

Stock Code:5351

Etron Technology, Inc.

Annual Report 2025

(Translation)

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<https://www.etrn.com>

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Title : Director	Title : Supervisor
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V 、 The Company does not issue any overseas securities.

VI 、 Company Website

<https://www.etron.com>

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Chapter 1 Letter to Shareholders

Dear Shareholders,

In 2025, the global semiconductor industry continued its robust growth, driven by the AI wave. According to data released by the Semiconductor Industry Association (SIA) in February 2026, global semiconductor market revenue reached approximately US\$791.7 billion in 2025, a year-on-year increase of 26%. The Industry, Science and Technology International Strategy Center of the Industrial Technology Research Institute (ITRI) reported that Taiwan's semiconductor industry output would reach NT\$6.5 trillion in 2025, a year-on-year increase of 23%. In the memory market, 2025 saw a significant structural shift. Strong demand for High Bandwidth Memory (HBM) led major manufacturers to redirect capacity toward HBM production, causing supply tightness in the conventional DRAM market and ushering in a "super cycle" for the overall industry. Taiwan's total DRAM industry revenue was reported at NT\$203.9 billion, a year-on-year increase of 16%. According to forecasts from multiple global market research firms, this structural supply-demand imbalance is expected to persist through 2027.

Operating Achievements

The Company's consolidated operating revenues for 2025 was NT\$4.037 billion, a 16% growth over the previous year. The consolidated net loss after tax was NT\$583 million, a reduction of NT\$31 million compared to the prior year, with a loss per share of NT\$1.53. The Company returned to profitability in Q4 2025, posting consolidated net income after tax of NT\$52 million for the quarter, a 132% increase over Q3, with earnings per share of NT\$0.21, reflecting a positive growth trajectory.

Operations Policy and Business Strategy

The Group's product development strategy focuses on equipping electronic products with capabilities analogous to a brain, eyes, nervous system, and privacy protection through IC products. We concentrate our resources on drive product development and organizational integration. This strategy combines innovative inventions with a commitment to corporate sustainability, continuously advancing forward-looking research in semiconductor components and processes. The Group also focuses on accumulating competitive intellectual property rights from innovative inventions, leveraging both homogeneous and heterogeneous integration technologies to promote breakthroughs in semiconductor technologies and memory products, in order to seize the opportunities brought about by AI development. On the business front, we continue to reshape our approach by focusing on cost control, expense reduction, enhancing operational efficiency, and improving organizational resilience. We are quality-centered and focus on the delivery of technical services to maintain long-term and stable partnerships with globally leading companies. We harness our technical and business capabilities by optimizing our product portfolio and actively developing new products and new markets, and we work with different systems integrators to create innovative products that can meet the needs of the future, while transforming ourselves from a component vendor, to software, application and system developer and finally to a secondary system provider to bring forth value-added products. We also strengthen our relationship with our strategic partners from different sectors and work with them on matters related to production capacity, technology, markets, and capital, thereby fueling the Group's growth dynamics and securing our foothold in long-term development.

Research & Development

The Group focuses on four core areas:

I. Specialty Buffer Memory

Our specialized DRAM products are renowned for their high quality, superior performance, and cost-effectiveness. They offer exceptional advantages in terms of ultra-high bandwidth and super-low power consumption. In addition to providing commercial specifications for consumer markets, we also offer customized KGD (Known Good Die) solutions for industrial and automotive applications, where the operating environment is demanding and high quality and reliability are critical. Our product line consists of SDR, DDR, DDR2, DDR3, DDR3L, DDR4, LPDDR2, and LPDDR4/4X, with input and output from 4 to 64 bits and capacity from 16 Mb to 32 Gb. In particular, our high-density products such as DDR2, DDR3, DDR3L, DDR4, and LPDDR4/4X are manufactured by 2x/1x nm advanced process mass production. Our specialty DRAM products have been widely used in an array of emerging and booming fields, including network communications, set-top boxes, digital TVs, surveillance devices, computer peripherals, 5G broadband communications, and the rapidly growing fields of endpoint AI, smart homes, robots, and cloud storage.

In recent years, the Company has continued to make strides in development and innovation, and we have implemented innovative circuit designs to overcome the limitations of traditional DRAM. We successfully developed the Long Retention Time (LRT) technology, which complies with the JEDEC standard interface, and introduced LRTDRAM™ products. These products greatly improve overall system performance in high-temperature and high-density applications, including automotive, heterogeneous integration, and KGD.

In the field of AI, to fulfill the high demand for miniature end devices in the AI-generation, we have also launched the world's first RPC DRAM® offered in WLCSP (Wafer Level Chip Scale Package), it is currently the smallest form factor DRAM product that also offers the dual advantages in cost and power consumption. It is suitable for industrial, robotics, AR/VR, edge AI, and wearable or mobile AI endpoint applications. Having passed AEC-Q100 Grade-2 automotive reliability testing standards, it has entered the supply chains of leading international automotive brands. Additionally, the Company's one-stop innovative AI memory platform "MemorAiLink," which integrates memory, memory controller IP, and packaging technologies across hardware and software architectures, has been used to create the next-generation 3D visual depth sensing solution "RPC inside G120 Subsystem." Compared with conventional DDR3 products, this solution reduces pin count by over 50% and PCB area by 90%, dramatically simplifying wire bonding and package design while lowering overall system costs. It delivers an optimized memory solution for compact, low-power devices. This solution was also honored with the 2025 Hsinchu Science Park Innovative Product Award.

Concurrently, the Company is actively developing DWB (Direct-Wide-Bus) DRAM to provide high bandwidth, low power consumption, and cost-effective AI memory for large language models in edge computing. DWB also offers a total solution that includes DRAM, PHY, and Controller. Through our proprietary design technology, power consumption is significantly reduced on both the DRAM and memory controller sides. Additionally, the product features high adaptability, with the ability to scale from 8Gb to 32Gb or larger capacities as needed, achieving bandwidth of up to 102.4GB/s or higher to meet the requirements of various high-performance, high-bandwidth, low-power, and compact applications.

II. High-speed USB Chips

The Group leads the global market with IC solutions that simultaneously support both USB Type-C and Thunderbolt interfaces, compliant with USB4 specifications. Our solutions cater to the next-generation DP2.1, USB4, and Thunderbolt 5 specifications, incorporating new applications for PD IC and Emarker IC, while also ensuring backward compatibility. In addition, the new generation of 4K@60Hz video capture IC supports H.265 and H.264 hardware-compressed video data and integrates various audio and video processing functions, which can be applied to live broadcasting, broadcasting machine, gaming, conference systems, healthcare, industrial control, and other markets, and further enter into the Pro AV professional audio and video market. In the USB 4.0 high-speed transfer domain, the Group plans to launch USB 4.0 device applications that, in addition to 40G high-speed data transfer, support up to 80G bandwidth for video, aiming to build out a comprehensive hardware and software ecosystem.

III. 3D Video Chips and AI Applications

Built on a foundation of 3D imaging and depth sensing IC technology, the Group has accumulated key technologies in wide-angle imaging, depth point cloud modeling, binocular and multi-view stereo vision, with broad applications in machine vision, intelligent surveillance, industrial automation, and smart IoT, establishing a solid sensing and image computing base. As artificial intelligence rapidly extends from the cloud to the edge, the product positioning has evolved from 3D imaging ICs to a "Sense & React" intelligent system platform built on machine vision and integrating edge AI, generative AI, and large language models. This enables machines not only to perceive their environment in real time but also to understand task commands, make dynamic decisions, and drive physical actions, forming a complete Hybrid Physical AI technology framework.

In terms of technical architecture, the platform integrates control and sensing ICs, LiDAR and ToF depth modules, multi-sensor fusion engines, and real-time AI inference architectures. Convolutional neural networks (CNN) and large language models are incorporated at the perception and decision-making layers, building a modular and scalable intelligent sensing and human-machine

interaction system.

On the product and market front, the AMR (Autonomous Mobile Robot) barebones system serves as the core commercialized product line. Through a PaaS architecture, it provides mapping and localization, autonomous exploration, 2D/3D intelligent obstacle avoidance, cross-floor navigation, multi-robot collaboration, and cloud-based dispatch management. LLM are also integrated at the task orchestration, human-machine interaction, and multi-robot collaborative decision-making levels, accelerating real-world deployment across smart services, logistics, and urban application scenarios.

In terms of business model, the Group employs a turnkey hardware-software integration strategy, combining ODM/OEM and platform licensing models to help system integrators and end customers rapidly adopt Physical AI solutions, continuously expanding application scale and industry influence in both domestic and international markets.

IV. Privacy-Aware Intelligent Computing

With the widespread use of AI and cloud applications, "privacy" and "cybersecurity" have become a significant concern. The Group combines privacy-preserving computing with AI technology to provide hardware and software solutions for "privacy-aware intelligent computing" across fields such as smart robotics, smart healthcare, and intelligent security. The core product, the AipA (AI Privacy Agent) platform, is a computing platform that integrates multimodal AI with privacy-enhancing technologies. It is widely used in healthcare monitoring, smart city security, industrial automation, and autonomous robot operations, balancing high-performance AI computing with real-time responsiveness while complying with international data protection standards such as GDPR and HIPAA. Products developed on this platform — DeCloakFace™, DeCloakVision™, and DeCloakBrain™ — have been honored with CES Innovation Awards three times and have been successfully deployed in major healthcare institutions, demonstrating the Group's ability to commercialize its technology and its high-potential market value.

The Group is committed to providing high-end and high-value-added products. We exert our expertise in soft- and hardware design, and focus on software, hardware, and firmware R&D. As of the end of 2025, the Group had obtained 990 patents in Taiwan and abroad, as well as 420 pending patent applications, which demonstrates our solid R&D capability.

Future Operating Outlook

As the semiconductor industry is entering the trillion-dollar era, the Group has been following the industrial trend of heterogeneous integration. Also, it has adopted the concept of sustainability of green design and non-polluting industry and continues to develop high speed, high bandwidth, low voltage, low power consumption, suitable density/capacity, and low cost specialty DRAMs and logic chip products to provide for the emerging application markets (such as broadband communications, wireless networks, virtual reality, consumer electronics, surveillance systems, smart homes, intelligent cars and drone, AI, and machine learning), so that we can respond to the latest demand of the fast-growing industry. At the same time, we have also set foot in the business of industrial- and automotive-grade products, and are thus developing a new operating model and expanding our product lines. Looking ahead to 2026, the semiconductor industry is entering a critical growth phase as AI transitions from infrastructure to edge computing applications. Buoyed by continued expansion in AI server demand and the extension of data center requirements for high-bandwidth, high-density memory from the core to cloud and edge AI domains, the structural momentum in the DRAM industry is clear. The Group will continue to deepen its technology positioning, accelerate innovative R&D, continue to optimize our product portfolios, build new customer bases in new markets, increase market shares in targeted application markets, and strengthen long-term competitiveness to ultimately ensure steady growth.

Chairman & CEO: Nicky Lu

President: Elvis Deng

Accounting Supervisor: Yu-Chia, Cheng

Chapter 2 Corporate Governance

I Information on the Directors, President, Vice Presidents, Associate Vice Presidents, and Heads of Divisions and Branch Units

(I) Director

April 7, 2026; Unit: shares, %

Position	Name	Gender Age (Note 2)	Date Elected (or Taking Office)	Term	Date First Elected	Shareholding When Elected		Current Shares Held		Current Shareholding of Spouse & Minor Child(ren)		Major Experience (Education)	Currently holds positions in the Company and other companies
						Number of Shares	Shareholding	Number of Shares	Shareholding	Number of Shares	Shareholding		
Chairman	Nicky Lu	Male	2024/6/25	3 years	1991/2/1	11,779,978	4.05	11,949,727	3.64	13,069,744	3.98	Master/PhD in Electrical Engineering, Stanford University, USA Bachelor of Electrical Engineering from National Taiwan University Manager, IBM Technology Headquarter/R&D Center, USA National Academy of Engineering (NAE), USA Fellow National Academy of Inventors (NAI) Fellow IEEE Fellow The Highest Technical Award Winner of the IEEE Solid State Circuit The Honor Medal of the Executive Yuan Award for Outstanding Science and Technology Contribution Director/Co-founder/First Chairman, Global Unichip Corp. Co-founder, Ardentec Fellow, Chinese Management Association Outstanding Alumni, National Taiwan University Outstanding Alumni/Chair Professor, National Chiao Tung University Chairman, World Semiconductor Council (WSC) Chairman of the Board, Global Semiconductor Alliance (GSA) Chairman, Taiwan Semiconductor Industry Association (TSIA) Director Representative, Walton Advanced Engineering, Inc. Member of Technical Committee, VLSI Symposia and ISSCC CEO & Distinguished Fellow, Etron Technology, Inc. Director Representative/CEO, eEver Technology, Inc. Founder/Director Representative/CEO, eYs3D Microelectronics, Co. Director, eEver Technology Limited Director, eYs3D Microelectronics, Inc. Director/CEO, DeCloak Intelligences Co. Consultant, Invention and Collaboration Laboratory Pte. Ltd. Consultant, T-Era Architecture Technology, Inc. Consultant, TAT Technology, Inc. Consultant, T-Era Architecture Technology Corp. Consultant, TAT Technology Corp. President, AI on Chip Taiwan Alliance (AITA) Standing Director, Taiwan Semiconductor Industry Association (TSIA) Director, Global Semiconductor Alliance (GSA); Chairman, Asia Pacific Leadership Council Standing Director, The Allied Association for Science Park Industries Vice President, Monte Jade Science & Technology Association of Taiwan Executive Director of Taiwan Electrical and Electronic Manufacturers' Association (TEEMA) and Chairman of Semiconductor and AI Applications Committee Member of Technical Committee, VLSI Symposia Distinguished Research Lecture Professor, National Taiwan University	
		A											

Position	Name	Gender Age (Note 2)	Date Elected (or Taking Office)	Term	Date First Elected	Shareholding When Elected		Current Shares Held		Current Shareholding of Spouse & Minor Child(ren)		Major Experience (Education)	Currently holds positions in the Company and other companies
						Number of Shares	Shareholding	Number of Shares	Shareholding	Number of Shares	Shareholding		
Director	Elvis Deng	Male	2024/6/25	3 years	2015/6/24	1,068,004	0.37	1,348,219	0.41	0	0.00	Master of Business, National Taiwan University Bachelor of Engineering, National Chiao Tung University Program Manager, Electronics Research and Service Organization, Industrial Technology Research Institute Director, Vanguard International Semiconductor-America Co-founder /Vice President, Ardentec Vice President of Marketing and Sales/ COO/President/Other Positions, CSMC Technologies CEO/Executive Director, CR Micro	President /Nominating Committee member, Etron Technology, Inc. Managing Director, Etron Technology America, Inc. Director, Anzon Technology, Inc. Chairman/President, eEver Technology, Inc. Chairman, eYs3D Microelectronics, Co. Director, eCapture Ltd. Co. Director, eCapture Co., Limited Director, Insignis Technology, Inc. Co-founder /Vice President, Ardentec Director, Insignis Technology Corporation Director, eEver Technology Limited Director, eYs3D Microelectronics, Inc. Supervisor, DeCloak Intelligences Co. Director, AiYs3D Technology, Inc. Managing Director, Invention and Collaboration Laboratory Pte. Ltd. Director, ICL1, Inc. Director, T-Era Architecture Technology, Inc. Director, TAT Technology, Inc. Director Representative, T-Era Architecture Technology Corp. Director Representative, TAT Technology Corp. Director, Great Team Backend Foundry, Inc. Independent Director /Audit Committee Member/Remuneration Committee Member, Episil Technologies External Board of Director, Tekscend Photomask Corp.
		B											
Director	Chiu Chiang Investment Co., Ltd.	N/A	2024/6/25	3 years	1995/4/17	782,473	0.27	853,155	0.26	0	0.00	N/A	N/A
	Representative: Shi-Yi, Chen	Male				0	0.00	0	0.00	0	0.00	Bachelor in Enterprise Management, California State University, USA Bachelor, National Taiwan University YAMAHA MOTORS CORP USA President, Hong Tai Electric Industrial Co., Ltd.	Director Representative(Chairman), Hong Tai Electric Industrial Co., Ltd. Director Representative, ShenJin Yuan Investment Director Representative, Southern Star Investment
		A											

Position	Name	Gender Age (Note 2)	Date Elected (or Taking Office)	Term	Date First Elected	Shareholding When Elected		Current Shares Held		Current Shareholding of Spouse & Minor Child(ren)		Major Experience (Education)	Currently holds positions in the Company and other companies
						Number of Shares	Shareholding	Number of Shares	Shareholding	Number of Shares	Shareholding		
Director	Kai Chun Investment Corp.	N/A	2024/6/25	3 years	2009/6/19	6,716	0.00	7,322	0.00	0	0.00	N/A	N/A
	Representative: Mei-Ling, Hsu	Female				54,831	0.02	59,783	0.02	37,000	0.01	Bachelor, National Taiwan University CFO, Mycenax Biotech Inc. CFO, Jantex Technology. CFO/ Member of Management Committee/Supervisor, Linli Wedding Remuneration Committee Member, Hong Tai Electric Industrial Co., Ltd.	Supervisor Representative, eEver Technology, Inc. Supervisor Representative, eYs3D Microelectronics, Co. Director, eEver Technology Limited Director, eYs3D Microelectronics, Inc. Supervisor, Kai Chun Investment Corp.
		A											
	Representative: Bor-Doou, Rong	Male				68,256	0.02	105,315	0.03	36,163	0.01	Master of Electrical Engineering, Arizona State University, USA Senior Vice President, Etron Technology, Inc.	Distinguished Fellow/R&D Supervisor, Etron Technology, Inc. Chairman/President, Kai Chun Investment Corp. Director Representative, Ardentec Corporation Director Representative/Senior Vice President, MemoLead Technology Corporation
B													
Independent Director	Ai-Chen, Wang	Female	2024/6/25	3 years	2015/6/24	0	0.00	0	0.00	0	0.00	Banking Team, Department of Business, National Taiwan University Analyst, HSBC Securities Investment Consulting Inc., Taiwan Branch Supervisor of Research Department, Tainan Branch, Asia Securities Director, Southern District, Crown Financial Ministries Taiwan CFO, Crown Global Chinese Co., Ltd. Remuneration Committee Member, Feature Integration Technology	Audit Committee Convener/Remuneration Committee Convener/Nominating Committee Member, Etron Technology, Inc. Supervisor, Netclass Technology
		B											
Independent Director	Jen-Hung, Tseng	Male	2024/6/25	3 years	2006/6/12	0	0.00	0	0.00	0	0.00	Master, Department of Business & Management, National Chiao Tung University Bachelor Degree in Electrical Engineering, National Taiwan University President, K Laser President, Taijie Technology CEO, Great Team Backend Foundry, Inc.	Audit Committee Member/ Remuneration Committee Member, Etron Technology, Inc.
		A											

Position	Name	Gender Age (Note 2)	Date Elected (or Taking Office)	Term	Date First Elected	Shareholding When Elected		Current Shares Held		Current Shareholding of Spouse & Minor Child(ren)		Major Experience (Education)	Currently holds positions in the Company and other companies
						Number of Shares	Shareholding	Number of Shares	Shareholding	Number of Shares	Shareholding		
Independent Director	Yun-Chieh, Huang	Female	2024/6/25	3 years	2020/5/13	0	0.00	0	0.00	0	0.00	Department of Finance and Taxation, Chung Hsing University Director, Moneywin International Limited Supervisor, Raffar Technology Corp. Supervisor, Exploit Technology Co., Ltd. Investment Manager, Hong Tai Electric Industrial Co., Ltd.	Audit Committee Member, Etron Technology, Inc. Supervisor, Lumimore Tech Co., Ltd. Supervisor, Guang Duo Energy Co., Ltd. Representative Supervisor, Guang Duo Business Consulting Chairman, Ruijia Technology.
		C											
Independent Director	Wilson Wang	Male	2024/6/25	3 years	2022/6/8	0	0.00	0	0.00	0	0.00	Bachelor's Degree in Accounting, Chengchi University CPA, Pricewaterhouse Coopers	Audit Committee Member/ Nominating Committee Convener, Etron Technology, Inc. Independent Director/Audit Committee Member/ Remuneration Committee Member, Feature Integration Technology Independent Director/Audit Committee Member/ Remuneration Committee Member, Ennostar Independent Director/Audit Committee Member/Remuneration Committee Member, Taiwan Mask Corp. CPA, Zhi Cheng CPA Firm
		B											

Note 1: The total number of shares issued by the Company on April 27, 2024: 290,595,781 shares; the total number of shares issued on April 7, 2026: 328,464,781 shares.

