly conducted disaster recovery drills and social engineering exercises to enhance Information Security awareness and emergency response capabilities.

(5) Our company has obtained the ISO 27001:2022 international information security management certification. The certification scope covers IT operations-related MES, SAP, and BPM information systems, as well as data centers (INCLUDING HSINCHU & CHUNGKANG SITE) for information security management activities. The certification is valid from September 25, 2023, to September 24, 2026.

4. Investment in Information and Communication Security Resources

(1) Strengthening information security early warning mechanisms and enhancing organization-wide awareness through proactive joint defense and training initiatives:

A. Threat Intelligence Sharing and Joint Defense:

The Company has joined the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC) and the Taiwan Chief Information Security Officer (CISO) Alliance to obtain real-time cybersecurity threat intelligence and

enhance incident response capabilities. In 2025, a total of 237 cybersecurity threat intelligence cases were received, all of which were 100% reviewed and properly addressed.

B. Awareness Enhancement:

Information security awareness training was provided to employees and relevant personnel for a minimum of three hours, reaching a total of 2,820 participant attendances. In addition, 14 information security awareness articles were published on the Company's internal portal and bulletin boards, using current events and real-world cases to highlight practical cybersecurity risks and reinforce the importance of information security.

(2) Proactively preventing external risks and implementing stringent controls through the continuous promotion of the following protective measures:

A. Multi-Layer Malware Protection:

Advanced antivirus and malware scanning tools have been deployed to prevent information systems used within the Company's facilities from virus infections. Comprehensive endpoint protection solutions and advanced malware detection mechanisms have been implemented to safeguard endpoint security.

B. Secure Communications Management:

Network firewalls and network control mechanisms have been strengthened to enable rapid containment when anomalies are detected, effectively preventing the spread of incidents across different sites.

C. Remote Access Security:

VPN access privileges are regularly reviewed, and connection logs are audited to ensure robust identity authentication and secure data transmission for remote operations.

D. Automated Incident Response:

An integrated and automated cybersecurity operations platform has been established to enhance the automation of security event detection and response. In addition, cybersecurity incident response procedures are regularly tested through drills to ensure preparedness.

E. Third-Party Professional Assessments:

Through the conduct of social engineering simulations, we enhance our capabilities in detecting phishing emails and design relevant training programs to raise employees' information security awareness. At the same time, we engage external professional institutions to conduct information security assessments in accordance with the ISO 27001 standard, ensuring the effectiveness of our overall cybersecurity controls.

5. For the current and previous fiscal year up to the date of printing of this annual report, if there were any significant losses, potential impacts, and corresponding measures due to major cybersecurity incidents that cannot be reasonably estimated, it should be stated that such inability to make reasonable estimates exists: None.

vii. Important Contracts

Agreement	Counterparty	Period	Major Contents	Restrictions
Land Lease Agreement	Hsinchu Science Park Administration	2019/08/01~ 2036/11/30	Land lease contract No. 6,8, Li-Hsin Road	Limited to purpose use
Land Lease Agreement	Hsinchu Science Park Administration	2020/01/21~ 2027/12/31	Land lease contract No. 12-2, Creation 4th Road	Limited to purpose use
Land Lease Agreement	Chungkang Branch, Export Processing Zone Administration, MOEA	2021/11/01~ 2031/10/30	Land lease contract No. 2, Jianqi Road, Wuchi District, Taichung, Taiwan	Limited to purpose use
Syndicated Credit Agreement	Land Bank, together with six other banks	2022/03/02~ 2029/04/15	Credit line for the purchase of plant, machinery and equipment and working capital totaling NT\$3 billion	Financial ratios, etc.