Note 2: Zone A is for age over 71, Zone B age between 61 and 70, and Zone C age between 51 and 60.

Note 3: The reason, reasonableness and necessity of the Chairman concurrently serving as CEO: Chairman, Nicky Lu, has been committed to making contributions to global IC design and semiconductor industry for many years, focusing on the innovation of technologies, academic research, and corporate management, and creating a number of new businesses, thus, it is reasonable and necessary for him to hold the concurrent position.
Responsive measures: The Company has increased the number of Independent Directors in response thereto.

Note 4: Director Elvis Deng's term as an Independent Director and a member of the Functional Committee of Episil Technologies Inc. will expire on June 11, 2026, due to the board re-election conducted by the Company.

Note 5: Independent Director Jen-Hung, Tseng served as a supervisor from June 12, 2006, to June 19, 2009, and as the Director Representative of Kai Chun Investment Corp from June 19, 2009 to June 24, 2015, and has been serving as an independent director since June 15, 2018.

Note 6: Independent Director Wilson Wang resigned from Feature Integration Technology as an Independent Director and a member of the Functional Committee on February 23, 2026, with the resignation effective on May 15, 2026.

Note 7: All nationalities or registered locations of the Directors are the Republic of China.

Note 8: Directors holding shares of the Company in the name of others: the Chairman, Nicky Lu, holds a total of 990,000 shares of the Company in the name of others, representing a shareholding ratio of 0.30%; the other Directors do not have this situation.

Note 9: Directors with a spouse or relative within the second degree of kinship of other heads, Directors, or supervisors: None.

(II) Directors who are the Representatives of Corporate Shareholders. The Major Shareholders of Such Corporate Shareholders

April 7, 2026

Name of Corporate Shareholder	Major Shareholder
Chiu Chiang Investment Co., Ltd.	Tse-Yu, Chen (48.83%), Liang-Hua, Chen (36.44%), Shi-Yi, Chen (2.70%), Wei-Tzu, Hsu (6.05%), Chun-Fei, Chang (3.79%), and Ya-Ming, Li (2.19%)
Kai Chun Investment Corp.	Bor-Doou, Rong (16.70%), Edward Yao (16.66%), Fu-Yung, Hung (16.66%), Willy Lin (16.66%), Ming-Hong, Kuo (16.66%), Peter Chung (16.66%)

(III) Major Shareholders of Institutional Shareholders with Corporations as Their Major Shareholders: None.

(IV) Professional Qualifications and Independence of Directors

Position and Name		Qualifications	Professional Qualifications and Work Experience	Independence Criteria	Number of Other Public Companies where the Individual Currently Serves as an Independent Director
Chairman	Nicky Lu		Note	This is not applicable as they are not independent directors.	0
Director	Elvis Deng		Note		1
Director	Chiu Chiang Investment Co., Ltd. Representative: Shi-Yi, Chen		Note		0
Director	Kai Chun Investment Corp. Representative: Mei-Ling, Hsu		Note		0
Director	Kai Chun Investment Corp. Representative: Bor-Doou, Rong		Note		0
Independent Director	Ai-Chen, Wang		Note	1. Please refer to page 6-7 of this annual report for the comprehensive shareholding of independent directors. 2. Each of the Company's independent directors met the following independence criteria in the two years prior to their election and during their term of office: (1) Not an employee of the Company or any of its affiliates. (2) Not a Director or Supervisor of the Company or any of its affiliated companies. (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, children (minors), or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company, or ranking in the top 10 in holdings. (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of the Managerial Officers specified in preceding (1) subparagraph, or of any of the persons specified in the preceding (2) and (3) subparagraphs. (5) Not a Director, Supervisor, or employee of a corporate shareholder who directly holds 5% or more of the total number of outstanding shares of the Company, or who holds shares ranking in the top five holdings or any of the authorized representatives of a company referred to in Paragraphs 1 or 2 of Article 27 of the Company Act. (6) Not a Director, Supervisor, or employee of other company who has a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person. (7) Not a Director, Supervisor (Governor), or employee of other company or institutions who is the Chairman, President, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses.	0
Independent Director	Jen-Hung, Tseng		Note		0
Independent Director	Yun-Chieh, Huang		Note		0
Independent Director	Wilson Wang		Note		3

Position and Name	Qualifications	Professional Qualifications and Work Experience	Independence Criteria	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
			<p>(8) Not a Director, Supervisor (Governor), Managerial Officer, or shareholder with over 5% shareholding of any specific company or institution which has financial or business relationships with the Company.</p> <p>(9) Not a professional or the owner, partner, Director, Supervisor, or Managerial Officer of any sole proprietorship, partnership, company, or institution in business, legal, financial, or accounting, or consulting services, and their spouse who or which provided auditing to, or obtained less than NT\$500,000 compensation accumulatively in the most recent two years from, the Company or its affiliates.</p> <p>(10) Not a spouse or relative within the second degree of kinship of any other Directors.</p> <p>(11) Not under any of the categories stated in Article 30 of the Company Act.</p> <p>(12) Not a Government Apparatus agency, juristic person or its representative elected under Article 27 of the Company Act.</p>	

Note: Please refer to page 4-7 of this annual report for major experience (education) as well as other position concurrently held at other companies. All directors are not under any of the categories stated in Article 30 of the Company Act.

(V) Diversity and Independence of the Board of Directors

1. Diversity of the Board of Directors

The Company has formulated a "Diversity Policy for the Members of Board of Directors" and disclosed it on the Company's website. It clearly stipulates the composition of the Company's Board of Directors shall take into account the Company's own operation, business model and development needs in formulating a diversified approach. The Board of Directors as a whole shall possess a range of core competencies, such as operational judgment, accounting and financial analysis, operational management, crisis management, industry knowledge, international market perspective, leadership and decision making. The goal is to have at least one board member with expertise in each professional field and to appoint four independent directors.

The relevant diversity policy of the 12th Board of Directors of the Company has been achieved as follows:

April 7, 2026

Diversity Item		Basic Composition					Professional Field (Note 2)			
		Age (Note 1)	Gender	Serving concurrently as an employee	Acting as An Audit Committee member?	Number of the times as an Independent Director of the Company	Finance and Accounting	Banking and Securities	Technology R&D	Marketing and Operation
Chairman	Nicky Lu	A	Male	✓	N/A	N/A			✓	✓
Director	Elvis Deng	B	Male	✓	N/A	N/A			✓	✓
Director	Chiu Chiang Investment Co., Ltd. Representative: Shi-Yi, Chen	A	Male		N/A	N/A			✓	✓
Director	Kai Chun Investment Corp. Representative: Mei-Ling, Hsu	A	Female		N/A	N/A	✓			✓
Director	Kai Chun Investment Corp. Representative: Bor-Doou, Rong	B	Male	✓	N/A	N/A			✓	✓
Independent Director	Ai-Chen, Wang	B	Female		✓	4	✓	✓		✓
Independent Director	Jen-Hung, Tseng	A	Male		✓	3			✓	✓
Independent Director	Yun-Chieh, Huang	C	Female		✓	3	✓			✓
Independent Director	Wilson Wang	B	Male		✓	2	✓			✓
Proportion		—	Male 67% Female 33%	Employee 33% Non-employee 67%	100%	—	44%	11%	56%	100%

Note 1:Zone A is for age over 71, Zone B age between 61 and 70, and Zone C age between 51 and 60.

Note 2:Please refer to pages 4-7 of this annual report for the directors' work experience in their respective professional fields.

Note 3:All nationalities or registered locations of the Directors are the Republic of China.

2. Independence of the Board of Directors

As of the date of publication of this annual report, the Company has a total of four independent directors, accounting for 44% of all board seats. Moreover, the Independent Directors of the Company comply with the provisions of Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act, and do not have a spousal relationship or a familial relationship within the second degree of kinship with other Board members.

(VI) President, Vice Presidents, Associate Vice Presidents, and Heads of Divisions and Branch Units

April 7, 2026; Unit: shares, %

Position	Name	Gender	Date Taking Office	Shareholding		Spouse & Minor Child(ren) Shareholding		Major Experience (Education)	Other Position Concurrently Held at Other Companies
				Number of Shares	Shareholding	Number of Shares	Shareholding		
CEO & Distinguished Fellow	Nicky Lu	Male	1991/2/1	11,949,727	3.64	13,069,744	3.98	Master/PhD in Electrical Engineering, Stanford University, USA Bachelor's Degree in Electrical Engineering, National Taiwan University Manager, IBM Technology Headquarter/R&D Center, USA National Academy of Engineering (NAE), USA Fellow National Academy of Inventors (NAI) Fellow IEEE Fellow The Highest Technical Award Winner of the IEEE Solid State Circuit The Honor Medal of the Executive Yuan Award for Outstanding Science and Technology Contribution Director/Co-founder/First Chairman, Global Unichip Corp. Co-founder, Ardentec Fellow, Chinese Management Association Outstanding Alumni, National Taiwan University Outstanding Alumni/Chair Professor, National Chiao Tung University Chairman, World Semiconductor Council (WSC) Chairman of the Board, Global Semiconductor Alliance (GSA) Chairman, Taiwan Semiconductor Industry Association (TSIA) Director Representative, Walton Advanced Engineering, Inc Member of Technical Committee, VLSI Symposia and ISSCC	Director Representative/CEO, eEver Technology, Inc. Founder/Director Representative/CEO, eYs3D Microelectronics, Co. Director, eEver Technology Limited Director, eYs3D Microelectronics, Inc. Director/CEO, DeCloak Intelligences Co. Consultant, Invention and Collaboration Laboratory Pte. Ltd. Consultant, T-Era Architecture Technology, Inc. Consultant, TAT Technology, Inc. Consultant, T-Era Architecture Technology Corp. Consultant, TAT Technology Corp. President, AI on Chip Taiwan Alliance (AITA) Standing Director, Taiwan Semiconductor Industry Association (TSIA) Director, Global Semiconductor Alliance (GSA); Chairman, Asia Pacific Leadership Council Standing Director, The Allied Association for Science Park Industries Vice Presiden, Monte Jade Science & Technology Association of Taiwan Executive Director of Taiwan Electrical and Electronic Manufacturers' Association (TEEMA) and Chairman of Semiconductor and AI Applications Committee Distinguished Research Lecture Professor, National Taiwan University

Position	Name	Gender	Date Taking Office	Shareholding		Spouse & Minor Child(ren) Shareholding		Major Experience (Education)	Other Position Concurrently Held at Other Companies
				Number of Shares	Shareholding	Number of Shares	Shareholding		
President	Elvis Deng	Male	2014/8/12	1,348,219	0.41	0	0.00	<p>Master of Business, National Taiwan University Bachelor of Engineering, National Chiao Tung University Program Manager, Electronics Research and Service Organization, Industrial Technology Research Institute Director, Vanguard International Semiconductor-America Co-founder /Vice President, Ardentec Vice President of Technology Marketing and Sales / COO/ President/Other Positions, CSMC Technologies CEO/Executive Director, CR Micro</p>	<p>Managing Director, Etron Technology, Inc. America, Inc. Director, Anzon Technology, Inc. Chairman/President, eEver Technology, Inc. Chairman, eYs3D Microelectronics, Co. Director, eCapture Ltd. Co. Director, eCapture Co., Limited Director, Insignis Technology, Inc. Director, Insignis Technology Corporation Director, eEver Technology Limited Director, eYs3D Microelectronics, Inc. Supervisor, DeCloak Intelligences Co. Director, AiYs3D Technology, Inc. Managing Director, Invention and Collaboration Laboratory Pte. Ltd. Director, ICL1, Inc. Director, T-Era Architecture Technology, Inc. Director, TAT Technology, Inc. Director Representative, T-Era Architecture Technology Corp. Director Representative, TAT Technology Corp. Director, Great Team Backend Foundry, Inc. Independent Director of/Audit Committee Member/Remuneration Committee Member, Episil Technologies External Board of Director, Tekscend Photomask Corp.</p>
Distinguished Fellow (R&D Supervisor)	Bor-Doou, Rong	Male	2015/12/8	105,315	0.03	36,163	0.01	<p>Master of Electrical Engineering, Arizona State University, USA Associate Vice President/Senior Vice President, Etron Technology, Inc.</p>	<p>Chairman/President, Kai Chun Investment Corp. Director Representative, Ardentec Corporation Director Representative/Senior Vice President, MemoLead Technology Corporation</p>
Vice President & Distinguished Fellow (R&D Supervisor)	Chun, Shiah	Male	2015/12/8	78,152	0.02	7,147	0.00	<p>Master of Electronic Engineering, Syracuse University, New York State, USA Associate Vice President, Etron Technology, Inc.</p>	<p>Research Fellow, Invention and Collaboration Laboratory Pte. Ltd.</p>
Vice President & Principal Fellow	Ming-Hong, Kuo	Male	2021/1/14	0	0.00	0	0.00	<p>Master of Electronics, National Chiao Tung University Director, Operating Office, mCube Associate Vice President, Etron Technology, Inc. Quality Assurance and Technical Assistant Manager, Taiwan Semiconductor Manufacturing Company R&D Process Integration Manager, Vanguard International Semiconductor Corporation Assistant Manager, Electronics Research and Service Organization, Industrial Technology Research Institute Director Representative, Ardentec</p>	<p>Director Representative, Bridge Semiconductor Corporation Director, Kai Chun Investment Corp.</p>

Position	Name	Gender	Date Taking Office	Shareholding		Spouse & Minor Child(ren) Shareholding		Major Experience (Education)	Other Position Concurrently Held at Other Companies
				Number of Shares	Share-holding	Number of Shares	Share-holding		
Group Legal Counsel	Teng-Wei, Wang	Male	2022/1/24	75,000	0.02	0	0.00	Master of Laws, University of Minnesota Twin City Department of Laws, Fu-Jen Catholic University Director, Chungwa Picture Tubes, Ltd. Associate Vice President, Etron Technology, Inc. Vice President, Medeon Biodesign, Inc. Director, PRODEON, INC.	Director, Invention and Collaboration Laboratory Pte. Ltd. Director, ICL1, Inc. Director, T-Era Architecture Technology, Inc. Director, TAT Technology, Inc. Director Representative, T-Era Architecture Technology Corp. Director Representative, TAT Technology Corp. Director Representative, ValueCreation Technology, Inc. Director Representative, MemoLead Technology Corporation
Vice President	Peter Chung	Male	2024/7/3	214,720	0.07	0	0.00	Master, Department of Business Administration, Chuo University Associate Vice President, Etron Technology, Inc.	Director, Eutrend Technology Inc. Director, Kai Chun Investment Corp.
Associate Vice President	Wen-Chi, Wang	Male	2019/10/9	340,211	0.10	0	0.00	Bachelor in Electrical Engineering, Chung Hua University Section Chief, Powerchip Semiconductor Director, Etron Technology, Inc.	None
Associate Vice President	Fu-Yung, Hung	Male	2019/10/9	210,574	0.06	0	0.00	Master, Department of Information Science, State University of New York Director, Etron Technology, Inc.	None
Associate Vice President	San-Pu, Lin	Male	2023/11/15	0	0.00	0	0.00	Master of Executive Management in Intelligent Manufacturing across Departments, Tsinghua University Master of Information Engineering, Yuan Ze University Associate Vice President, AIC Inc. Associate Vice President/Plant Manager/Director, Inventec Product Engineering Manager, Visson (VIA Group)	Associate Vice President, eYs3D Microelectronics, Co.
Associate Vice President	Justin Chueh	Male	2024/3/28	158,820	0.05	0	0.00	Ph.D. in Electrical and Computer Science from the University of Michigan, Ann Arbor Bachelor's Degree/Master's Degree in Electrical Engineering, National Taiwan University Technology Manager of Super Micro Computer, Inc., North America Project Manager of North America TSMC Director, Etron Technology, Inc. Co-founder, DeCloak Intelligence Co.	Associate Vice President, eYs3D Microelectronics, Co.

Position	Name	Gender	Date Taking Office	Shareholding		Spouse & Minor Child(ren) Shareholding		Major Experience (Education)	Other Position Concurrently Held at Other Companies
				Number of Shares	Share-holding	Number of Shares	Share-holding		
Associate Vice President	Edward Yao	Male	2020/8/15	132,000	0.04	0	0.00	MBA, Emory University Director, Etron Technology, Inc. Manager, Jietai Technology Section Chief, Mosel Vitelic Inc. Executive Director, Fullboom Electronics (Shenzhen) Co., Ltd.	Chairman, Kingwell Investment Corp. Chairman, Kinglord Corp. Director, Plusway Corp. Director, Etron Technology, Inc. America, Inc. Chairman, Eutrend Technology Inc. Chairman, Kingcharm Investment Inc. Director, Anzon Technology, Inc. Director, Anzon Corporation Director, Etron Technology, Inc. (HK) Limited Director, Intercosmos Group Limited Director, Grandsino Technology Limited Director Representative, Fullboom International Limited Director, Creative Ally Limited Chairman, Invention and Collaboration Laboratory, Inc. Chairman, Global Specitronics Solutions Company. Supervisor Representative, eEver Technology, Inc. Supervisor Representative, eYs3D Microelectronics, Co. Director, eCapture Ltd. Co. Director, eCapture Co., Limited Director, Insignis Technology, Inc. Director, Insignis Technology Corporation Chairman, nD-HI Technologies Lab, Inc. Chairman, DeCloak Intelligences Co. Director, AiYs3D Technology, Inc. Director, Invention and Collaboration Laboratory Pte. Ltd. Director, Great Team Backend Foundry, Inc. Director, Great Team Backend Foundry Ltd. (Dongguan) Director Representative, Innorich Venture Capital Corp. Director, T-Era Architecture Technology, Inc. Director, TAT Technology, Inc. Chairman, T-Era Architecture Technology Corp. Chairman, TAT Technology Corp. Chairman, ValueCreation Technology, Inc. Director, AISTA, Inc. Director, ICL1, Inc. Chairman, Intellect Rise Design, Inc.
Associate Vice President	Robin Wang	Male	2024/7/3	140,000	0.04	0	0.00	Master's degree in Materials Science and Engineering, National Chiao Tung University Director, Etron Technology, Inc.	None
Associate Vice President	Ho-Yi, Chen	Male	2025/6/16	140,167	0.04	0	0.00	Master of Science, Department of Electronic Engineering, National Tsing Hua University Director & Senior Member of Technical Staff, Etron Technology, Inc.	None
Director (Accounting Supervisor & Corporate Governance Supervisor)	Yu-Chia, Cheng	Female	2011/12/23	60,000	0.02	0	0.00	Bachelor, Department of Accounting, Fu-Jen Catholic University Team Leader, Deloitte & Touche Firm Financial and Accounting Section Chief, OSG Financial and Accounting Director, Asia Microelectronics	None

Position	Name	Gender	Date Taking Office	Shareholding		Spouse & Minor Child(ren) Shareholding		Major Experience (Education)	Other Position Concurrently Held at Other Companies
				Number of Shares	Share-holding	Number of Shares	Share-holding		
Director (Finance Supervisor)	Jui-Ling, Hsieh	Female	2016/3/23	70,700	0.02	0	0.00	Master, Department of Management Science, National Chiao Tung University Senior Audit Specialist/Vice Programme Manager, Tecom Co., Ltd. Supervisor, Global Unichip Corp. Supervisor Representative, Hong Tai Electric Industrial Co., Ltd.	Director Representative, Kingwell Investment Corp. Director, Kinglord Corp. Director, Plusway Corp. Director Representative, Kingcharm Investment Director, Intercosmos Group Limited Director, Grandsino Technology Limited Director, Creative Ally Limited Director Representative, Invention and Collaboration Laboratory, Inc. Director Representative, Global Specitronics Solutions Company. Director Representative, nD-HI Technologies Lab, Inc. Director Representative, Intellect Rise Design, Inc. Financial Accounting Supervisor, eYs3D Microelectronics, Co.

Note 1: The total number of shares issued on April 7, 2026: 328,464,781 shares.

Note 2: The reason, reasonableness and necessity of the CEO concurrently serving as Chairman: Chairman, Nicky Lu, has been committed to making contributions to global IC design and semiconductor industry for many years, focusing on the innovation of technologies, academic research, and corporate management, and creating a number of new businesses, thus, it is reasonable and necessary for him to hold the concurrent position.
Responsive measures: The Company has increased the number of Independent Directors in response thereto.

Note 3: President Elvis Deng's term as an Independent Director and a member of the Functional Committee of Episil Technologies Inc. will expire on June 11, 2026, due to the board re-election conducted by the Company.

Note 4: Director Ho-Yi, Chen was promoted to Assistant Vice President on June 16, 2025.

Note 5: All nationalities of the Managers are the Republic of China.

Note 6: Managers holding shares of the Company in the name of others: the CEO, Nicky Lu, holds a total of 990,000 shares of the Company in the name of others, representing a shareholding ratio of 0.30%; the other Managers do not have this situation.

Note 7: Managers with a spouse or relative within the second degree of kinship of other managers: None.

II Remuneration Paid to the Directors, President and Vice Presidents

(I) Remuneration Paid to General Directors and Independent Directors

Unit: NT\$ thousand; %

Position	Name	Remuneration Paid to Directors								Total Amount of A, B, C and D, and Proportion of Said Total Amount in Net Earnings after Tax		Relevant Remuneration Received by Directors who Are Also Employees								Total Amount of A, B, C, D, E, F and G, and Proportion of Said Total Amount in Net Earnings after Tax		Remuneration from Re-invested Companies Other than Subsidiaries or the Parent Company
		Remuneration A		Severance Pay and Pension B		Remuneration Paid to Directors C (Note 2)		Business Execution Expenses D				Salary, Bonus and Special Expenses E		Severance Pay and Pension F		Employee Remuneration G (Note 2)						
		The Company	All Companies in Financial Report	The Company	All Companies in Financial Report	The Company	All Companies in Financial Report	The Company	All Companies in Financial Report	The Company	All Companies in Financial Report	The Company	All Companies in Financial Report	The Company	All Companies in Financial Report	Cash	Stock	Cash	Stock	The Company	All Companies in Financial Report	
Chairman	Nicky Lu	0	0	0	0	0	0	72	88	72 (0.01)	88 (0.02)	9,187	9,996	0	0	0	0	0	0	9,259 (1.86)	10,084 (2.02)	None
Director	Elvis Deng	0	0	0	0	0	0	72	88	72 (0.01)	88 (0.02)	8,599	8,843	108	108	0	0	0	0	8,779 (1.76)	9,039 (1.82)	
Director	Chiu Chiang Investment Co., Ltd. Representative: Shi-Yi, Chen	0	0	0	0	0	0	240	240	240 (0.05)	240 (0.05)	0	0	0	0	0	0	0	0	240 (0.05)	240 (0.05)	
Director	Kai Chun Investment Corp. Representative: Mei-Ling, Hsu	0	0	0	0	0	0	240	304	240 (0.05)	304 (0.06)	0	0	0	0	0	0	0	0	240 (0.05)	304 (0.06)	
Director	Kai Chun Investment Corp. Representative: Bor-Doou, Rong	0	0	0	0	0	0	72	72	72 (0.01)	72 (0.01)	4,829	5,231	142	142	0	0	0	0	5,043 (1.01)	5,445 (1.09)	
Independent Director	Ai-Chen, Wang	420	420	0	0	0	0	240	240	660 (0.13)	660 (0.13)	0	0	0	0	0	0	0	0	660 (0.13)	660 (0.13)	
Independent Director	Jen-Hung, Tseng	360	360	0	0	0	0	240	240	600 (0.12)	600 (0.12)	0	0	0	0	0	0	0	0	600 (0.12)	600 (0.12)	
Independent Director	Yun-Chieh, Huang	240	240	0	0	0	0	240	240	480 (0.10)	480 (0.10)	0	0	0	0	0	0	0	0	480 (0.10)	480 (0.10)	
Independent Director	Wilson Wang	240	240	0	0	0	0	240	240	480 (0.10)	480 (0.10)	0	0	0	0	0	0	0	0	480 (0.10)	480 (0.10)	

* The Company has formulated the Measures for Remuneration to Directors, specifying the related policies, systems, standards, and structure of and for payment of compensation. In addition to travelling expenses, Independent Directors shall perform businesses independently and participate in corporate governance based on their duties, and thus shall receive fixed compensation every month; if Directors Remuneration shall be paid, the compensation shall be calculated respectively by using the weight ratios specified in said Measures.

* Unless otherwise disclosed in the above table, the compensation received in the most recent year by the Company's Directors for providing services to all the companies listed in the Financial Report: None

Note 1: The net loss for the current period specified in 2025 parent company only financial statements was NT\$497,494 thousand.

Note 2: Refer to Note 1, As resolved by the Board of Directors in March 2026, no distribution of directors' and employees' remuneration was made.

(II) Remuneration Paid to President and Vice Presidents

Unit: NT\$ thousand; %

Position	Name	Salary A		Severance Pay and Pension B		Bonus and Special Expenses C		Employee Remuneration D (Note 2)				Total Amount of A, B, C and D, and Proportion of Said Total Amount in Net Earnings after Tax		Remuneration from Re-invested Companies Other than Subsidiaries or the Parent Company	
		The Company	All Companies in Financial Report	The Company	All Companies in Financial Report	The Company	All Companies in Financial Report	The Company		All Companies in Financial Report		The Company	All Companies in Financial Report		
								Cash	Stock	Cash	Stock				
CEO	Nicky Lu														
President	Elvis Deng														
Distinguished Fellow	Bor-Doou, Rong														
Vice President	Chun, Shiah	32,193	36,455	780	780	7,103	8,787	0	0	0	0	40,076 (8.06)	46,022 (9.25)	None	
Vice President	Ming-Hong, Kuo														
Vice President	Peter Chung														
Group Legal Counsel	Teng-Wei, Wang														

Note 1: The net loss for the current period specified in 2025 parent company only financial statements was NT\$497,494 thousand.

Note 2: Refer to Note 1, As resolved by the Board of Directors in March 2026, no distribution of employees' remuneration was made.

Range of Remuneration Table

Range of Remuneration Paid to the Company's President and Vice Presidents	Name of President and Vice Presidents	
	The Company	All Companies in Financial Report
Less than NT\$1,000,000		
NT\$1,000,000 (inclusive) - NT\$2,000,000 (exclusive)		
NT\$2,000,000 (inclusive) - NT\$3,500,000 (exclusive)		
NT\$3,500,000 (inclusive) - NT\$5,000,000 (exclusive)	Bor-Doou, Rong, Chun, Shiah, Ming-Hong, Kuo, Peter Chung	Ming-Hong, Kuo, Peter Chung
NT\$5,000,000 (inclusive) - NT\$10,000,000 (exclusive)	Nicky Lu, Elvis Deng, Teng-Wei, Wang	Nicky Lu, Elvis Deng, Bor-Doou, Rong, Chun, Shiah, Teng-Wei, Wang
NT\$10,000,000 (inclusive) - NT\$15,000,000 (exclusive)		
NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive)		
NT\$30,000,000 (inclusive) - NT\$50,000,000 (exclusive)		
NT\$50,000,000 (inclusive) - NT\$100,000,000 (exclusive)		
Over NT\$100,000,000		
Total	7 persons in total	7 persons in total

(III) Remuneration of the Top Five Highest paid Executives

Unit: NT\$ thousand; %

Position	Name	Salary A		Severance Pay and Pension B		Bonus and Special Expenses C		Employee Remuneration D (Note 2)				Total Amount of A, B, C and D, and Proportion of Said Total Amount in Net Earnings after Tax		Remuneration from Re-invested Companies Other than Subsidiaries or the Parent Company
		The Company	All Companies in Financial Report	The Company	All Companies in Financial Report	The Company	All Companies in Financial Report	The Company		All Companies in Financial Report		The Company	All Companies in Financial Report	
								Cash	Stock	Cash	Stock			
CEO	Nicky Lu	6,493	6,493	0	0	2,694	3,503	0	0	0	0	9,187 (1.85)	9,996 (2.00)	
President	Elvis Deng	7,358	7,358	108	108	1,241	1,485	0	0	0	0	8,707 (1.75)	8,951 (1.80)	
Vice President	Chun, Shiah	2,921	6,200	157	157	545	622	0	0	0	0	3,623 (0.73)	6,979 (1.40)	None
Distinguished Fellow	Bor-Doou, Rong	4,086	4,463	142	142	743	768	0	0	0	0	4,971 (1.00)	5,373 (1.08)	
Group Legal Counsel	Teng-Wei, Wang	4,207	4,207	108	108	712	964	0	0	0	0	5,027 (1.01)	5,279 (1.06)	

Note 1: The net loss for the current period specified in 2025 parent company only financial statements was NT\$497,494 thousand.

Note 2: Refer to Note 1, As resolved by the Board of Directors in March 2026, no distribution of employees' remuneration was made.

(IV) The names of the managers responsible for distributing employee compensation and the distribution situation are as follows: Due to losses in 2025, the Board of Directors decided in March 2026 not to distribute employee compensation.

(V) Remuneration Paid to Directors, President and Vice Presidents in the Most Recent Two Years

1. The proportion of the total compensation paid to the Directors, President and Vice Presidents in the net profit after tax specified in the parent company only financial statements.

Unit: %

Year & Proportion Position	2024		2025	
	The Company	All Companies in Consolidated Financial Report	The Company	All Companies in Consolidated Financial Report
Directors	(0.54)	(0.56)	(0.58)	(0.61)
President & Vice Presidents	(6.91)	(7.71)	(8.06)	(9.25)

Note: The Company's net loss specified in 2024 Parent Company Only Financial Statements was NT\$540,640 thousand, and its current net loss specified in 2025 Parent Company Only Financial Statements was NT\$497,494 thousand. Moreover, the Company has established an Audit Committee to replace the duties of the Supervisor.

2. Remuneration policies, standards, and packages, procedure for determining compensation, and linkage thereof to operating performance and future risk exposure

The Company has formulated the Article of Incorporation, the Measures for Remuneration to Directors, the Measures for Performance Assessment and Remuneration Management of Managerial Officers, and other measures to specify the standards for payment of remuneration to Directors and improve the Company's system for performance assessment on and remuneration management of its Managerial Officers. And the Company has established Remuneration Committee to be responsible for establishing and assessing the policies, systems, standards, and structure of the remuneration to Directors and Managerial Officers, and submit their suggestions to the Board of Directors for discussion. The Company shall establish the procedures, standards, and combinations for and of remuneration cautiously, by considering its overall operating performance and future risks with priority, then by referring to individual performance achievement rate, scope of rights and responsibilities, and the level in the industry both at home and abroad.

Affiliates were handled according to their respective Consolidated Financial Reports and Article of Incorporation, while considering the business performance and future risks. The compensation paid to Directors in the most recent two years was the traveling expenses they spent for attending the Board of Directors' meetings.

III Implementation of Corporate Governance

(I) Operations of the Board of Directors

A total of 4 Board of Directors' meetings were held in 2025. The attendance of the Directors was as follows:

Position	Name	Attendance in Person	Attendance by Proxy	Attendance Rate (%)	Note
Chairman	Nicky Lu	4	0	100	None
Director	Elvis Deng	4	0	100	None
Director	Chiu Chiang Investment Co., Ltd. Representative: Shi-Yi, Chen	4	0	100	None
Director	Kai Chun Investment Corp. Representative: Mei-Ling, Hsu	4	0	100	None
Director	Kai Chun Investment Corp. Representative: Bor-Doou, Rong	4	0	100	None
Independent Director	Ai-Chen, Wang	4	0	100	None
Independent Director	Jen-Hung, Tseng	4	0	100	None
Independent Director	Yun-Chieh, Huang	4	0	100	None
Independent Director	Wilson Wang	3	1	75	None

Other matters to be recorded

1. Matters referred to in Article 14-3 of the Securities and Exchange Act

Date & Meeting	Contents of Proposals	All Independent Directors' Opinions	The Company's Response
2025/3/7 5th Meeting, 12th Session	<ul style="list-style-type: none"> ■ 2025 CPAs Independence Assessment ■ Releasing Manager from Non-Competition Restrictions ■ Releasing Director from Non-Competition Restrictions ■ Adjustment of Managerial Officers' Remuneration 	None	N/A
2025/8/7 7th Meeting, 12th Session	<ul style="list-style-type: none"> ■ Amendment to the Internal Control System, Internal Audit Implementation Rules, and Procedures for Self-assessment of the Internal Control System 	None	N/A
2025/11/10 8th Meeting, 12th Session	<ul style="list-style-type: none"> ■ Releasing Manager from Non-Competition Restrictions ■ Releasing Director from Non-Competition Restrictions 	None	N/A

2. Any recorded or written resolutions made by the Board of Directors to which Independent Directors have objections or reservations in addition to the above: None.

3. Abstentions of Directors from Voting due to Conflicts of Interests

Date & Meeting	Name	Contents of Proposals	Reason for Abstention	Details of voting participation
2025/3/7 5th Meeting, 12th Session	Elvis Deng	■ Releasing Manager from Non-Competition Restrictions	Parties to the Proposal	Not participated in the discussion and voting
	Elvis Deng	■ Releasing Director from Non-Competition Restrictions		
	Nicky Lu/ Elvis Deng/ Bor-Doou, Rong	■ Adjustment of Managerial Officers' Remuneration		
2025/11/10 8th Meeting, 12th Session	Bor-Doou, Rong	■ Changing Managerial Personnel	Parties to the Proposal	Not participated in the discussion and voting
	Bor-Doou, Rong	■ Releasing Manager from Non-Competition Restrictions		
	Bor-Doou, Rong	■ Releasing Director from Non-Competition Restrictions		

4. Assessment and Implementation by the Board of Directors

(1) Internal Self-assessment

Frequency of Assessment	Once a year		
Period of Assessment	2025 (December 1, 2024 - November 30, 2025)		
Method of Assessment	Self-assessment by the Board of Directors, the individual members of the Board of Directors, and functional committees through questionnaire		
Contents of Assessment	Scope of Assessment	Aspects of Assessment	Evaluation result
	Individual Members of Board of Directors	<p>A total of 20 indicators were evaluated for the following 6 aspects:</p> <ul style="list-style-type: none"> ● Grasping of the Company's goals and tasks ● Understanding of the Director's duties ● Participation in the Company's operating ● Management and communication of the internal relations ● Expertise and continued education of the Directors ● Internal Control 	Excellent
	Board of Directors	<p>A total of 25 indicators were evaluated for the following 5 aspects:</p> <ul style="list-style-type: none"> ● Participation in the Company's operating ● Improvement of the Board of Directors' decision-making quality ● Composition and structure of the Board of Directors ● Election and continued education of the Directors ● Internal Control 	Excellent

	Scope of Assessment	Aspects of Assessment	Evaluation result
Contents of Assessment	Audit Committee	A total of 20 indicators were evaluated for the following 5 aspects: <ul style="list-style-type: none"> ● Participation in the Company's operating ● Understanding of the functional committee's duties ● Improvement of the functional committee's decision-making quality ● Composition and structure of the Board of functional committees ● Internal Control 	Excellent
	Nominating Committee	A total of 16 indicators were evaluated for the following 4 aspects: <ul style="list-style-type: none"> ● Participation in the Company's operating ● Understanding of the functional committee's duties ● Improvement of the functional committee's decision-making quality ● Composition and structure of the Board of functional committees 	Excellent
	Remuneration Committee	A total of 16 indicators were evaluated for the following 4 aspects: <ul style="list-style-type: none"> ● Participation in the Company's operating ● Understanding of the functional committee's duties ● Improvement of the functional committee's decision-making quality ● Composition and structure of the Board of functional committees 	Excellent
Report to the Board of Directors	The assessment results for 2025 was reported to the Board of Directors on March 11, 2026		

(2) External Assessment

Frequency of Assessment	At least once every three years		
Period of Assessment	2025 (December 1, 2024 - November 30, 2025)		
Method of Assessment	The Company has entrusted the Taiwan Investor Relations Institute to perform external assessment by means of Directors' self-assessment questionnaire, written review and on-site/online interviews and assessments		
Contents of Assessment	Scope of Assessment	Assessment Dimension	
	Board of Directors	A total of 54 indicators were evaluated in the questionnaire for the following 5 aspects: <ul style="list-style-type: none"> ● Composition and Professional Development of the Board of Directors ● Decision-making Quality of the Board of Directors ● Operating Efficiency of the Board of Directors ● Internal Control and Risk Management ● Degree of the Board of Directors' Engagement in Corporate Social Responsibility 	
Report to the Board of Directors	The Taiwan Investor Relation Institute issued a certificate of Board Performance Evaluation, which was reported to the Board of Directors on March 11, 2026		

5. Goals for Strengthening the Functions of the Board of Directors in the Current Year and the Most Recent Year and its Implementation Status