## V Review and analysis of financial conditions and performance and risk issues

### i. Analysis of Financial Status

#### Comparative Analysis of Financial Position

Unit: NT\$ thousand ; %

Item	Year		Different		
	2025	2024	Amount	%	Remark
Current assets	2,654,657	2,412,944	241,713	10.02	
Property, plant, and equipment	8,677,663	6,517,118	2,160,545	33.15	(1)
Intangible assets	16,634	20,269	(3,635)	(17.93)	
Other assets	819,980	608,929	211,051	34.66	(2)
<b>Total assets</b>	<b>12,168,934</b>	<b>9,559,260</b>	<b>2,609,674</b>	<b>27.30</b>	
Current liabilities	1,836,228	1,914,773	(78,545)	(4.10)	
Non-current liabilities	5,224,838	3,527,881	1,696,957	48.10	(3)
<b>Total liabilities</b>	<b>7,061,066</b>	<b>5,442,654</b>	<b>1,618,412</b>	<b>29.74</b>	
Share capital	1,752,831	1,726,280	26,551	1.54	
Capital reserve	1,969,058	1,380,185	588,873	42.67	(4)
Retained earnings	1,385,979	1,010,141	375,838	37.21	(5)
<b>Equity attributable to owners of the parent company</b>	<b>5,107,868</b>	<b>4,116,606</b>	<b>991,262</b>	<b>24.08</b>	
Non-controlling interest	0	0	0	0	
<b>Total equity</b>	<b>5,107,868</b>	<b>4,116,606</b>	<b>991,262</b>	<b>24.08</b>	
<p>1. Explanation of Major Changes (Changes exceeding 20% and amounting to more than NT\$10 million):</p> <p>(1) Increase in Property, Plant and Equipment: Primarily attributable to the acquisition of machinery and equipment.</p> <p>(2) Increase in Other Assets: Mainly due to an increase in prepayments for equipment.</p> <p>(3) Increase in Non-Current Liabilities: Primarily resulting from an increase in long-term borrowings and convertible bonds payable.</p> <p>(4) Increase in Capital Surplus: Mainly attributable to the recognition of conversion rights associated with convertible bonds.</p> <p>(5) Increase in Retained Earnings: Primarily due to an increase in net profit for the current period.</p> <p>2. Future Response Plans for Material Impacts: None</p>					

ii. Analysis of Operating Results

1. Comparative analysis of financial performance

Unit: NT\$ thousand ; %

Item \ Year	2025	2024	Increased (decreased) amount	Change ratio (%)	Remark
Operating revenue	4,509,587	3,551,607	957,980	26.97	(1)
Operating cost	2,974,768	2,528,305	446,463	17.66	
Gross profit	1,534,819	1,023,302	511,517	49.99	(1)
Operating expenses	565,001	488,629	76,372	15.63	
Operating income	969,818	534,673	435,145	81.39	(2)
Non-operating income and expenses	(88,119)	24,272	(112,391)	(463.05)	(3)
Income before tax	881,699	558,945	322,754	57.74	(2)
Income tax expense	125,121	67,043	58,078	86.63	(4)
Net income	756,578	491,902	264,676	53.81	(2)
Loss from discontinued operations	0	0	0	0	
Other comprehensive income	(958)	0	(958)	0	
Total comprehensive income	755,620	491,902	263,718	53.61	(2)
<p>Explanation of Major Changes (Changes exceeding 20% and amounting to more than NT\$10 million):</p> <p>(1) Increase in Net Operating Revenue and Gross Profit: Primarily attributable to a significant increase in customer demand in 2025, which led to a substantial rise in sales revenue. Effective cost control measures were implemented, resulting in a corresponding increase in gross profit.</p> <p>(2) Increase in Operating Income, Profit Before Tax, Net Profit from Continuing Operations, and Total Comprehensive Income: Mainly due to the increase in gross profit, which drove growth in operating income, profit before tax, net profit from continuing operations, and total comprehensive income.</p> <p>(3) Increase in Non-Operating Income and Expenses: Primarily resulted from an increase in foreign exchange losses.</p> <p>(4) Income Tax Expense: Although net profit increased during the current period, the increase in income tax expense was relatively limited.</p>					