- (1) Has established the Remuneration Committee, Audit Committee and Nominating Committee to submit the suggestions to the Board of Directors based on their duties for reporting or discussion.
- (2) Four additional independent director position was added, which accounts for 44% of the total board seats.
- (3) Has Formulated Internal Regulations and Rules such as the "Organizational Rules for the Special Committee for Mergers and Acquisitions", "Diversity Policy for the Members of Board of Directors", and the "Guidelines for the Adoption of Codes of Ethical Conduct for a Director, or Managerial Officer" to strengthen the functions of the Board of Directors.
- (4) Has Formulated the "Board of Directors' Performance Evaluation Regulations" and Implemented Board of Directors' Performance Evaluation once a year, and an external evaluation will be conducted every three years. The implementation status and results of the Board performance evaluation are reported to the Board of Directors in the first quarter of the following year. The most recent external evaluation was commissioned to the Taiwan Investor Relations Institute in 2025.
- (5) In 2025, each Director of the Company has completed continuing training in accordance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies". The total number of continuing training hours for all Directors is 76 hours, with an average of 8.4 hours per individual Director. The information regarding the continuing training of Board members has been disclosed on the Market Observation Post System (MOPS).
- (6) The Corporate Governance Supervisor has been appointed to oversee matters related to corporate governance and to assist the Board of Directors in fulfilling its supervisory responsibilities. Detailed duties have been disclosed on the Company's official website. The Corporate Governance Supervisor continued training in 2025 is shown as below:

Name	Training Date	Organizer	Course Title	Course Hours
Yu-Chia, Cheng	2025/5/13	The Greater China Financial and Economic Development Association	Strategies for Responding to Trump's Tariff Policies	3
	2025/8/22	The Allied Association for Science Park Industries	Future Control Driven by Technology – Intelligent Control for the Future	3
	2025/9/3	Taiwan Corporate Governance Association	The 21st (2025) Corporate Governance Summit Forum Thriving - The Role of BOD in Strategy Shaping for the Drastic Transformations of Global Environment	6

(II) Operations of Audit Committee:

Operations of Audit Committee: 4 meetings of the Audit Committee were held in 2025. The attendance of the Independent Directors was as follows:

Position	Name	Attendance in Person	Attendance by Proxy	Attendance Rate (%)	Note
Independent Director (Convener)	Ai-Chen, Wang	4	0	100	None
Independent Director	Jen-Hung, Tseng	4	0	100	None
Independent Director	Yun-Chieh, Huang	4	0	100	None
Independent Director	Wilson Wang	3	1	75	None

Other matters to be recorded

1. Matters referred to in Article 14-5 of the Securities and Exchange Act

Date & Meeting	Contents of Proposals	Independent Directors' dissenting opinions, qualified opinions or contents of material suggestions	Audit Committee's Resolutions	The Company's Response
2025/3/7 3rd Meeting, 3rd Session	■ 2024 Final Statements ■ 2024 Statement on Internal Control System ■ 2025 CPAs Independence Assessment	None	Approved	N/A
2025/8/6 5th Meeting, 3rd Session	■ Consolidated Financial Report for the Second Quarter of 2025 ■ Amendment to the Internal Control System, Internal Audit Implementation Rules, and Procedures for Self-assessment of the Internal Control System	None	Approved	N/A

2. Other matters not approved by the Audit Committee but agreed to by more than two-thirds of all Directors: None.

3. Abstentions of Independent Directors from Voting due to Conflicts of Interests: None.

4. Communication between Independent Directors , the Chief Audit Executive, and CPAs

Communication Method	Key Work Items and Communication Content	Participants	
		Chief Audit Executive	CPAs
Independent Communication Meeting without Management Presence	<ul style="list-style-type: none"> ● Progress in managing internal audit reports and internal control tracking issues ● Issues Related to Financial Reports 	✓	✓
Audit Committee	<ul style="list-style-type: none"> ● Progress in managing internal audit reports and internal control tracking issues ● Assessment of the Effectiveness of Internal Control Systems ● Review of Financial Reports and Important Company Motions 	✓	✓
Correspondence/ Meeting	<ul style="list-style-type: none"> ● Progress in managing internal audit reports and internal control tracking issues ● Other Matters Related to the Responsibilities of Independent Directors 	✓	

In addition to convening the Audit Committee once each quarter, separate communication meetings are held without the presence of general directors and management to facilitate discussions between the Chief Audit Executives and CPAs. The communication status of the separate meetings for 2025 is as follows:

Date	Communication Matters	Suggestions and Results
2025/3/7	<ul style="list-style-type: none"> ● 2024 Q4 Financial Report ● Audit Quality Indicators (AQIs) Information ● Internal Control and Audit Report 	None
2025/5/5	<ul style="list-style-type: none"> ● 2025 Q1 Financial Report ● Internal Control and Audit Report 	None
2025/8/6	<ul style="list-style-type: none"> ● 2025 Q2 Financial Report ● Internal Control and Audit Report 	None
2025/11/7	<ul style="list-style-type: none"> ● 2025 Q3 Financial Report ● 2025 Annual Financial Report Audit Plan ● Internal Control and Audit Report 	None

(III) Implementation of Corporate Governance and Deviations from the Principles of Corporate Governance for TWSE/TPEX Listed Companies and Reasons Thereof

Evaluation Item	Implementation Status		Description	Deviations from the Principles of Corporate Governance for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No		
I. Does the Company formulate and disclose the "Principles of Corporate Governance" according to the "Principles of Corporate Governance for TWSE/GTSM Listed Companies"?	✓		The Company has formulated the "Principles of Corporate Governance" and disclosed the principles on the MOPS and the Company website.	No deviation
II. Shareholding structure & Shareholders' rights (I) Does the Company establish internal operating procedures to handle Shareholder's suggestions, doubts, disputes, and lawsuits, and implemented such procedures?		✓	(I) In practice, the Company handles Shareholder's suggestions or disputes through spokesperson system, as well as investor relations department, legal affairs and other relevant departments based on the their duties.	Description
(II) Has the Company possessed a list of the major Shareholders who actually control the Company, and the ultimate owners of these major shareholders?	✓		(II) The Company has possessed a list of the major Shareholders who actually control the Company, and the ultimate owners of these major shareholders.	No deviation
(III) Has the Company established and implemented risk control and firewall systems with its affiliate companies?	✓		(III) As for internal control system, the Company has formulated the management rules such as "Subsidiary Supervision and Management Operations" and "Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises", etc. to specify the management rights and responsibilities as well as control methods related to affiliates. It supervises the establishment and implementation of necessary internal control systems by subsidiaries. If there are business with affiliates, they are deemed as independent third parties, and abnormal transactions are completely eradicate, so as to establish a good risk control mechanism and firewall.	No deviation
(IV) Has the Company formulated internal rules prohibiting the Company's insiders from trading securities by using information not disclosed to the market?	✓		(IV) The Company has formulated the "Code of Ethics", the "Guidelines for the Adoption of Codes of Ethical Conduct for a director, or managerial officer", and the "Procedures of Handling Material Inside Information and Prevention of Insider Trading", etc., expressly prohibiting the occurrence of related incidents.	No deviation

Evaluation Item	Implementation Status			Deviations from the Principles of Corporate Governance for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
III. Composition and duties of the Board of Directors (I) Has the Board of Directors established and implemented diversity policies for its composition?	✓		(I) In order to strengthen corporate governance and promote the sound development of the composition and structure of the Board of Directors, the Company has formulated the “Diversity Policy for the Members of Board of Directors”, and disclosed the Policy on the Company website and the MOPS, and selected the members of the Board of Directors according to the policy. Specific management objectives: Board members shall generally possess the knowledge, skills, and qualities necessary to perform their duties. In order to achieve the ideal goal of corporate governance, the overall competencies of the Board of Directors are operational judgment, accounting and financial analysis skills, operational management, crisis management, industry knowledge, international market perspective, leadership and decision making: Implementation Status: <ul style="list-style-type: none"> • The Company has set up nine Directors to meet the Company’s needs for development. • The Company’s female Directors account for 33% of all Directors. • The professionals with different backgrounds in technology, management, industry, and accounting, etc. have been elected to serve as the members of the Company’s Board of Directors. 	No deviation
(II) In addition to the Remuneration Committee and Audit Committee, has the Company voluntarily established other functional committees?	✓		(II) The Company has voluntarily established a Nominating Committee. The Company will establish Special Committee for Mergers and Acquisitions, in accordance with the Business Mergers and Acquisitions Act and the Organizational Rules for the Special Committee for Mergers and Acquisitions, to perform relevant businesses, if the Company needs to deal with mergers and acquisitions.	No deviation
(III) Has the Company established the measures to evaluate the performance of the Board of Directors, and does the Company implement performance evaluation annually? Does it report the performance evaluation results to the Board of Directors and use them as a reference for individual Director's compensation and nomination of term renewal?	✓		(III) The Company has formulated the Board of Directors’ Performance Evaluation Regulations. An internal evaluation is conducted on an annual basis, while an external evaluation is conducted every three years. The implementation situation and results of the performance evaluation are reported to the Board of Director in the first quarter of the subsequent year and disclosed as information. The evaluation results may be utilized as a reference for relevant remuneration and nomination.	No deviation

Evaluation Item	Implementation Status			Deviations from the Principles of Corporate Governance for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
(IV) Does the Company regularly assess on the independence of CPAs?	✓		(IV) The Company assesses the independence of CPAs annually, and fills in Assessment Form and submits it to the Board of Directors for review together with the Independence Statements issued by CPAs. The contents of the assessment include referring to AQIs, whether the CPAs comply with Article 47 of the CPA Act, whether they have been punished by the FSC, and whether they have visa experience being assessed in related industries, etc. The assessment for 2025 and 2026 were approved by the Board of Directors on March 7, 2025, and March 11, 2026, respectively.	No deviation
IV. Does the Company appoint adequate and appropriate persons and a corporate governance supervisor to be in charge of corporate governance matters (including but not limited to providing Directors and Supervisors with their required information for business execution, assisting Directors and Supervisors in following laws and regulations, handling matters in relation to the Board of Directors' meetings and Shareholders' Meetings, and keeping minutes of the Board of Directors meetings and Shareholders' Meetings according to law)?	✓		The Company has appointed a corporate governance supervisor and has dedicated departments responsible for managing corporate governance matters. Implementation of the Corporate Governance Supervisor and the dedicated department was as follows: (I) Dealt with the affairs related to the meetings of the Nominating Committee, the Audit Committee, the Board of Directors, and the Shareholders' Meeting, and implemented related issues, in accordance with laws. (II) Provided the members of the Board of Directors with the financial and business information, changes to laws and regulations, and other related information required for operating, from time to time. (III) Was responsible for the disclosure of information on the MOPS. (IV) Handled change registration for the Company. (V) Made cooperation in the assessment on corporate governance to strengthen corporate governance. (VI) Conduct Director performance evaluations and Director training operations. (VII) Regularly reviewing the independence of Independent Directors. (VIII) Other business related to corporate governance.	No deviation
V. Does the Company establish communication channels and a dedicated section on the Company website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers) to respond to material corporate social responsibility issues in a proper manner?	✓		The Company has established a dedicated section for stakeholders, and it communicates with stakeholders in the following ways. (I) Company website: Provide the Company's contact methods, and update the various information related to the Company. (II) Industry value chain information platform: The Company's business philosophy, product information, etc. can be accessed through the common platform established by TPEX. (III) Daily communication: Dedicated units are set for different stakeholders to maintain	No deviation

Evaluation Item	Implementation Status			Deviations from the Principles of Corporate Governance for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
			communication with them through meetings, visits, phone calls, emails, etc. (IV) Exchanges in the industry: Actively participate in the representative organizations and related activities in the academic and industrial circles, such as GSA, TSIA, labor union of the Park, so as to maintain a good communication with the overall industry.	
VI. Does the Company appoint a professional shareholder service agency to deal with the affairs of Shareholders' Meeting?	✓		The Company has entrusted the Stock Affairs Agency Department of CTBC Bank Co., Ltd to deal with the affairs of the Company's Shareholders' Meeting act an agency.	No deviation
VII. Information disclosure (I) Has the Company established a corporate website to disclose information regarding the Company's financial, business, and corporate governance status?	✓		(I) The Company has established a corporate website both in Chinese and English to disclose various related information.	No deviation
(II) Has the Company established any other information disclosure channels (e.g. maintaining a website in English, designating dedicated persons to be responsible for collection and disclosure of the Company's information, implementing spokesperson system, webcasting investors' conference, etc.)?	✓		(II) The Company has designated a spokesperson and a deputy spokesperson. In addition to the MOPS, there are also Chinese and English websites for the disclosure of various information, including finance, business, and audiovisual materials for press conferences and presentations. The collection and disclosure of company information are conducted by dedicated personnel in each department, in accordance with their respective responsibilities.	No deviation
(III) Does the Company announce and declare the annual financial report within two months after the end of the fiscal year? Does it announce and declare the first, second and third quarter financial reports and operating conditions of each month as soon as possible before the prescribed period?		✓	(III) In 2025, the Company announced and declared its financial reports as well as its operating conditions of each month by the deadline stipulated by competent authority.	Description
VIII. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (including but not limited to employee rights, care for employees, investor relations, supplier relations, stakeholder rights, Directors' and Supervisors' continued education and training, implementation of risk management policies and risk evaluation measures, implementation of customer policies, and purchase of liability insurance by the Company for	✓		The Company purchases director, supervisor and important employee liability insurances for its Board of Directors' members and important personnel every year. Such insurance purchased in 2025 has been reported to the Board of Directors on November 10, 2025. For additional information regarding corporate governance practices, employee rights, and risk management policies, please refer to the sections "Implementation of Corporate Governance," "Labor-management Relations," and "Risk Assessment and Management" in this Annual Report. In addition, the Company has provided comprehensive and detailed explanations on various information related to communication and operations with stakeholders, risk management policies, measurement standards and implementation status,	No deviation

Evaluation Item	Implementation Status		Description	Deviations from the Principles of Corporate Governance for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No		
its Directors and Supervisors)?			employee rights and benefits, and corporate governance in accordance with the regulatory authorities' Sustainable Blueprint on the Company's website and in the sustainability report. This helps stakeholders understand the Company's corporate governance and important information related to sustainability.	
<p>IX. Please explain the improvements made in accordance with the Corporate Governance Evaluation results released by the Taiwan Stock Exchange's Corporate Governance Center in the most recent year, and provide the priorities and plans for improvement with items yet to be improved.</p> <p>(I) In the 11th (2024) Corporate Governance Evaluation, the Company ranked within the 6%~20% range among the TPEX-listed companies, As of the publication date of the Company's 2025 Annual Report, the results of the 12th (2025) Corporate Governance Evaluation have not yet been announced, the Company will optimize corporate governance related matters gradually depending on its status.</p> <p>(II) The Company makes cooperation in Corporate Governance Evaluation, revises the corporate governance related rules, evaluates and improves the information disclosed in its annual reports and on its website, and improves the completeness of the description of various indicators.</p>				

(IV) Composition, Duties and Operation of the Remuneration Committee

1. Professional Qualifications and Independence Analysis of Remuneration Committee Members

April 7, 2026

Title	Name	Qualifications Professional Qualifications and Work Experience	Independence Criteria	Number of Other Public Companies where the Individual Concurrently Serves as a Remuneration Committee Member
Independent Director (Convener)	Ai-Chen, Wang	Please refer to page 6-7 of this annual report for major experience(education) as well as other position concurrently held at other companies	1. Please refer to page 6-7 of this annual report for the comprehensive shareholding of independent directors. 2. Each member met the following independence criteria in the two years prior to their election and during their term of office: (1) Not an employee of the Company or any of its affiliates. (2) Not a Director or Supervisor of the Company or any of its affiliated companies. (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, children (minors), or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company, or ranking in the top 10 in holdings. (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of the Managerial Officers specified in preceding (1) subparagraph, or of any of the persons specified in the preceding (2) and (3) subparagraphs. (5) Not a Director, Supervisor, or employee of a corporate shareholder who directly holds 5% or more of the total number of outstanding shares of the Company, or who holds shares ranking in the top five holdings or any of the authorized representatives of a company referred to in Paragraphs 1 or 2 of Article 27 of the Company Act. (6) Not a Director, Supervisor, or employee of other company who has a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person. (7) Not a Director, Supervisor (Governor), or employee of other company or institutions who is the Chairman, President, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses. (8) Not a Director, Supervisor (Governor), Managerial Officer, or shareholder with over 5% shareholding of any specific company or institution which has financial or business relationships with the Company. (9) Not a professional or the owner, partner, Director, Supervisor, or Managerial Officer of any sole proprietorship, partnership, company, or institution in business, legal, financial, or accounting, or consulting services, and their spouse who or which provided auditing to, or obtained less than NT\$500,000 remuneration accumulatively in the most recent two years from, the Company or its affiliates. However, members of the Remuneration Committee, Tender Offer Review Committee, or Special Committee on Mergers and Acquisitions who perform their duties in accordance with the Securities and Exchange Act or the Business Mergers and Acquisitions Act shall not be subject to this restriction. (10) Not under any of the categories stated in Article 30 of the Company Act.	0
Independent Director	Jen-Hung, Tseng			0
Others	Hsiang-Lan, Kuo	Education: Bachelor, Department of Accounting, National Cheng Kung University Experience: Independent Director at Ares Green Technology Co., CFO, Coretronic		0

2. Duties of Remuneration Committee

The Remuneration Committee of the Company shall exercise the care of an administrator with good faith, faithfully fulfill the following functions and powers, and submit the suggestions to the Board of Directors for discussion.

- (1) Review these Regulations and make amendment suggestions as appropriate in response to environmental change.
- (2) Establish and regularly review the Company's Directors' and Managerial Officers' performance evaluation and remuneration policies, systems, standards, and structure.
- (3) Regularly assess and determine the Director's and Managerial Officer's remuneration.

3. Operational Status of the Remuneration Committee

- (1) The Company's Remuneration Committee Member consists of 3 people in total.
- (2) Term of this Remuneration Committee: June 25, 2024 to June 24, 2027. Two Remuneration Committee meetings were held in 2025. The attendance of the members were as follows:

Position	Name	Attendance in Person	Attendance by Proxy	Attendance Rate (%)	Note
Convener	Ai-Chen, Wang	2	0	100	None
Committee Member	Jen-Hung, Tseng	2	0	100	None
Committee Member	Hsiang-Lan, Kuo	2	0	100	None

Other matters to be recorded

1. Circumstances where the Board of Directors did not adopt or amend the recommendations of the Remuneration Committee: None.
2. Circumstances where any member of the Remuneration Committee expressed dissenting or qualified opinions on resolutions, with records or written statements: None.
3. Significant Resolutions Passed by the Remuneration Committee in the Most Recent Year

Date & Meeting	Contents of Proposals	Dissenting or Reserved Opinions of Committee Members	Committee's Resolutions	The Company's Response
2025/2/27 2nd Meeting, 6th Session	■ The Manager Remuneration	None	Approved	N/A
2025/11/4 3rd Meeting, 6th Session	■ The Manager Remuneration	None	Approved	N/A

(V) Composition, Duties and Operation of the Nominating Committee

1. Qualifications and Responsibilities of the Nominating Committee

The Nominating Committee of the Company shall be composed of at least three Directors appointed by the Board of Directors, with a majority of the members being independent directors. With the authorization of the Board of Directors, the care of an administrator with good faith shall be performed, faithfully fulfill the following functions and powers, and submit the suggestions to the Board of Directors for discussion:

- (1) To establish standards for the professional knowledge, skills, experience, gender diversity, and independence required for members of the Board of Directors, and to use these standards to search for, review, and nominate Director candidates.
- (2) To establish and develop the organizational structure of the Board of Directors and various Committees, conduct performance evaluations of the Board of Directors, Committees, and Directors, and assess the independence of Independent Directors.
- (3) Develop and implement continuing education and training program for Directors.
- (4) Other matters authorized by the Board of Directors.