## 2. The analysis of operating gross profit changes

Unit: NT\$ thousand

	The increased/decreased number of changes of the initial and later period	Reason for difference			
		Price difference	Cost difference	Sales difference	Quantity difference
Gross profit	511,517	(147,271)	282,621	43,942	332,225
Remark	<p>1. Adverse Price Variance: Primarily attributable to the Company's major products being denominated in U.S. dollars, with the appreciation of the New Taiwan Dollar (NT\$) negatively impacting selling prices.</p> <p>2. Favorable Cost Variance: Mainly resulted from increased production volume, an optimized product mix, and effective control of operating costs and expenses.</p> <p>3. Favorable Volume Variance: Primarily due to an increase in sales volume in response to growing customer demand.</p>				

### 3. Potential Impact on Future Financial and Business Operations and Response Plans:

The Company's operating scales continue to grow, and its financial structure is sound to meet the needs of future operation growth.

### iii. Analysis of Cash Flow:

#### 1. Analysis of cash flow changes for the most two year

Unit: %

Item	Year	2025	2024	Increased (decreased) ratio (%)
	Cash flow ratio		76.30	
Cash flow adequacy Ratio		48.19	49.33	(2.31)
Cash reinvestment ratio		7.77	11.04	(29.62)
Reason for increased or decreased:				
1. Decrease in Cash Flow Ratio: Primarily attributable to a decline in net cash flows from operating activities in 2025.				
2. Decrease in Cash Flow Adequacy Ratio and Cash Reinvestment Ratio: Mainly due to an increase in capital expenditures over the most recent five fiscal years.				

#### 2. Analysis of cash flow for the coming year

Unit: NT\$ thousand

Cash Balance at the period beginning	Net Cash Provided by Operating Activities in the period	Net Cash Used in Financing Activities in the Period	Cash Balance at the Period end	Remedy for Liquidity Shortfall	
				Investment Plan	Financing Plan
1,000,272	1,514,360	(1,633,897)	880,735	-	-

(1) Analysis of changes in cash flow this year:

- A. Cash Inflows from Operating Activities: Primarily derived from operating profits, after excluding depreciation and amortization expenses.
- B. Cash Outflows from Investing and Financing Activities: Mainly attributable to borrowings undertaken to expand operational scale, including the acquisition of additional equipment and the construction of manufacturing facilities. These outflows also include repayments of medium- and long-term borrowings and dividend distributions.
- (2) Remedial measures and liquidity analysis for estimated cash shortage: The absence of a cash shortage situation.

iv. Major Capital Expenditure Items influence on Financial Business

1. Utilization of major capital expenditures and sources of funds

The Company's major capital expenditures in 2025 were primarily allocated to the expansion of reclaimed wafer processing capacity through the acquisition of machinery and equipment. The total amount invested in equipment purchases amounted to NT\$ 3,142,607 thousand. The funding sources mainly consisted of internal funds, issuance of convertible bonds, and bank borrowings.

This capital expenditure contributed to a significant increase in reclaimed wafer output, resulting in a 35% year-on-year growth in total production volume in 2025 compared to 2024. In addition, whenever the Company undertakes capital expenditure plans, it carefully considers its current financial condition and the expected future returns generated from such investments. Accordingly, these capital expenditures are not expected to have any adverse impact on the Company's financial position or operating performance.

2. The anticipated benefits: expanding business in domestic and overseas markets, increasing productivity and product quality, and enhancing the future competitiveness of the Company.

v. Recent Reinvestment Policy, Major Reasons for Profits or Losses, Improvement Plan and Investment Plan for the Following Year.

1. Reinvestment policy:

The Company's investment policy is aimed at strengthening core capabilities, expanding its business footprint, and enhancing long-term shareholder value, through prudent evaluation of potential investment targets and market opportunities. Investment efforts are focused on areas that demonstrate high synergy with the Company's core technologies, products, or target markets, with priority given to opportunities that can reinforce the competitiveness of the core business, expand the Company's value-chain presence, accelerate the adoption of new technologies and applications, and enhance the configuration of domestic and overseas production capacity as well as the resilience of the global supply chain.