2. Information regarding the professional qualifications and experience of the members of the Nominating Committee and the operation of the Nominating Committee

(1) The Company's Nominating Committee consists of 3 members in total.

(2) Term of this Nominating Committee: June 25, 2024 to June 24, 2027. Two Nominating Committee meetings were held in 2025. The professional qualifications and experience of the members and the operation of the Committee were as follows:

Title	Position	Name	Professional Qualifications and Work Experience	Attendance in Person	Attendance by Proxy	Attendance Rate (%)	Note
Independent Director	Chairperson and Convener	Wilson Wang	Please refer to pages 4-7 of this annual report for major experience (education) as well as other position concurrently held at other companies	2	0	100	None
Independent Director	Committee Member	Ai-Chen, Wang		2	0	100	None
Director	Committee Member	Elvis Deng		2	0	100	None

Other matters to be recorded

Significant Resolutions Passed by the Nominating Committee in the Most Recent Year

Date & Meeting	Contents of Proposals	Committee Recommendations and Objections	Audit Committee's Resolutions	The Company's Response
2025/3/5 2nd Meeting, 2nd Session	■ 2025 Continuing Training for Directors	None	Approved	N/A
2025/11/5 3rd Meeting, 2nd Session	■ 2025 Independent Directors Tenure Independence Assessment ■ 2025 Board Performance Evaluation	None	Approved	N/A

(VI) Implementation Status of Sustainable Development

1. Implementation Status of Sustainable Development and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof

Promotional Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
I. Does the Company establish a governance structure to promote sustainable development, and set up a full-time (part-time) unit to promote sustainable development, which is handled by the senior management authorized by the Board of Directors? And how does the supervision of the Board of Directors go?	✓		<p>1. The Company's Governance Structure to Promote Sustainable Development The Company has established a Corporate Sustainable Development Committee, with the President as the chairman to formulate sustainable development strategies and report to the Board of Directors at regular intervals.</p> <p>2. Implementation of Each Organization of the Company (1) Name, Setting Time and Authorization of the Board of Directors of the Fulltime (Part-Time) Unit to Promote Sustainable Development: Starting from 2025, the Company has assigned dedicated personnel under the President's Office to be responsible for promoting and coordinating various sustainability initiatives.</p> <p>(2) Member Composition, Operation and Implementation of the Unit to Promote Sustainable Development in the Current Year: The President of the Company serves as the Chairperson of the Corporate Sustainable Development Committee and convenes and presides over sustainability meetings regularly (twice a year). The Chief Executive invites members of the relevant working groups to participate in the meetings based on the agenda items. Given that sustainability encompasses environmental, social, and governance (ESG) dimensions, the Corporate Sustainable Development Committee adopts a task group-based structure. Each responsible department takes actions in accordance with its respective authority and the relevant issues it oversees. Resolutions passed by the Corporate Sustainable Development Committee are reviewed by the Chairperson and, through the coordination of the Chief Executive and the Executive Secretary, assigned to the relevant units for implementation.</p> <p>(3) Frequency of the Promotion Unit Reporting to the Board of Directors, or the Date of Reporting to the Board of Directors in the Current Year: the Corporate Sustainable Development Committee has reported the progress of promotion to the Board of Directors on March 7, 2025, May 6, 2025, August 7, 2025, and November 10, 2025, respectively.</p> <p>3. The Board of Directors' supervision of sustainable development The Board of Director approved the amendment to the "Sustainable Development Best Practice Principles" in 2022, and established the Corporate Sustainable Development Committee to formulate sustainable development policies and guidelines, and regularly monitors the implementation of sustainable initiatives. The Company is committed to gradually integrating the concept of sustainable management into its corporate culture.</p>	No deviation

Promotional Item	Implementation Status		Description	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof								
	Yes	No										
II. Does the Company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?	✓		<p>1. The boundary of risk assessment (the scope of the subsidiaries covered) The disclosed information covers the Company's sustainable development performance from January 1, 2025 to December 31, 2025. The Company's risk assessment boundary lies in itself, including two branches in Taiwan(the Hsinchu headquarters and the Taipei office).</p> <p>2. Risk assessment criteria, process, results and risk management policies or strategies for identifying material issues related to environment, society and corporate governance</p> <p>(I)The Sustainable Development Committee conducts a comprehensive materiality analysis every three years based on the principle of materiality, with the most recent analysis completed in 2025. The analysis process focuses on the identified sustainable development issues, integrating assessments from senior management regarding the likelihood and impact of both positive and negative effects of these issues, as well as survey results on the level of concern from major stakeholders. Following the establishment of evaluation criteria and deliberation by the Sustainable Development Committee, a formal resolution is made regarding the material issues for the next fiscal year, which will inform the development of relevant Risk Management Policies and response strategies.</p> <p>(II)Based on the assessed risks, the relevant Risk Management Policies or strategies are as follows:</p> <table border="1"> <thead> <tr> <th>Dimension</th> <th>Material Issue</th> <th>Management Strategy</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Social Dimension (People/ Human Rights)</td> <td>Talent Development and Retention</td> <td>1.Establish the "Education and Training Procedures" to systematically plan relevant professional and management courses based on the core competencies required for each position. 2.Implement an online platform for education and training management, establish diverse instructional methods, develop online courses, and enhance employees' motivation to learn. 3.Provide subsidies for external training course fees and applications for official leave, encouraging colleagues to pursue self-improvement and continue learning.</td> </tr> <tr> <td>Customer Service</td> <td>1.Conduct a customer satisfaction survey regularly every year, and communicate with customers promptly based on the survey results. 2.Establish the "Customer Relationship Management Procedures" to ensure that customer expectations and needs are confirmed and met, and to enhance the quality of customer service through the documentation and standardization of service activities.</td> </tr> </tbody> </table>	Dimension	Material Issue	Management Strategy	Social Dimension (People/ Human Rights)	Talent Development and Retention	1.Establish the "Education and Training Procedures" to systematically plan relevant professional and management courses based on the core competencies required for each position. 2.Implement an online platform for education and training management, establish diverse instructional methods, develop online courses, and enhance employees' motivation to learn. 3.Provide subsidies for external training course fees and applications for official leave, encouraging colleagues to pursue self-improvement and continue learning.	Customer Service	1.Conduct a customer satisfaction survey regularly every year, and communicate with customers promptly based on the survey results. 2.Establish the "Customer Relationship Management Procedures" to ensure that customer expectations and needs are confirmed and met, and to enhance the quality of customer service through the documentation and standardization of service activities.	No deviation
Dimension	Material Issue	Management Strategy										
Social Dimension (People/ Human Rights)	Talent Development and Retention	1.Establish the "Education and Training Procedures" to systematically plan relevant professional and management courses based on the core competencies required for each position. 2.Implement an online platform for education and training management, establish diverse instructional methods, develop online courses, and enhance employees' motivation to learn. 3.Provide subsidies for external training course fees and applications for official leave, encouraging colleagues to pursue self-improvement and continue learning.										
	Customer Service	1.Conduct a customer satisfaction survey regularly every year, and communicate with customers promptly based on the survey results. 2.Establish the "Customer Relationship Management Procedures" to ensure that customer expectations and needs are confirmed and met, and to enhance the quality of customer service through the documentation and standardization of service activities.										

Promotional Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof														
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III. Environmental issues (I) Does the Company establish proper environmental management systems based on the characteristics of its industry?	✓		1. How can an effective environmental management system be implemented, and the regulations to follow: The Company has established an appropriate environmental management system according to the characteristics of the industry. In addition to the implementation of environmental protection in accordance with the relevant domestic environmental protection laws and regulations, the Company also regularly carries out internal and external environmental management system audit to ensure its effectiveness. 2. The relevant international verification standards passed by the Company and their coverage: The Company has complied with the requirements of EU Restriction of Hazardous Substances Directive (RoHS-2011/65/EU), thus being recognized by major international manufacturers as a green partner. Also having obtained ISO 14001 environmental management system certification (The certificate is valid until May 2029), the Company continues to improve environmental performance, formulates relevant management rules on environmentally restricted substances, and complete the adjustments to design and production processes.	No deviation								
(II) Is the Company committed to utilizing all resources more efficiently and using renewable materials which have low impact on the environment?	✓		The Company has set an energy-saving target for 2030: To reduce electricity consumption by 30% compared to the base year of 2023 of 5,890,685 kW. In 2024, the Company implemented various measures to improve energy resource efficiency, including lowering the maximum pressure of air compressors, reducing the operating temperature and time of water heaters, adjusting the return water temperature of chillers, and replacing traditional lighting with LED fixtures. Additionally, the Company enforced restrictions on environmentally regulated substances in raw materials used for products to mitigate environmental impact. As a result of these energy efficiency improvements, electricity consumption in 2025, the energy efficiency	No deviation								

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(III) Does the Company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	✓		The Corporate Sustainable Development Committee has evaluated and identified the potential risks and opportunities of climate change to the enterprise now and in the future. The risks identified include water shortage, power limitation, flooding, increase in operating costs, impairment of assets and the like. The measures to be taken are to improve the recovery time of operation-related support systems, shorten the time to return to normal operation, implement a mechanism to handle material abnormal events, and continue to pay attention to and comply with relevant energy and environmental regulations. The potential opportunities of climate change for the Company in the future are the use of energy-efficient electrical appliances, which will be addressed by continuous research and development and mass production of low energy consumption related products.	No deviation																																	
(IV) Does the Company take inventory of its greenhouse gas emissions, water consumption, and total weight of wastes in the last two years, and formulate policies on energy saving and carbon reduction, greenhouse gas reduction, water reduction, or wastes management?	✓		<p>1. Statistical data, intensity and data coverage of the following items in the last two years</p> <p>The scope of greenhouse gas emissions (Scope 1 and Scope 2), water consumption, and waste generation covers all plants. The figures for Scope 1 and Scope 2 GHG emissions have obtained reasonable assurance from an independent third-party verification in accordance with ISO 14064-1 standard, while Scope 3 data has obtained limited assurance. Scope 3 includes the calculation of water consumption and waste generation. The coverage includes the Hsinchu headquarters, Taipei office, and Zhubei office(although it is not the Company's primary operational location, it is included in the inventory scope to ensure disclosure completeness).</p> <p>(1) Greenhouse gas</p> <p style="text-align: right;">Unit: metric ton</p> <table border="1"> <thead> <tr> <th rowspan="2">Data coverage</th> <th colspan="3">All factories</th> <th rowspan="2">Total</th> <th rowspan="2">Turnover (NT\$ million)</th> <th rowspan="2">Intensity (metric tons CO2/NT\$ million)</th> </tr> <tr> <th>Scope 1</th> <th>Scope 2</th> <th>Scope 3</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td>550.27</td> <td>2,395.32</td> <td>848.44</td> <td>3,794.03</td> <td>3,473.22</td> <td>1.0924</td> </tr> <tr> <td>2025</td> <td>589.73</td> <td>2,102.14</td> <td>903.49</td> <td>3,595.36</td> <td>4,036.78</td> <td>0.8907</td> </tr> </tbody> </table> <p>(2) Water consumption</p> <p style="text-align: right;">Unit: metric ton</p> <table border="1"> <thead> <tr> <th>Data coverage</th> <th>All factories</th> <th>Intensity (metric tons/NT\$ million)</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td>58,884</td> <td>16.9537</td> </tr> <tr> <td>2025</td> <td>55,810</td> <td>13.8254</td> </tr> </tbody> </table>	Data coverage	All factories			Total	Turnover (NT\$ million)	Intensity (metric tons CO2/NT\$ million)	Scope 1	Scope 2	Scope 3	2024	550.27	2,395.32	848.44	3,794.03	3,473.22	1.0924	2025	589.73	2,102.14	903.49	3,595.36	4,036.78	0.8907	Data coverage	All factories	Intensity (metric tons/NT\$ million)	2024	58,884	16.9537	2025	55,810	13.8254	No deviation
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IV. Social issues (I) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		<p>The Company's appointment policy complies with internationally recognized international conventions (including the "Universal Declaration of Human Rights", "International Covenant on Economic, Social and Cultural Rights", "International Covenant on Civil and Political Rights", and "Declaration of Fundamental Principles and Rights of the International Labor Organization"), as well as other laws and regulations. The Company does not treat people in different ways due to their race, socioeconomic class, language, ideology, religion, party, birthplace, gender, marriage, appearance, physical obstacles or previous union memberships. The Company establishes internal management methods and procedures based on the aforementioned recognized human rights standards. The scope includes the Company, subsidiaries, and other group affiliates with substantial control capabilities. The Human Resources unit is responsible for policy promotion, education and training, and supervision, using the Responsible Business Alliance Code of Conduct (RBA) as the management foundation. Regular internal audits, as well as audits by certification bodies and clients, are conducted to ensure compliance.</p>	No deviation																

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	Yes	No	Description	
(II) Has the Company established and does it implement reasonable benefits for employees (including remuneration, leave, and other benefits), and reflects the business performance or results in employee's remuneration appropriately?	✓		<p>As for the Company's benefits to its employees, the Company provides its employees with the flexible leave superior to that stipulated by Labor Standard Act, in addition to compliance with Labor Standard Act, as well as related laws and regulations. Remuneration: The Company has established internally the bonus payment principles and incentive bonus implementation methods, and it provides employee with stock trusts and employee stock options to reward employees. Other benefits: The Company has established Employee Benefit Committee, group insurance measures, Employee Assistance Programs, massage services provided by the visually impaired, health examinations for senior managers, as well as marriage, funeral, celebration, paternal, and emergency subsidiaries, and it provides family security services to take and send employee's child(ren) after school for free, after-school guidance, and other childcare measures. The Company was awarded the "Friendly Workplace" certification mark granted by the Council of Labor Affairs of the Executive Yuan in 2008, commended by the Council of Labor Affairs of the Executive Yuan as an excellent EAPs business unit in 2011, and granted with the Family LOHAS Award and Health LOHAS Award in the first "Work-Life Balance Award" granted by the Ministry of Labor in 2014.</p> <p>Based on overall economic indicators and industry remuneration levels, the Company offers competitive remuneration and benefits. Our remuneration policy includes fixed salaries, annual and holiday bonuses, and operational bonuses based on the Company's annual profit targets. We distribute employee remunerations based on the Company's profitability, employee performance, and contribution to the work. The Company values profit sharing to ensure that employees' efforts and achievements are duly rewarded.</p>	No deviation
(III) 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>1. Measures for safety and a healthy working environment of employees, employee training policies and their implementation status</p> <p>The employee workplace is equipped with various alarm devices that can promptly detect hazards such as fire, gas leaks, and nitrogen leaks. Additionally, it is furnished with automatic sprinklers, foam, and other emergency mitigation equipment. In addition to implementing relevant alarms and emergency facilities in the workplace, the Company has established a healthy and safe working environment by introducing effective methods, technologies and equipment to prevent occupational disasters and diseases, enhance employee's morale and health, and maintain product quality and service level. The Company has also set occupational safety management objectives, regularly tracked performance and improvements, and formulated standardized emergency response procedures. The Company conducts various safety response drills and first aid training annually. To further strengthen employees' awareness of safety and health, the Company regularly organizes occupational safety and health training programs. In 2025, the Company conducted three fire drills and one general hazardous materials training session, focusing on emergency evacuation drills, first aid and bandaging education, and reinforcing operational personnel's identification of hazardous chemicals. A total of 319 participant attendances were recorded.</p> <p>The Company conducts annual seminars on sexual harassment and unlawful infringement in the workplace to prevent and address these issues. The course content is tailored for supervisors and employees, sharing common patterns of sexual harassment, relevant legal responsibilities, and grievance channels. This aims to enhance the legal awareness and preventive consciousness of all employees, achieving effective prevention. In 2025, two seminars were held, with a total of 276 participants, and there were zero incidents of</p>	No deviation

Promotional Item	Implementation Status		Description	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof															
	Yes	No																	
			<p>sexual harassment reported.</p> <p>2. The Company values the physical and mental health of its employees and worklife balance. It regularly plans health promotion seminars and has implemented Employee Assistance Programs (EAP) to provide colleagues with support and consultation resources in the areas of work, mental health, and life, assisting employees in self-care and stress management. In 2025, a total of 6 seminars were held for promotion. Relevant certifications obtained by the Company and scope The Company has passed the "international standards ISO 45001 Occupational health and safety management systems - Requirements: 2018" (which certificate is valid until May, 2029), covering the Company's Hsinchu Headquarters.</p> <p>3. Total occupational accidents, fire accidents, casualty and ratio to the total employees of the Company in 2025, and corresponding improvements</p> <table border="1"> <thead> <tr> <th></th> <th>Occupational incidents</th> <th>Fire incidents</th> </tr> </thead> <tbody> <tr> <td>Number of Cases / Number of People</td> <td>0 case / 0 person</td> <td>0 case / 0 person</td> </tr> <tr> <td>Ratio to the total employees</td> <td>0%</td> <td>0%</td> </tr> <tr> <td>Note</td> <td colspan="2">No fire or personnel injuries occurred</td> </tr> <tr> <td>Corresponding improvements</td> <td colspan="2">N/A</td> </tr> </tbody> </table>		Occupational incidents	Fire incidents	Number of Cases / Number of People	0 case / 0 person	0 case / 0 person	Ratio to the total employees	0%	0%	Note	No fire or personnel injuries occurred		Corresponding improvements	N/A		
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Corresponding improvements	N/A																		
(IV) Does the Company provide its employees with effective career ability development and training plans?	✓		<p>The Company plans annual training programs based on job functions and career levels, encouraging employees to pursue continuous training and diverse development. Multiple channels for further training are provided, including training subsidies, study leave, and unpaid leave arrangements. In addition, the Company fully subsidizes certification examination fees, course enrollment fees, and transportation expenses.</p> <p>The Company's annual training programs cover new hires, current employees, and supervisors at all levels. Based on annual objectives and the needs of different functions, the Company continuously develops training programs for new employees, professional skills development, and management training for supervisory personnel. These programs focus on onboarding and integration of new employees, transfer of departmental expertise, and enhancement of management capabilities, with the aim of improving overall organizational performance.</p> <p>Results of the 2025 Annual Education and Training Initiatives: The participation rate for new employee training reached 100%; the total training hours amounted to 6,570.5 hours; the cumulative number of participants was 3,842; and the training expenses were approximately NT\$1.1 million. The overall average satisfaction rating for the 2025 annual training programs was 4.65 out of 5, indicating generally positive feedback regarding course content and program arrangement.</p>	No deviation															
(V) Does the Company's products and services comply with related regulations and international rules for customers' health and	✓		<p>The Company has obtained ISO 9001:2015 (which certificate is valid until July, 2027) and other international certifications to ensure that customers satisfy with its product quality and services, and established customer communication channels. And it complies with international rules and relevant regulations to safeguard customer's safety and privacy. The Company also has formulated the "Procedures for Management of the Rela-</p>	No deviation															

Promotional Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
safety, privacy, marketing, and marks, and set related polices and compliant procedures to protect consumers' rights and interest?			tionships with Customers", the "Procedures for Dealing with Customer Complaints", the "Packaging Operation Methods", as well as other measures and policies related to consumer rights and interests.	
(VI) Has the Company established the supplier management policies requesting suppliers to comply with relevant laws and regulations related to environmental protection, occupational safety and health or labor rights and supervised its implementation?	✓		<p>1. Supplier management policy and related norms for compliance, and the contents thereof should have positive and specific requirements for suppliers in terms of environmental protection, occupational safety, and health, or labor human rights With formulation of the “Sustainable Management Policy of Suppliers”, the Company attaches great importance to the long-term cooperation with suppliers, for which it has extended the scope of sustainable supply chain management to CRS such as economy and governance, environmental protection, and social co-prosperity. Labor rights, environmental protection, safety and health, ethics and management systems are part of key requirements for supplier selection and audit. Based on this, the Company has established risk control projects and identification of high-risk suppliers. The Company formulates improvement measures based on the evaluation results and assists suppliers in continuous improvement, in an attempt to improve the effectiveness of sustainable supply chain management and reduce supply chain operational risks, thus establishing a sustainable growth partnership. Through localized procurement, the Company aims to enhance supply flexibility, shorten new product development timelines, reduce production costs, and ultimately lower overall carbon emissions from supply chain transportation.</p> <p>2. Implementation of supplier management policies and related norms for compliance The Company's key suppliers are only considered qualified under the following circumstances, that is, they must hold ISO9001, ISO14001 and ISO45001 certificates at the same time, and execute the “Supplier Social Responsibility and Sustainable Development Best Practice Principles” and “Statement on Environmental Protection”. Moreover, the products or materials provided by suppliers need to render RoHS ICP test reports of raw materials from third-party laboratories to recognize the composition of harmful substances. The Company also conducts annual supplier self-assessments and audits covering quality systems, environmental health and safety systems, green management systems, and social responsibility. Follow-up actions are taken to track improvements on any identified non-conformities.</p>	No deviation

Promotional Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
V. Does the Company refer to internationally-used standards or guidelines for the preparation of reports to prepare sustainability and other reports to disclose the Company's non-financial information? Does the aforementioned report obtain assurance or verification opinions from an independent third-party assurance provider? Does the aforementioned report obtain a level of assurance or attestation from an independent third-party verification body?	✓		<p>1. International standards or guidelines referenced, and reports prepared that disclose non-financial information Subject to the requirements of "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies", the reports of the Company were prepared based on the Sustainability Reporting Standards 2021 (GRI Standards 2021) issued by the Global Reporting Initiative, with reference to the Task Force on Climate-Related Financial Disclosures (TCFD) and Sustainable Accounting Standards Board (SASB) Standards. The annexes to the reports were attached with the indexes of GRI Standards for the reference of stakeholders.</p> <p>2. Name of the accreditation unit for verification and guarantee, accreditation items or scope, and norms for compliance To enhance disclosure quality of the 2024 report, the Company has commissioned GREAT Certification to conduct Type 1 Moderate Level verification based on AA 1000: AS V3; verification of the 2025 report is set to be completed in June 2026.</p>	No deviation
VI. Where the Company has established its own corporate sustainable development best-practice principles based on the "Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," describe the implementation and any deviations from such principles: In order to fulfill our corporate social responsibility and promote a balanced and sustainable development of the economy, society, and environmental ecology, the Company has established the "Sustainable Development Best Practice Principles" in according to "Sustainable Development Best Practice Principles for TWSE/TPEX Listed" and the actual operation is in line with the Principles established by the Company.				
VII. Other important information to facilitate a better understanding of sustainable development practices: The sustainability report has been prepared in accordance with international standards, covering the implementation and promotion of three aspects of sustainable development, including environmental protection, social responsibility, and responsibility governance. Please refer to the website (https://www.etrn.com/esg/) for relevant measures and results.				

2. Execution Status of Climate-related Information

Item	Implementation Status																																																																																																							
1. Describe the Board of Directors' and Management's supervision and governance of climate-related risks and opportunities	<p>1. The governance of climate risks and opportunities, along with annual sustainable risk management issues, are reported to the Board of Directors annually. The Board of Directors oversees the effectiveness of execution. In 2025, reports were submitted to the Board of Directors quarterly.</p> <p>2. The President serves as the chairman of the Corporate Sustainable Development Committee, and the committee members are responsible for identifying, assessing, and managing risks.</p>																																																																																																							
2. Describe how the identified climate risks and opportunities impact the company's business, strategy, and finance (short-term, medium-term, and long-term)	<p>According to Etron's climate change assessment methodology, the short term is defined as within the next two years, while the medium to long term is defined as three years or more. With respect to the three major risks and opportunities identified, namely, the strengthening of the obligation to report emissions, the increase in the severity of extreme weather events such as typhoons and floods, and the development and/or increase in low-carbon products and services, the Company has formulated relevant response plans to minimize the potential financial impacts, and the related information is as the table below:</p> <table border="1" data-bbox="674 544 2092 1366"> <thead> <tr> <th data-bbox="674 544 757 603">Number</th> <th data-bbox="757 544 1128 603">Climate Change Risk Issues</th> <th data-bbox="1128 544 1227 603">Risk Level</th> <th data-bbox="1227 544 1391 603">Time Scope</th> <th data-bbox="1391 544 1473 603">Number</th> <th data-bbox="1473 544 1787 603">Climate Change Opportunity Issues</th> <th data-bbox="1787 544 1921 603">Opportunity Level</th> <th data-bbox="1921 544 2092 603">Time Scope</th> </tr> </thead> <tbody> <tr> <td data-bbox="674 603 757 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1366">Sea level rise</td> <td data-bbox="1128 1315 1227 1366">Medium-term</td> <td data-bbox="1227 1315 1391 1366">Medium-term, long-term</td> <td colspan="4" data-bbox="1391 1315 2092 1366"></td> </tr> </tbody> </table> <p data-bbox="674 1366 2092 1426">Note: The term short-term refers to a period of 1-2 years, medium-term refers to a period of 3-5 years, and long-term refers to a period of 6-10 years</p>								Number	Climate Change Risk Issues	Risk Level	Time Scope	Number	Climate Change Opportunity Issues	Opportunity Level	Time Scope	R1	Increase in GHG emissions pricing	Medium-term	Short-term, medium-term	O1	Reduce water usage and water consumption	Medium-term	Medium-term, long-term	R2	Strengthening Emission Reporting Obligations	High	Short-term, medium-term, long-term	O2	Implement more efficient production and distribution processes	Medium-term	Medium-term, long-term	R3	Requirements and regulation of existing products and services	Medium-term	Short-term	O3	Recycle and reuse	Medium-term	Medium-term, long-term	R4	Substituting current products and services with low-carbon alternatives	Medium-term	Medium-term, long-term	O4	Transitioning to more efficient buildings	Medium-term	Medium-term, long-term	R5	Costs of low carbon technology transition	Medium-term	Short-term, medium-term	O5	Adoption of more efficient transportation methods	Medium-term	Short-term, medium-term, long-term	R6	Customer behavior changes	Medium-term	Short-term, medium-term	O6	Use of low-carbon energy	Medium-term	Medium-term, long-term	R7	Changes in rainfall (water) patterns and extreme changes in climate patterns	Medium-term	Medium-term, long-term	O7	Open or increase the availability of low-carbon goods and services	Medium-term	Short-term, medium-term, long-term	R8	Increase in the severity of extreme weather events such as typhoons and floods	High	Medium-term, long-term	O8	Use of new technologies	Medium-term	Medium-term, long-term	R9	Increase in raw material costs	High	Medium-term, long-term	O9	Participation in the carbon trading market	Medium-term	Medium-term, long-term	R10	Average temperature increase	Medium-term	Medium-term, long-term	O10	Transition to decentralized energy	Low	Medium-term, long-term	R11	Sea level rise	Medium-term	Medium-term, long-term				
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Item	Implementation Status					
3. Describe the financial impacts of extreme climate events and transformational actions	The financial impact of extreme weather events and transformational actions is a low impact, although they represent key risks and opportunities for the Company.					
	Classification	Aspect	Item	Meaning and impact on the Company	Strategy	Management measures/response measures
	TCFD (Task Force on Climate-related Financial Disclosures)	Transformation Risks-Policies and Regulations	Strengthening Emission Reporting Obligations	The Company ensures transparent disclosure of various environmental information. The financial impact is low; however, in order to complete the 2025 carbon inventory disclosure, the Company incurred a financial expenditure of NT\$150,000.	Develop management policies for greenhouse gas, water resources, waste, and energy, among others, and implement them in accordance with each policy.	1. Monthly record of water consumption, wastewater, waste, and energy consumption. 2. Conduct an annual carbon inventory and disclose it on the official website, sustainability report, and the CDP website.
		Transformation Risk - Rising Raw Material Costs	Increase in raw material costs	Climate change has led to shortages of raw materials and an increased demand for environmentally friendly alternatives. Additionally, the implementation of carbon tariffs by different countries has raised operating costs for the Company, resulting in a moderate financial impact.	1. Implementing supplier evaluation to promote supplier low-carbon transformation. 2. Priority should be given to selecting suppliers of low-carbon products or services when developing supplier relationships.	1. Ongoing monitoring of carbon tariff requirements in various countries. 2. Seeking competitive low-carbon suppliers by evaluating supplier ESG performance.
	Immediacy of physical risk	Increase in the severity of extreme weather events such as typhoons and floods	Natural disasters may impact the Company's operations or cause losses. Considering the current office environment, the financial impact on the Company is low. The Company pays an annual insurance premium to mitigate the risks of natural disasters (amount confidential).	Based on historical typhoon data, assess potential risks and mitigate the level of damage.	1. Valuable items that are securely attached to the ground. 2. Annually, inspect the ceiling suspension devices for stability. 3. Natural disaster insurance. 4. Purchase of additional absorbent sand packs (retaining wall). 5. Monthly maintenance of pump motor drainage facility. 6. Establishment of climate incident record management form.	
4. Describe how the process of identifying, assessing and managing climate risk is integrated into the overall risk management system	The Risk Management Committee is formed internally, and the Risk Management Committee and the supervisors of each operating unit carry out risk identification, assessment and management in accordance with their authority and responsibility, so as to integrate climate risk, corporate governance, social responsibility, operational considerations, environmental protection, hazardous events, and other risks into the management of operational activities and day-to-day processes. After identifying the sources of risks, the Risk Management Committee reviews and decides on significant risk items and requires the operating units to take countermeasures, and reports the results of risk management execution to the Board of Directors on an annual basis, and for the year 2025, it was reported to the Board of Directors on November 10.					

Item	Implementation Status
5. If scenario analysis is used to assess the resilience to climate change risk, the scenarios, parameters, assumptions, analytical factors, and significant financial impacts should be described	The Company discussed the 1.5°C scenario (1.5DS) in the Risk Committee meetings, utilizing tools provided by the TCCIP (The Taiwan Climate Change Projection Information and Adaptation Knowledge Platform) as references for assessing climate change physical risks. Ultimately, the decision was made to adopt the 1.5DS/RCP8.5 scenario as the Company's climate change physical risk scenario. Within this scenario, descriptions of climate change risks and opportunities are provided for physical risks, regulatory transition risks, etc.
6. If there is a transformation plan in place to address climate-related risks, please provide the details of the plan, including the indicators and objectives used to identify and manage both physical and transitional risks	<ol style="list-style-type: none"> 1. The Company's low-carbon transformation plan focuses on indirect emissions between energy use in Scope 2, with the main content indicators being the replacement of energy-consuming equipment with energy-saving equipment and the planning and construction of solar green power, with the goal of reducing carbon emissions in Scope 1 and Scope 2 by 25% in 2030 compared to the carbon emissions in 2023. 2. The indicators of physical and transformation risks are disclose transparently, including various environmental information and the level of risk. In 2024, we passed the third-party verification of our 2023 greenhouse gas inventory for the first time and will continue to conduct annual inventories and verifications. We aim to complete the greenhouse gas inventory the third-party verification of our consolidated subsidiaries by 2027.
7. If internal carbon pricing is used as a planning tool, the basis for determining the price should be explained	Internal carbon pricing has not been implemented.
8. If climate-related goals are established, information on the activities covered, the scope of GHG emissions, the planning period, and the annual progress should be provided. If carbon offsetting or renewable energy certificates (RECs) are utilized to meet these goals, the source and quantity of carbon offsetting or the quantity of RECs should be specified	<ol style="list-style-type: none"> 1. In 2024, greenhouse gas reduction targets were established. Through the replacement of high-energy-consuming equipment with energy-efficient ones and the implementation of solar green energy, the goal is to achieve a 25% reduction in Scope 1 + Scope 2 greenhouse gas emissions by 2030 compared to the base year of 2023. By 2040, the aim is to reduce Scope 1 + Scope 2 greenhouse gas emissions by 40%, while Scope 1 + Scope 2 emissions were reduced by 13% in 2024, and were reduced by 20% in 2025 compared to the base year. 2. Carbon offsetting or renewable energy certificates (RECs) is not necessary for use to achieve the relevant goals for the current carbon reduction plan as of 2040.

Item	Implementation Status		
9. Inventory and confirmation of greenhouse gas emissions, reduction targets, strategies and specific action plans	1. Greenhouse gas inventory information Please refer to pages 38-40 of the annual report.		
	2. Greenhouse gas confirmation information The greenhouse gas emissions of the Company for 2024 and 2025 have passed the third-party verification.		
	3. Greenhouse gas reduction targets, strategies and specific action plans		
	Reduction target	Strategies and specific action plans	Achievement
Short-term Reduced carbon emissions by more than 1% in 2024 compared to 2023 Base year: 3,383 (metric tons of CO ₂ e) in 2023 for Scope 1 and 2	1. Engineering improvement: Replacement with energy-efficient lighting 2. Administrative management: Lowering equipment pressure and temperature settings, and adjusting operating hours	Reduction target achieved	
Medium-term, long-term By 2030, greenhouse gas emissions in Scope 1+ Scope 2 are expected to decrease by 25% compared to 2023 By 2040, greenhouse gas emissions in Scope 1+ Scope 2 are expected to decrease by 40% compared to 2023 Base year: 3,383 (metric tons of CO ₂ e) in 2023 for Scope 1 and 2	1. Purchased eco-labeled infrastructure equipment through green procurement and replaced all refrigeration and air-conditioning systems with energy-efficient level 1 equipment 2. Implementation of energy saving projects for facilities and equipment 3. Installation of solar energy for self-consumption 4. Continuously monitor the carbon market and obtain carbon credits through trading.	Cumulative Achievement Rate as of 2025: 20%	

(VII) Implementation of ethical corporate management and deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
I. Establishment of ethical corporate management policies and programs (I) Has the Company established the ethical corporate management policies approved by the Board of Directors and specified in its rules and external documents the ethical corporate management policies and practices and the commitment of the Board of Directors and senior management to rigorous and thorough implementation of such policies?	✓		(I) The Company has established the “Code of Ethics”, the “Guidelines for the Adoption of Codes of Ethical Conduct for A Director, or Managerial Officer”, and “Code of Corporate Policies Management”, as approved by the Board of Directors, requiring the Board of Directors, senior managements and all employees to make commitment for and actively implement ethical corporate management.	No deviation
(II) Does the Company establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis the business activities within its business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly, which shall at least include the prevention measures specified in Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?	✓		(II) The Company has established Guidelines for the Adoption of Codes of Conduct, including the Code of Ethics and the Code of Corporate Policies Management. To ensure employees remain vigilant, these regulations are published on the Company's document management system for easy access at any time. In addition, the Company has implemented accounting and internal control systems. Both internal and external audits are conducted on a regular and ad hoc basis to verify compliance and effectiveness of these systems.	No deviation
(III) Has the Company provided any solutions to prevent the unethical conducts, and specify the definite procedures, conduct guidelines, punishment for violation as well as appeals system, and put them into practice, and review and revise on a regular basis the aforesaid solutions?	✓		(III) The Company has established reporting measures, specifying the definite procedures, conduct guidelines, punishment for violation as well as appeals system, and put them into practice, review the aforesaid solutions regularly, and revise them depending on actual situation.	No deviation
II. Implementation of ethical corporate management (I) Does the Company evaluate counterparties' ethical records and expressly specify ethics-related clauses in the business contracts signed with counterparties?	✓		(I) The Company conducts relevant assessments of all counterparties and continues to require the inclusion of integrity clauses in contracts or related declarations signed with them.	No deviation

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
(II) Has the Company set up a dedicated unit under the Board of Directors to promote ethical corporate management and regularly (at least once every year) report to the Board of Directors the implementation of the ethical corporate management policies and prevention programs against unethical conduct?	✓		(II) The Legal & IP Division, designated by the Board of Directors, serves as the dedicated unit responsible for promoting corporate integrity. The division reported the implementation status of various policies and preventive measures to the Board of Directors on November 10, 2025.	No deviation
(III) Has the Company established policies to prevent conflict of interest, provide appropriate communication channels, and implement them accordingly?	✓		(III) The Company has established policies regarding conflict of interest disclosure and avoidance within its Code of Ethics and Code of Corporate Policies Management. Upon hiring, employees are required to sign a letter of commitment. A whistleblowing system has also been implemented, and a task force will be formed to conduct investigations upon receipt of any reports.	No deviation
(IV) Has the Company established effective accounting systems and internal control systems to implement ethical corporate management and had its internal audit unit, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans and audit the compliance with the prevention programs accordingly or entrusted a CPA to conduct the audit?	✓		(IV) The Company has established effective accounting systems and internal control systems, and had its internal audit unit to conduct regular audit to ensure their design and implementation continue to be effective, and entrusted a CPA to conduct the audit.	No deviation
(V) Does the Company regularly hold internal and external educations and trainings on ethical management?	✓		(V) The Company promotes integrity management during the four annual labor-management meetings. The training for new employees also includes topics on integrity management. In 2025, a total of 6 hours of training on integrity management and compliance was conducted, covering topics such as integrity management, information security prevention, trade secret protection, workplace equality, and fraud prevention. The number of participants reached 1,351.	No deviation
III. Operation of the whistle-blowing system (I) Does the Company establish specific whistle-blowing system, reward/punishment system, and convenient whistle-blowing channels, and appoint proper dedicated person for the whistle-blowing objects?	✓		(I) The Company has established a whistleblowing policy along with a dedicated hotline and email address for reporting unethical conduct. Once a report is confirmed as accepted, the designated unit will initiate an internal investigation in accordance with the applicable procedures based on the identity and level of the reported party.	No deviation
(II) Has the Company established the standard operating procedures for investigating reported misconduct, follow-up measures to be adopted after the investigation, and related confidentiality mechanisms?	✓		(II) The Company has established clear procedures in its whistleblowing policy regarding the submission, investigation, and handling of reported cases upon conclusion of the investigation, and ensures full confidentiality of the whistleblower throughout the process.	No deviation

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
(III) Does the Company take measures to protect whistleblowers against improper treatment due to whistleblowing?	✓		(III) The Company adopts appropriate protective measures for whistleblowers, prohibiting the disclosure of any identifiable information in public documents. The whistleblower's name, department, address, phone number, and other personal details are kept strictly confidential, and efforts are made to avoid revealing their identity during the verification process.	No deviation
IV. Enhanced disclosure of information Does the Company disclose its Code of Corporate Policies Management and the results of its implementation on the Company website and MOPS?	✓		The Company has disclosed the contents and effect of its Code of Corporate Policies Management on the Company website and MOPS. Please refer to https://www.etrn.com/esg/ethical-management/	No deviation
V. If the Company has established its Code of Corporate Policies Management based on the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", please describe any deviation of implementation from the Principles: The Company's has established "Code of Corporate Policies Management" requiring all Etron employees to conduct businesses under the Principles, so as to establish the corporate culture and sound development of ethical management. There were no discrepancies between its operation and the Company's established codes.				
VI. Other important information to facilitate the understanding of the implementation of ethical corporate management: The Company also has established the "Code of Ethics" expressly specifying the terms and provisions related to employees' acts and code of ethics.				