2. Major reasons for reinvestment profits or losses, improvement plans and investment plan for the following year: None.

3. Investment plan in the year ahead: None.

vi. Analyze and assess the following risks in the most recent year up to the publication date of the Annual Report.

1. Effect of interest Rate, exchange rate changes and inflation on the Company's profit / losses and countermeasures:

(1) Effect of interest rate changes on the Company's profit and loss and future countermeasures.

The interest expenses on borrowings from financial institutions incurred by the Company and its subsidiaries amounted to NT\$53,452 thousand and NT\$18,251 thousand in 2024 and 2025, respectively, representing 9.56% and 2.07% of profit before tax. Such interest expenses primarily arose from bank borrowings used to finance capital expenditures. Consequently, overall interest rate fluctuations have a certain degree of impact on the Company's operating results.

The ratio of interest expenses to profit before tax declined significantly in 2025, mainly due to a substantial increase in profit before tax. In addition, the Company issued NT\$2.0 billion of convertible bonds in 2025, of which NT\$1.0 billion was used to repay bank borrowings, thereby effectively reducing interest expenses.

The Company regularly evaluates the interest rates on its bank borrowings and maintains sound relationships with its banking partners to obtain more favorable borrowing terms and reduce interest expenses. Furthermore, the Company has leveraged government investment incentive programs that provide interest subsidies, effectively lowering overall borrowing costs.

The Company continuously monitors changes in financial market interest rates and their potential impact on its funding structure, enabling timely implementation of appropriate measures. All financial institutions with which the Company conducts business are reputable domestic and international institutions with established credit ratings and scale, ensuring stable and secure funding sources and investment returns.

(2) Effect of exchange rate changes on the Company's profit and loss and future countermeasures

The Company's sales are primarily denominated in U.S. dollars, while purchases are mainly denominated in New Taiwan Dollars. The net foreign exchange gains (losses) recognized by the Company in 2024 and 2025 amounted to NT\$37,922 thousand and NT\$(59,800) thousand, respectively, accounting for 7.09% and (6.17)% of operating profit. Accordingly, fluctuations in exchange rates have a certain impact on the Company's operating results.

The foreign exchange loss recorded in 2025 was mainly attributable to the appreciation of the New Taiwan Dollar, which was driven by factors such as the weakening of the U.S. dollar, capital inflows, and changes in trade policies including tariffs. Nevertheless, overall exchange rate fluctuations did not pose a material risk to the Company's profitability.

The company regularly evaluates exchange rate fluctuations in accordance with its "Procedures for acquiring or disposing of assets" and "Procedures for dealing with derivative commodities." It utilizes spot and forward foreign exchange transactions at appropriate times to hedge against risks, aiming to minimize the impact of exchange rate changes on the company's profit. Additionally, the company maintains close relationships with financial institutions, continuously monitors exchange rate fluctuations, fully understands international exchange rate trends and changes, and proactively responds to the effects of exchange rate fluctuations. Furthermore, the company adjusts its foreign currency positions based on actual capital needs, pays accounts payable with sales income in the same currency whenever possible, and utilizes automatic hedging features to mitigate exchange rate risks.

(3) Effect of inflation on the Company's profit and loss and future countermeasures

According to data released by the Directorate-General of Budget, Accounting and Statistics (DGBAS), Executive Yuan, the annual growth rate of the Consumer Price Index (CPI) in 2025 was 1.66%, significantly lower than the 2.18% recorded in 2024. During the same period, the core CPI also remained below 2%, indicating a moderation in inflationary pressures. As of the publication date of this annual report, inflation has not had a material impact on the Company's operating results or profitability.