(VIII) Other important information to facilitate a better understanding of the Company's corporate governance implementation status

1. Website (<https://www.etrn.com>) → ESG → Responsible Governance
2. Website (<https://www.etrn.com>) → ESG → Download → Sustainability (ESG) Report
3. The overview of intellectual property management and outcomes is as follows. For detailed information, please refer to the Company's official website (<https://www.etrn.com>) → ESG → Responsible Governance → Innovation and R&D → Intellectual Property Management Policy
Intellectual Property Management Policy: The Company utilizes independent innovation and R&D as its core competitive advantage and has planned a comprehensive intellectual property management policy. This policy continuously strengthens R&D capabilities, patents key technologies to effectively accumulate and enhance intellectual property assets, improves product technological competitiveness and industry application benefits, and ultimately promotes the overall enhancement of the Company's operational performance.
The Company continues to operate according to the established intellectual property management mechanism, with the main implementation status as follows:
Training: 1 session of intellectual property training was conducted in 2025.
Patent Results: As of the end of 2025, the Company and its affiliated group companies have been granted a total of 990 patents.
Board of Directors Report: An annual report on the implementation of intellectual property management is submitted to the Board of Directors.
The implementation status for 2025 was reported to the Board of Directors on November 10, 2025.

(IX) Implementation status of internal control system

1. Statement on Internal Control: MOPS →Single Company →Corporate Governance
→Corporate Regulations/Internal Control →Announcement of Statement on Internal Control System

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

2. CPA special Audit Report on Internal Control System: None.

(X) Important Resolutions made by the Shareholders' Meeting and Board of Directors in 2025 and As of the Date of Publication of the Annual Report

1. Major Resolutions of Shareholders' Meeting and Implementation

Proposal in 2024 Shareholders' Meeting		Subsequent Implementation Status
Ratification	2024 Business Report and Financial Statements	Announcement in accordance with the resolution of the Shareholders' Meeting.
Ratification	2024 Deficit Compensation	Announcement in accordance with the resolution of the Shareholders' Meeting, and the deficit compensation has been executed.
Discussion	Release Directors from Non-competition Restrictions	Release Directors from Non-Competition Restrictions per the resolution of the Shareholders' Meeting.
Discussion	Amendment to the Article of Incorporation	The amended measures have become effective and applicable on the current day when they were approved by the Shareholders' Meeting.

2. Important resolutions made by the Board of Directors

Date	Meeting	Summary
2025/3/7	5th Meeting, 12th Session	<ul style="list-style-type: none">■ 2024 Final Statements■ 2024 Deficit Compensation■ 2024 Statement on Internal Control System■ Releasing Manager from Non-Competition Restrictions■ Releasing Directors from Non-Competition restrictions■ Adjustment of Managerial Officers' Remuneration■ Amendment of the Article of Incorporation and Establishment of the Scope for Grassroots Employees■ Matters Related to Convening the Company's 2025 Annual Shareholders' Meeting
2025/5/6	6th Meeting, 12th Session	<ul style="list-style-type: none">■ Consolidated Financial Report for the First Quarter of 2025■ 2024 Sustainable Report
2025/8/7	7th Meeting, 12th Session	<ul style="list-style-type: none">■ Consolidated Financial Report for the Second Quarter of 2025■ Amendment to the Internal Control System, Internal Audit Implementation Rules, and Procedures for Self-assessment of the Internal Control System■ The Exercise of the Company's 3rd Domestic Unsecured Convertible Bonds Redemption Rights■ The Syndicated Loans Project of Financial Institutions■ The Company Plans to Participate in the Reinvestment by Nanya Technology Corp. to Establish an AI DRAM Design Service Company to Meet the Demands of Customers in the AI Market for ASIC and Advanced Memory Solutions
2025/11/10	8th Meeting, 12th Session	<ul style="list-style-type: none">■ Consolidated Financial Report for the Third Quarter of 2025■ 2026 Audit Plan■ 2026 Business Plan■ Releasing Manager from Non-Competition Restrictions■ Releasing Director from Non-Competition Restrictions
2026/3/11	9th Meeting, 12th Session	<ul style="list-style-type: none">■ 2025 Final Statements■ 2025 Deficit Compensation■ 2025 Statement on Internal Control System■ 2026 Replacement of Financial Statements CPAs and Independence Assessment■ Amendment to the Internal Control System■ Amendments to the Procedures for Acquisition or Disposal of Assets■ Matters Related to Convening the Company's 2026 Annual Shareholders' Meeting

(XI) Where there are recorded or written important resolutions approved by the Board of Directors to which Directors or Audit Committee have/has different opinions in 2025 and as of the date of publication of the Annual Report, their major contents shall be specified: None.

IV Information on CPA Professional Fees

(I) CPA Professional Fees

Unit: NT\$ thousand

Name of CPA Firm	Name of CPA	Audit Fees	Non-audit Fees					Audit Period	Note
			System Design	Company Registration	Human Resources	Others	Subtotal		
PricewaterhouseCoopers, Taiwan	Hsieh, Chih-Cheng/ Hsu, Sheng-Zhong	5,500	0	0	0	2,300	2,300	2025	Other non-audit fees refer to tax certification and transfer pricing reports, among others.

(II) When the CPA Firm is changed, and decrease in the audit fees paid for the year when such change is made as compared with the previous year: None.

(III) Audit fees paid for the year are at least 10% less than those paid for the previous year: None.

V Information on Replacement of CPA

(I) Regarding the former CPAs

Date of Replacement		March 13, 2024		March 11, 2026	
Replacement Reasons and Explanations		Internal adjustment of Pricewaterhouse Coopers, Taiwan		Internal adjustment of Pricewaterhouse Coopers, Taiwan	
Termination or refusal of appointment by the Company the CPAs	Party	CPA	The Company	CPA	The Company
	Condition				
	Termination by the Company	N/A	N/A	N/A	N/A
Termination by the CPAs	N/A	N/A	N/A	N/A	N/A
Opinions (Other than Unmodified Opinions) in the Past 2 Years and Reasons		N/A		N/A	
Deviation form the Issuer	Yes	Accounting Principles or Practices	Yes	Accounting Principles or Practices	
		Disclosure of Financial Reports		Disclosure of Financial Reports	
		Audit Scope or Steps		Audit Scope or Steps	
		Others		Others	
	None	✓	None	✓	
Description: N/A		Description: N/A			
Other Disclosures		N/A		N/A	

(II) Regarding the succeeding CPAs

Name of CPA Firm	PricewaterhouseCoopers, Taiwan	
Name of CPA	Hsieh, Chih-Cheng/Hsu, Sheng-Zhong	Chiang, Tsai-Yen/Hsu, Sheng-Zhong
Date of Appointment	March 13, 2024	March 11, 2026
Inquiries into Accounting Treatments or Principles for Specific Transactions and Possible Opinions on Financial Statements before Appointment	N/A	
Succeeding CPA's written opinion of disagreement toward the former CPA	N/A	

(III) Former CPAs' reply to disclosures under items 1 and 2-3, subparagraph 6, Article 10 of the Guidelines for the Items to be Recorded in the Annual Reports of Public Companies: N/A.

VI The Company's Chairman, President, or Managerial Officers in Charge of Finance or Accounting Held any Positions in CPA Firm or Its Affiliates in the Most Recent One Year: None

VII Change in the Shareholding of and the Shares Pledged by the Directors, Managerial Officers, and Shareholders Holding More Than 10% Shares in the Company

(I) Change in the shareholding of the Directors, Managerial Officers, and major shareholders

Position	Name	2025		April 7, 2026	
		Increase (Decrease) in number of shares held	Pledged Shares Increase (Decrease)	Increase (Decrease) in number of shares held	Pledged Shares Increase (Decrease)
Chairman & CEO	Nicky Lu	(1,000,000)	0	0	0
Director & President	Elvis Deng	0	0	83,000	0
Director	Chiu Chiang Investment Co., Ltd.	0	0	0	0
Director Representative	Shi-Yi, Chen	0	0	0	0
Director	Kai Chun Investment Corp.	0	0	0	0
Director Representative	Mei-Ling, Hsu	0	0	0	0
Director Representative & Distinguished Fellow	Bor-Doou, Rong	(3,000)	0	(25,000)	0
Independent Director	Ai-Chen, Wang	0	0	0	0
Independent Director	Jen-Hung, Tseng	0	0	0	0
Independent Director	Yun-Chieh, Huang	0	0	0	0

Position	Name	2025		April 7, 2026	
		Increase (Decrease) in number of shares held	Pledged Shares Increase (Decrease)	Increase (Decrease) in number of shares held	Pledged Shares Increase (Decrease)
Independent Director	Wilson Wang	0	0	0	0
Vice President	Chun, Shiah	(252,000)	0	(10,000)	0
Vice President	Ming-Hong, Kuo	0	0	0	0
Group Legal Counsel	Teng-Wei, Wang	0	0	(5,000)	0
Vice President	Peter Chung	0	0	160,000	0
Associate Vice President	Wen-Chi, Wang	0	0	0	0
Associate Vice President	Fu-Yung, Hung	(57,000)	0	(15,000)	0
Associate Vice President	San-Pu, Lin	(10,000)	0	(20,000)	0
Associate Vice President	Justin Chueh	(15,000)	0	60,000	0
Associate Vice President	Edward Yao	0	0	132,000	0
Associate Vice President	Robin Wang	0	0	140,000	0
Associate Vice President	Ho-Yi, Chen (Note)	0		100,000	
Division Director	Yu-Chia, Cheng	(2,000)	0	(49,111)	0
Division Director	Jui-Ling, Hsieh	2,246	0	(34,000)	0

Note: Division Director Ho-Yi, Chen promoted to Associate Vice President on June 16, 2025, the table only discloses changes in shareholding during their tenure as managerial officers.

(II) Equity Transfer Situation: MOPS → Single Company → Equity Changes/Securities Issuance
→ Share Transfer Information Inquiry → Insider Share Transfer Daily Report Post-Change Reporting Form (https://mops.twse.com.tw/mops/#/web/query6_1)

(III) Shares pledged: None.

VIII Relationship among the Company's Top 10 Shareholders in Shareholding Percentage

April 7, 2026; Unit: shares, %

Name	Current Shareholding		Spouse & Minor Child(ren) Shareholding		Shareholding under Others' Names		Among the top ten shareholders, name and relationship with any one who is a related party or a relative within the second degree of kinship		Note
	Number of Shares	Shareholding	Number of Shares	Shareholding	Number of Shares	Shareholding	Name	Relationship	
Shu-Chuan, Liao	13,069,744	3.98	11,949,727	3.64	0	0.00	Nicky, Lu	Spouse	None
							Min-Chuan, Liao	Relative within the Second Degree of Kinship	
Nicky Lu	11,949,727	3.64	13,069,744	3.98	990,000	0.30	Shu-Chuan, Liao	Spouse	None
							Min-Chuan, Liao	Relative within the Second Degree of Kinship	
J.P. Morgan Securities LLC Investment Trust Account	9,499,201	2.89	N/A						None
HSBC (Taiwan) Commercial Bank Co., Ltd. is entrusted to custody the investment account of Goldman Sachs International	8,369,372	2.55	N/A						None
HSBC (Taiwan) Commercial Bank Co., Ltd. is entrusted to custody the investment account of Morgan Stanley International Limited	7,078,732	2.16	N/A						None
Ming-Yu, Tsai	5,731,150	1.74	3,183,245	0.97	0	0.00	None	None	None
Citi Trust Barclays Capital SBL/PB Investment Account	4,571,746	1.39	N/A						None
Min-Chuan, Liao	3,589,749	1.09	0	0.00	0	0.00	Nicky Lu	Relative within the Second Degree of Kinship	None
							Shu-Chuan, Liao	Relative within the Second Degree of Kinship	
Hsien-Jin Star Fund Series-Advanced International ETF Investment Account in custody of JP Morgan Chase Bank Taipei Branch	3,521,767	1.07	N/A						None
JPMorgan Chase Bank N. A., Taipei Branch in custody for Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	3,498,140	1.06	N/A						None

IX Number of Shares and Percentage of Reinvested Companies by the Company, Directors, Managerial Officers, and Any Companies Controlled Directly or Indirectly by the Company

December 31, 2025; Unit: shares, %

Reinvested Company	Investment by the Company		Investment by Directors, Managerial Officers and by the companies directly or indirectly controlled by the Company		Comprehensive Investment	
	Number of Shares	Shareholding %	Number of Shares	Shareholding %	Number of Shares	Shareholding %
Eutrend Technology Inc.	2,702,522	93.57	54	0.00	2,702,576	93.57
Kinglord Corp.	24,268	100.00	0	0.00	24,268	100.00
Plusway Corp.	10,375	100.00	0	0.00	10,375	100.00
Kingwell Investment Corp.	16,783,000	100.00	0	0.00	16,783,000	100.00
Kingcharm Investment	18,000,000	100.00	0	0.00	18,000,000	100.00
Intercosmos Group Ltd.	4,488	100.00	0	0.00	4,488	100.00
Creative Ally Limited	5,245	100.00	0	0.00	5,245	100.00
eEver Technology Limited	17,407,715	43.52	8,718,387	21.80	26,126,102	65.32
eYs3D Microelectronics, Inc.	74,648,237	64.15	18,437,816	15.85	93,086,053	80.00
eCapture Ltd. Co.	11,666,667	100.00	0	0.00	11,666,667	100.00
Insignis Technologies, Inc.	26,400,000	100.00	0	0.00	26,400,000	100.00
DeCloak Intelligences Co.	6,216,975	79.07	996,184	12.67	7,213,159	91.74
T-Era Architecture Technology, Inc.	4,329,600	10.35	30,510,400	72.92	34,840,000	83.27
TAT Technology, Inc.	2,675,200	9.39	21,604,800	75.86	24,280,000	85.25
ValueCreation Technology, Inc.	1,820,000	100.00	0	0.00	1,820,000	100.00

Chapter 3 Capital Overview

I Capital and Shares

(I) Source of Capital

1. Formation of Capital

April 7, 2026

Year	Month	Issuing Price (NT\$)	Authorized Capital		Paid-in Capital		Note		
			Number of Shares (thousand shares)	Amount (NT\$ thousand)	Number of Shares (thousand shares)	Amount (NT\$ thousand)	Source of Capital	Payment for Shares by Assets Other than Cash	Others
2026	3	42.4	650,000	6,500,000	325,715.8	3,257,158	Employee stock options NT\$1,200 thousand	None	Note 1

Note 1: Zhu Shang Zi No.1150008817 dated March 23, 2026.

2. Type of Shares

April 7, 2026

Type of Shares	Authorized Capital			Note
	Outstanding Shares	Unissued Shares	Total	
Registered common Shares	328,465 thousand shares	321,535 thousand shares	650,000 shares	1. 65,000 thousand shares were reserved for employee stock options. 2. The Company's ordinary shares are listed in TPEX.

Note: There are still 2,749 thousand common shares converted from Employee Stock Options that have not been registered for change.

3. Shelf Registration-related information: The Company has not handled Shelf Registration.

(II) List of Major Shareholders

April 7, 2026; Unit: shares

Name of Major Shareholder	Number of Shares	Shareholding Ratio
Shu-Chuan, Liao	13,069,744	3.98%
Nicky Lu	11,949,727	3.64%
J.P. Morgan Securities LLC Investment Trust Account	9,499,201	2.89%
HSBC (Taiwan) Commercial Bank Co., Ltd. is entrusted to custody the investment account of Goldman Sachs International	8,369,372	2.55%
HSBC (Taiwan) Commercial Bank Co., Ltd. is entrusted to custody the investment account of Morgan Stanley International Limited.	7,078,732	2.16%
Ming-Yu, Tsai	5,731,150	1.74%
Citi Trust Barclays Capital SBL/PB Investment Account	4,571,746	1.39%
Min-Chuan, Liao	3,589,749	1.09%
Hsien-Jin Star Fund Series-Advanced International ETF Investment Account in custody of JP Morgan Chase Bank Taipei Branch	3,521,767	1.07%
JPMorgan Chase Bank N. A., Taipei Branch in custody for Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	3,498,140	1.06%

(III) The Company's Dividends Policy and Implementation Status

1. Dividend Policy in the Article of Incorporation

If the Company has earnings in its final account for the year, it shall first use the earnings to pay taxes and recover losses, and then set aside 10% as statutory surplus reserve and set aside or write off special surplus reserve according to the resolutions made by the Shareholders' Meeting or competent authority's order. Thereafter, the Board of Directors shall draft a distribution proposal for any remaining balance in retained earnings and previously accumulated undistributed earnings, and shall make request to the Shareholders' Meeting for its resolution to distribute the same. If the Company distributes all or part of its earnings, statutory surplus reserves, or capital reserves in the form of cash, the Board of Directors is authorized to proceed in accordance with Articles 240 and 241 of the Company Act, provided that the attendance of two-thirds or more of the directors at a Board meeting and the approval of more than one-half of the directors present are obtained. The decision shall then be reported to the shareholders' meeting.

The industry to which the Company belongs is currently in a growth phase, and its dividends policy is formulated by its Board of Directors, based on the Company's mid- and long-term operating plans, investment plans, capital budgeting and changes in internal and external circumstances, and by considering the interests of shareholders. In addition to the provisions aforementioned profit distribution, the cash dividends payout ratio for the current year shall not be less than 5% of the total dividends to shareholders.

2. Distribution of Dividends Proposed at This Shareholders' Meeting: The Company does not plan to distribute dividends for 2025.

(IV) Effect on the Company's Operating Performance and Earnings per Share of Distribution of Stock Dividends Proposed at the Shareholders' Meeting: None.

(V) Remuneration Paid to Employees and Directors

1. Percentage or Range of the Remunerations Paid to Employees and Directors as Set Forth in the Article of Incorporation

The Company shall distribute no less than 12% of the current year's earnings as the compensation to employees (including no less than 1% of the profit allocated to grass-roots employees), and no more than 2% of the current year's earnings as the compensation to Directors. If there are accumulated losses, the Company shall recover them. The employees' compensation can be distributed in the form of shares or cash. Including the employees of subsidiaries of the company meeting certain specific requirements, are entitled to receive aforementioned shares or cash. The current year's earnings referred in paragraph one shall mean the pre-tax earnings of the current year before deduction of the remuneration to employees and Directors. Distribution of remuneration to employees and Directors shall be implemented upon the attendance of two-thirds or more of the directors at a Board meeting and the approval of more than one-half of the directors present, and shall be reported to the Shareholders' Meeting.