The company and its subsidiaries keep track of any price fluctuation at upstream material market and keep good relationships with suppliers. In the future, we will continue to closely observe the changes in the price index, study the impact of inflation on the Company, and adjust the raw materials inventory in a timely manner to respond to any pressure caused by inflation. In addition, according to the changes in the market price of materials. When the preset tolerance range is exceeded, the Company will actively request suppliers to adjust to avoid a major impact on the Company due to inflation.

2. Risks Associated with High-risk/High-leveraged Investment; Lending, Endorsements, and Guarantees for Other Parties; and Financial Derivative Transactions, major reasons for profit and losses and countermeasures:

- (1) The Company has always insisted on the principle of focusing on the industry and pragmatic operation. The financial policy is based on the principle of conservatism, and does not engage in high-risk, high-leverage investment businesses. If the derivative commodity exchanges are engaged, it is mainly to adhere to the principle of conservatism and stability, and to avoid the risk of real foreign exchange fluctuations. Due to it mainly belongs to the nature of risk aversion, the related risks are still limited
- (2) The Company has established the operation procedures such as "Management of Loans to Others", "Procedures for Endorsement and Guarantee", "Procedures for Acquisition or Disposal of Assets" and "Procedures for Financial Derivatives Transactions". As the basis for the company to engage in related operations.

(3)As of the date of publication of the annual report of the Company, there is no endorsement or guarantee for others.

3. Future Research & Development Projects and Corresponding Budget:

(1)Future R & D plan

The Company's product and technology development has always been matching with customers and market needs, and pay close attention to future industry trends and development. To develop products and technologies will have market growth and future potential. The future product development plans are listed as follows :

- A. Development of 12-inch, 15-nanometer reclaimed wafer technology.
- B. Advanced development of 12-inch reclaimed wafers with ultra-low metal residue (focused on advanced cleaning processes).
- C. Development of high-flatness 12-inch test wafers.
- D. Development of 12-inch silicon wafer and silicon carbide (SiC) wafer carriers.
- E. Grinding, etching, and metallization processes for 6-inch and 8-inch high-power wide-bandgap (WBG) device chips.
- F. Process technology development for grinding, etching, and metallization of 12-inch metal-oxide-semiconductor field-effect transistor (MOSFET) wafers.
- G. Miniaturized detection systems: single-plex and multiplex protein chips.
- H. Miniaturized detection systems: nucleic acid chips.
- I. Customized biomedical diagnostic chip services.

(2)Expected R & D expenses

The Company's estimated expenses for R & D is gradually invested according to the progress of new product and new technology development, and continues to invest in research and development funds depending on market changes and R & D progress of new products. With the growth of turnover in the future, the annual investment will be approximately 2% ~ 5% is used as research and development funds to expand the Company's operating scale and increase its competitiveness.

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

The company and its subsidiaries attach importance to important domestic and foreign policy and legal changes, consult with lawyers, accountants and other units, and plan appropriate response measures to comply with the law and reduce the impact on the company. Therefore, policy and legal changes are not significant to the company's finances and business.

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

The semiconductor industry is highly sensitive to economic cycles and rapid changes in product demand. In response, the Company continues to invest in research and development each year to advance process technologies and develop new derivative technologies, while also focusing on cost reduction and expanding application markets, in order to mitigate the impact of technological advancement and industry transformation.

The Company has established comprehensive cybersecurity protection measures for its network and computer systems. However, it cannot guarantee that the computer systems supporting critical business functions—such as manufacturing operations and accounting—will be fully immune to cyberattacks initiated by third parties with the intent to disrupt system operations. Such attacks may involve unauthorized intrusion into internal network systems, potentially impairing operations and damaging the Company's reputation.

In the event of a severe cyberattack, the Company's systems could suffer the loss of critical data, and production lines could be disrupted or brought to a standstill. Although the Company continuously reviews and evaluates its information security policies and procedures to ensure their appropriateness and effectiveness, it cannot guarantee complete protection against constantly evolving cybersecurity threats and newly emerging attack methods.

Cyberattacks may also attempt to steal trade secrets and other confidential information, including proprietary data belonging to customers or other stakeholders, as well as personal data of employees. Malicious hackers may seek to infiltrate the Company's network systems with computer viruses, destructive software, or ransomware to disrupt operations, extort or blackmail the Company, gain control of computer systems, or access sensitive information.

Such incidents could result in the Company being required to compensate customers for losses arising from delayed or disrupted orders, incur substantial costs to implement remedial and enhancement measures to strengthen cybersecurity defenses, or face legal liabilities and regulatory investigations stemming from breaches of confidential information for which the Company owes a duty of confidentiality to employees, customers, or third parties.

To prevent and mitigate the potential impact of the aforementioned malicious cyber threats, the Company continues to implement and update risk-mitigation measures, including establishing anti-malware scanning mechanisms for equipment entering the premises to prevent the introduction of malicious software; strengthening network firewalls and network access controls to prevent the spread of computer viruses across machines or sites; deploying endpoint protection solutions tailored to different types of computing devices; and enhancing phishing email detection capabilities.

While the Company remains committed to continuously strengthening its cybersecurity measures, it cannot guarantee complete immunity against sophisticated malware or hacker attacks. Nevertheless, the Company will make every possible effort to

safeguard its assets, operations, and stakeholder interests.

As our company advances the adoption of AI applications, we have simultaneously established management guidelines for the use of generative AI, integrating information security governance into the overall AI planning from the initial stage. In addition to strictly complying with the ISO 27001 international standard and relevant information security regulations, we adopt a rolling approach to adjusting our security strategies to continuously strengthen corporate information security resilience.

#### 6. Impact of Changes in Company Image on Crisis Management and Countermeasures

The Company insists on the enterprise spirit of stable operation and maintains a consistent excellent corporate image, and through strict internal control and crisis management mechanisms, effectively takes precautionary measures and ensures the sustainable operation of the enterprise.

#### 7. Expected Benefits and Possible Risks Associated With any Merger and Acquisitions

The company has no merger or acquisition plans in the most recent fiscal year up to the date of the annual report printing. However, should there be any such plans in the future, they will be handled in accordance with relevant laws and regulations, as well as the company's established management procedures, to ensure the protection of the company's interests and shareholders' rights.

#### 8. Expected Benefits and Possible Risks Associated with any Plant Expansion:

To address future operational needs and long-term development plans, the Company acquired a manufacturing facility in the Taichung Port Technology Industrial Park in 2021 to expand production capacity. Starting in 2022, the facility was gradually brought into mass production, with continued capacity expansion thereafter. By the end of 2025, monthly production capacity had increased to approximately 350,000 units.

To further enhance operating performance, implement sustainable management practices, and support ongoing business growth in response to increasing customer demand, the Company initiated the construction of a new factory at the same site of its Chungkang ranch in the second quarter of 2025. The project is expected to be completed in the first quarter of 2027, providing support for steadily expanding market demand in the coming years.

The aforementioned capacity expansion plan has been approved under the "Rooted in Taiwan" program and has obtained preferential interest rate subsidies, which help reduce financing costs. Overall, the investment project was implemented following careful evaluation and planning, and its impact on the Company's financial structure and operational risks remains manageable.

#### 9. Risks Associated with any Consolidation of Sales or Purchasing Operations:

##### (1) Purchase

The Company's major raw materials include coarse slurry, fine slurry, grinding

wheels, and 12-inch grinding pads. Its procurement policy comprehensively evaluates suppliers based on quality, pricing, delivery schedules, and level of cooperation. In addition to maintaining strong relationships with existing suppliers, the Company actively seeks and develops new qualified suppliers. Procurement is diversified without significant reliance on any single supplier; therefore, there is no substantial risk of procurement concentration or supply instability.

(2) Sales

The Company primarily engages in one of the processes within the semiconductor foundry production chain, and its customers are mainly semiconductor manufacturers. As the foundry industry is an oligopolistic market, the Company's sales are relatively concentrated. In 2024 and 2025, sales to the Company's largest customer accounted for 70% and 72% of total net revenue, respectively. In addition to focusing on the manufacturing and development of semiconductor process services to strengthen product competitiveness and actively maintaining relationships with key customers, the Company is also committed to enhancing its process capabilities, assisting customers in new product development, and proactively engaging with other semiconductor manufacturers to expand its business footprint.

10. Effect and Risk of Significant Share Transfers or Changes in Ownership, Including Key Contractual Agreements, by Directors, Supervisors, or Top Ten Shareholders, and Countermeasures: None

11. Impact of Change in Management and its Potential Risks: None.

12. Litigation or Non-litigation Matters :

(1) The Company's trade secrets were unauthorizedly reproduced and used by Mr. Li Ming-Che, enabling I-Test Technology Co., Ltd. to significantly shorten the R&D timeline for wafer thinning processes, reduce manpower and material resources, and gain an unfair competitive advantage by entering the product market earlier, thereby obtaining unlawful benefits. As a result, the Hsinchu District Prosecutors Office filed criminal indictments against Mr. Li Ming-Che and I-Test Technology Co., Ltd. pursuant to Article 13-1, Paragraph 1, Subparagraph 2 and Article 13-4 of the Trade Secrets Act, respectively.

The Hsinchu District Court, under case number 2021 Intellectual Property Criminal Case No. 1, rendered its criminal judgment on June 30, 2025. The main holding of the judgment is summarized as follows:

Mr. Li Ming-Che was found guilty of unauthorized possession, reproduction, and use of trade secrets in violation of Article 13-1, Paragraph 1, Subparagraph 2 of the Trade Secrets Act, and was sentenced to one year of imprisonment, in addition to a fine of NT\$ 1.2 million.

I-Test Technology Co., Ltd. was fined NT\$ 5 million for the offense committed by its employee in the course of employment, pursuant to the same provision of the Trade

Secrets Act.

The case has since been appealed to the Intellectual Property and Commercial Court, and is currently pending under case number 2025 Criminal IP Appeal No. 8.

- (2) With respect to the damages suffered by Psi as a result of the trade secret infringement committed by I-Test Technology Co., Ltd. and Mr. Li Ming-Che, Psi has filed an ancillary civil action with the Hsinchu District Court of Taiwan, seeking compensation in the amount of NT\$ 5,639,098,000 from the defendants.

The case was adjudicated by the Hsinchu District Court under case number 110 Intellectual Property Ancillary Civil Case No. 3, with the judgment rendered on June 30, 2025. The main holding of the judgment is as follows:

Mr. Li Ming-Che and I-Test Technology Co., Ltd. shall be jointly and severally liable to compensate the plaintiff in the amount of NT\$ 36,494,670, together with interest calculated at an annual rate of 5%, accruing from March 18, 2021 for Mr. Li Ming-Che and from March 19, 2021 for I-Test Technology Co., Ltd., respectively, until the date of full payment.

- (3) Our company is the complainant in the criminal proceedings and the plaintiff in the ancillary civil action in this case. The judgment in this instance is favorable to our position. The defendant has filed an appeal, which is currently under trial before the Intellectual Property and Commercial Court.

13. The case has since been appealed to the Intellectual Property and Commercial Court and is currently pending under case number 114 Major Ancillary Civil Appeal No. 6. Other major risks and countermeasures: None.

vii. Other Major Events: None.

## **VI Special Disclosure**

- i. Profiles of the affiliates : None.
- ii. Private Placement Securities in the Most Recent Years: None.
- iii. Other Necessary Supplement : None.

## **VII Any Events that Had Significant Impacts**

Any Events And as of the Date of this Annual Report that Had Significant Impacts on Shareholders' Rights mor Security Prices as Stated in Item 3 Paragraph 2 of Article 36 of Securities and Exchange Law of Taiwan: None.