2. The Basis for Estimating the Amount of Employee and Director Remuneration, and for Calculating the Number of Shares to Be Distributed as Employee Remuneration, and the Accounting Treatment of the Discrepancy, If Any, Between the Actual Distributed Amount and the Estimated Figure, for the Current Period.

The remunerations to employees and Directors are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligations and those amounts can be estimated reliably. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in accounting estimates. In addition, the Company calculates the number of bonus shares by using the fair value per share on the date before the resolution date of the Shareholders' Meeting in the following year of the publication date of the Financial Report and after considering the impact of ex-dividends amount.

3. Information on Any Approval by the Board of Directors of Distribution of Remuneration
 - (1) Amount of Remuneration Paid to Employees and Directors in Cash or Shares: None.
 - (2) Proportion of Employee Remuneration Paid by Shares in the After-Tax Net Profits Specified in the Individual Financial Report of Current Period, and in the Total Employee Remuneration: None.
4. Actual Distribution of Employee and Director Remuneration for the Previous Year: None.

(VI) The Company's Shares Repurchased by the Company: None.

II Issuance of Corporate Bonds

(I) Information on Corporate Bonds not Repaid and Handled by the Company

Type of Corporate Bonds	The 3rd Domestic Unsecured Convertible Bonds	
Issuance Date	May 24, 2022	
Face value	NT\$ 100,000	
Issuance and transaction place	Officially listed on Taipei Exchange	
Issuing Price	Issued at the face value of 100.8%	
Total Amount	NT\$800,000 thousand	
Interest rate	Coupon rate 0%	
Maturity	Five years; Maturity date: May 24, 2027	
Guarantor	None	
Entrustee	KGI Bank	
Underwriter	First Securities Inc.	
Certified Lawyer	N/A	
CPA	N/A	
Method of Repayment	Except that (i) the holder of convertible corporate bonds converts the corporate bonds into the Company's ordinary shares in accordance with Article 11 of the Measures for Issuance and Conversion of Domestic Unsecured Convertible Bonds for the Third Time (“the Measures”), or (ii) the Company redeems corporate bonds in advance in accordance with Article 19 of the Measures, or (iii) the Company exercises the right to repurchase back in accordance with Article 20 of the Measures, or (iv) the Company purchases back corporate bonds from the premises of a securities firm for cancellation, the Company will, within ten business days after the maturity of the convertible corporate bonds, repay in one lump sum in cash according to the face value of the bonds; provided that the aforementioned date will be postponed to the next business day in case TWSE is closed for business.	
Outstanding principal	NT\$0 thousand	
Redemption or early paying off conditions	Subject to Article 19 hereof	
Restrictive Clauses	None	
Name of credit rating agency, date of credit rating, and credit rating results of corporate bond	None	
Other rights	Amount of converted (exchanged or subscribed) ordinary shares, depositary receipts overseas or other securities as of the publication date of the annual report	None
	Issuance and conversion (exchange or subscription of shares) measures	The measures have been announced on the MOPS.
Impact of measures for issuance and conversion, exchange or subscription of shares, and issuance conditions on potential dilution and existing shareholder's interests and impact on existing shareholders' rights	Fully redeemed on September 25, 2025 and delisted from OTC trading, with no impact on shareholders' equity	
Name of the custodian institution of the conversion subject	None	

(II) Information on Conversion of Corporate Bonds

Type of Corporate Bonds	The 3rd Domestic Unsecured Convertible Bonds(Note)	
Year	2025	
Market price of conversion of corporate bonds	Highest	100.50
	Lowest	99.30
	Average	99.98
Conversion price	58.00	
Issuance date and conversion price at issuance	Issuance date: May 24, 2022 Conversion price at issuance: 63.90	
Way of performing the conversion obligation	Issuance of New Shares	

Note: Fully redeemed on September 25, 2025 and delisted from OTC trading,

(III) Information on Exchange of Corporate Bonds: None.

(IV) Summary of Declaration and Issuance of Corporate Bonds: None.

(V) Attached Information on Subscription of Corporate Bonds: None.

(VI) Private Placement of Corporate Bonds Situation: None.

III Issuance of Preferred Shares: None.

IV Issuance of Global Depository Receipts (GDRs): None.

V Issuance of Employee Stock Options

(I) Information on the Employee Stock Options Not Due

April 7, 2026

Type of Employee Stock Options	2021
Effectiveness Date of Declaration and Total Number of Units	July 29, 2021; 8,000 units
Issuance Date	August 9, 2021
Term	6 years
Number of Issued Units	8,000 units
Number of Units still Available for Issuance	0 units
Ratio of Shares Exercisable in Total Issued Shares	2.99%
Exercise Period	The Optionee may exercise the Options in accordance with the vesting schedule after two years from the date of grant. The term of the Options is six years and the Options are non-transferable.
Method of Performance	Issuance of New Shares
Grant Period and Exercisable percentage	50% for 2 years, 75% for 3 years, and 100% for 4 years
Shares Exercised	3,472 thousand shares
Value of Shares Exercised	NT\$147,695 thousand
Number of Unexercised Shares	3,198 thousand shares
Exercise price per share	NT\$42.4
Ratio of Unexercised Shares in Total Issued Shares	0.97%
Impact on Shareholder's Interests	Small Proportion in Total Issued Shares, with little impact

Note 1: The total number of issued shares as of April 7, 2026 is 328,464,781 shares. The expired options have been deducted from the unexercised options.

(II) The Names, Acquisition, and Exercise Status of the Managerial Officers and the Top Ten Employees Who Obtained the Employee Stock Options

April 7, 2026; Unit: thousand shares; NT\$ thousand, %

Position	Name	Stock Options Obtained	Ratio of the Stock Options Obtained in the Total Number of Shares Issued	Exercised				Unexercised				
				Stock Options Quantity	Exercise Price (NT\$)	Value of Shares Exercised	Ratio of Shares Exercised in Total Issued Shares	Stock Options Quantity	Exercise Price (NT\$)	Value of Shares Exercised	Ratio of Shares Exercised in Total Issued Shares	
Managerial Officer	CEO	Nicky Lu	2,324	0.71	675	42.4	28,620	0.21	1,649	42.4	69,918	0.50
	President	Elvis Deng										
	Distinguished Fellow	Bor-Doou, Rong										
	Vice President	Chun, Shiah										
	Vice President	Ming-Hong, Kuo										
	Vice President	Peter Chung										
	Associate Vice President	Wen-Chi, Wang										
	Associate Vice President	Fu-Yung, Hung										
	Associate Vice President	Justin Chueh										
	Associate Vice President	Edward Yao										
	Associate Vice President	Robin Wang										
	Associate Vice President	Ho-Yin, Chen										
	Division Director	Yu-Chia, Cheng										
	Division Director	Jui-Ling, Hsieh										
Employee	Division Director	Richard Lin	1,008	0.31	465	43.2	19,784	0.14	543	42.4	23,023	0.17
	Division Director	Tun-Chih, Chan										
	Division Director	Lennon Chang										
	Division Director	Rossini Kuo										
	Division Director	Kate Shih										
	Division Director	Justine Tsai										
	Division Director	Danny Huang										
	Division Director	Willy Lin										
	Division Director	Wei-Ming, Huang										
	Division Director	Cheng-Nan, Chang										

Note: The total number of issued shares as of April 7, 2026 is 328,464,781 shares.

VI Issuance of New Restricted Stock Awards: None

VII Issuance of New Shares in Connection with Mergers or Acquisitions or with Acquisitions of Shares of Other Companies: None

VIII Implementation of Capital Allocation Programs: None

Chapter 4 Operational Highlights

I Business Contents

(I) Scope of Business

1. Major Lines of Business

- (1) Research, development, manufacturing (outsourcing), testing, and sales of semiconductor devices, including various types of integrated circuits and components thereof;
- (2) Management consultant, consulting service, and technology transfer regarding the products in the preceding paragraph;
- (3) Concurrently operating of the import and export tradings and businesses relating to the Company's businesses.

2. Proportion of Main Products

Unit: NT\$ thousand; %

Type of Product \ Year	2024		2025	
	Amount	%	Amount	%
Memory and Analog Logic ICs	3,472,747	99.99	4,032,380	99.89
Others	470	0.01	4,399	0.11
Total	3,473,217	100.00	4,036,779	100.00

3. Current Products and Services

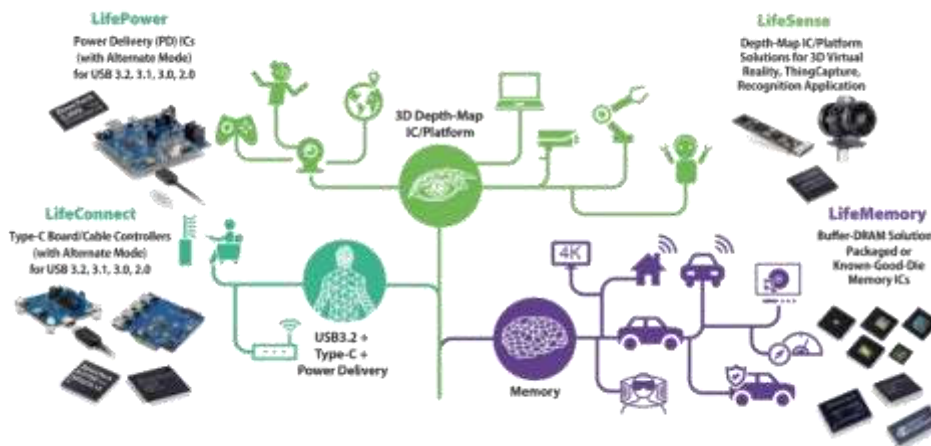
The Company is an IC Fabless design company, primarily engaged in the design, development, sales, and technical services of specialty buffer memory products and system chip products. The memory products include dynamic random-access memory (DRAM), serial NAND flash memory (SPI NAND Flash), and embedded multimedia cards (eMMC). The group's chip products include NPU SoC (Artificial Intelligence processing chip), 3D stereo depth vision processing chips, 3D stereo image capture control chips, image and artificial intelligence subsystem solutions, as well as USB Type-C switches and power delivery ICs. The products are mainly applied to various products in broadband communications, wireless networks, virtual reality, digital audio and video, consumer electronics, smart homes, and security surveillance.

In response to the recent demand for deep integration of AI terminal devices with memory and logic design, the Company's MemorAiLink one-stop development platform provides customized memory combinations, memory interface IP services, and heterogeneous integration packaging planning. It is dedicated to assisting customers in overcoming the memory challenges encountered during the chip design process and shortening the overall product development timeline.

Furthermore, in response to the stringent trends of global privacy regulations (such as GDPR, CCPA, EU AI Act, etc.), the Group also possesses a product line that includes multimodal non-personal data face recognition, high-privacy AI monitoring systems, the AI Privacy Agent platform, and a universal privacy intelligent decision-making system, all of which have been fully upgraded to meet high information security specifications. Relevant applications have been successfully deployed in smart medtech, monitoring, and industrial manufacturing, ensuring that enterprises can meet the highest standards of information security compliance while achieving automated decision-making.

4. New Products Planned to Be Developed

The Company has scheduled to develop more critical chips required for DRAM, System Chip, next-generation AI processing chips, AI-ISP Wafer Platform, 2D/3D Machine Vision Sensing Sub-System, Type-C Switch, USB Power Delivery, Privacy-Preserving Image Processing System, and other relevant new products. Additionally, we are continuously developing the AI Privacy Agent platform and various modular AI detection features, including a universal privacy intelligence decision-making system.



(II) Industry Overview

1. Industry Status and Development

Under the ongoing promotion of AI and HPC, the global semiconductor revenue for the year 2025 maintained double-digit growth, surpassing US\$790 billion. As a crucial core of the global semiconductor supply chain, Taiwan's semiconductor industry achieved a total output value of NT\$6.5 trillion in 2025, with a year-on-year growth rate of 22.7%.

The IC design, IC manufacturing, and IC packaging and testing sectors in the industry have all shown robust growth, with respective outputs of NT\$1.4 trillion (an annual increase of 12.0%), NT\$4.4 trillion (an annual increase of 28.3%), and NT\$0.7 trillion (an annual increase of 14.0%). Among these, the IC manufacturing sector, particularly the wafer foundry, has performed exceptionally well, achieving an output of NT\$4.2 trillion (an annual increase of 28.5%), while memory and other manufacturing accounted for NT\$0.2 trillion (an annual increase of 23.8%). Looking ahead to next year, the output value of Taiwan's semiconductor industry in 2026 is expected to reach NT\$7.7 trillion.

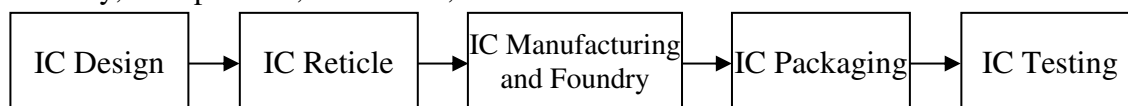


Source: Industrial Technology Research Institute (ITRI) (March 2026)

2. The Relationship of the Upstream, Midstream, and Downstream Sections of the Industry

The semiconductor industry can be divided into several sub-industries, including Sensors, Discrete, Optoelectronics, and IC. Within the IC industry, products can be further categorized into four types: Analog IC, Memory, Microprocessors, and Logic IC. When classified according to the vertical division of labor in the upstream, midstream, and downstream sectors, the IC industry can be segmented into IC Design, IC wafer manufacturing and foundry, IC packaging, and IC testing. Even within the same technology or industry segment, there are varying levels of capital and technology intensity.

The foundry that Taiwan's semiconductor industry has pioneered and the IC design models have developed rapidly. In addition, under the structure of a complete supply chain as required by the PC industry, many IC companies have emerged. With the complete vertical division of labor in the supply chain, businesses can engage in division of labor with domestic and overseas businesses in any section of the supply chain, and then concentrate resources on a single field in the industry, and the effect of "industrial cluster" has shown. This model has witnessed a positive effect. According to the characteristics of vertical division of labor in the IC industry, the upstream, midstream, and downstream can be further subdivided into:



(1) IC Design

An IC design company is a firm that specializes in the design of integrated circuit products. Its primary business involves either independently designing products or accepting design commissions from clients. A professional IC design company will understand a client's needs for IC functions first, and then leverage its expertise to design the most efficient layout with the simplest circuits so as to produce a wafer that represents an integration of multiple chips.

(2) IC Manufacturing and Foundry

The operation of IC manufacturing is to print basic circuit patterns on wafers made by fabs with masks; then, fabricate circuits and their components on the wafers through oxidation, diffusion, CVD, etching, ion implantation and other methods. Given that the circuit design on the IC is a layered structure, multiple cycles of photomask application, pattern creation, and the formation of lines and components are necessary to produce a complete integrated circuit.

(3) IC Packaging and Testing

The packaging and testing industry is a crucial component of the IC backend operations, commonly referred to as the packaging and testing sector. IC packaging mainly provides IC protection, heat dissipation, and circuit conduction. The processed wafers and the diced dies are coated with plastic, ceramic, and metal to protect the dies from external pollution and make it easier to be assembled and applied. IC testing is to detect whether the IC function is normal.

As in the IC design industry, the Company is in the upstream section of the overall IC industry value chain. IC design does not require too much investment in hardware equipment for mass production, but requires high-quality human resources. As emerging AI and HPC applications continue to expand, Taiwan's IC design industry has increasingly enhanced its significance within the global semiconductor value chain, establishing a competitive market presence across various application domains.

3. Various Development Trends and Competition of Products

(1) Product Development Trends

DRAM is an indispensable critical components in electronic products. The current market demand is primarily concentrated in three major application areas: servers, mobile phones, and displays (graphics). With the rapid development of AI, HPC, and various intelligent terminals, the DRAM industry has shown the following trends in recent years:

A. Low Power Consumption

In the context of the continuous expansion of diverse terminal applications, the demand for long-term operation and low power consumption has become increasingly clear. Currently, the mainstream specifications in the market have advanced from LPDDR4/4X to LPDDR5, prompting ongoing optimization of DRAM in terms of power consumption design.

B. High Speed

With the stricter requirements for the speed of end products, the transmission specifications of DRAM are also evolving. The current specification in the market has been pushed from DDR4 to DDR5.

C. Miniaturization

To continuously enhance the competitiveness and cost effectiveness of products, the size of DRAM chips is bound to become smaller; as such, the output of chips from a single wafer will increase.

D. Diverse Applications

In recent years, driven by AI and HPC, the application scenarios for DRAM have continued to expand, extending from cloud data centers and AI servers to edge computing and various smart terminals, where DRAM plays a critical role.

(2) Competition

After many changes in the industry, the DRAM industry has entered an oligopolistic state. The top three players are Samsung, SKhynix and Micron, collectively accounting for more than 90% of the market. The Company focuses on differentiating itself from the three major manufacturers by producing and selling specialized DRAM and KGD (Known Good Die) memory IC products, solutions, and technical services. It targets high value-added applications with long product life cycles and aligns with the rapid development trends of AI and HPC, providing memory solutions that meet the requirements of next generation computing architectures and systems.

(III) Technology and R&D Status

1. Technology Level and Research and Development of the Business Operated

Within the Etron Group, technology level and research and development of the business operated and R&D status are described as follows:

(1) Etron

Etron is committed to developing high-quality, low-power specialized buffer memory ICs. Related products can be tailored to customer needs, offering commercial specifications suitable for the consumer market, industrial specifications for stringent operating environments, and automotive specifications with the highest quality and reliability.

Furthermore, customized KGD solutions can be provided to meet the requirements of various application scenarios.

As the application of AI rapidly expands, the demand for high bandwidth, low power consumption, and customized heterogeneous integration of memory continues to upgrade. The Company is responding to this industry development trend by accelerating the expansion of its AI memory one-stop development platform, MemorAiLink. This involves integrating customized memory design, memory interface IP services, and heterogeneous integration packaging technology, thereby enhancing its comprehensive research and development and product service capabilities from chip design to system applications.

In response to the trend of widespread application of micro terminal devices in the AI era, the Company has developed RPC DRAM[®], the world's first DRAM product that supports micro-packaged FI-WLCSP. Compared to traditional DDR3 products, RPC DRAM can simultaneously reduce the number of pins by over 50% and the PCB area by 90%, significantly simplifying wire bonding and packaging design while lowering the overall system cost, thus providing an optimized memory solution for compact, low-power devices.

In addition, regarding the application requirements for SLMs (Small Language Models) or VLMs (Visual Language Models) in edge AI computing, the Company has planned to launch dedicated ASIC AI memory, which integrates a complete solution of DRAM + PHY + Controller. This ASIC AI memory offers customers a high cost performance packaging and ultra-miniaturized design. It provides flexible capacity configurations ranging from 8Gb to 32Gb, depending on the size of the AI model, with a maximum bandwidth of 204.8GB/s. In SLMs or VLMs with parameters less than or equal to 8,000,000,000, an output performance of approximately 50 tokens per second can be achieved, fully meeting the demands of emerging applications such as on-device AI and real-time inference.

Etron has been deeply engaged in the global memory market for over 30 years, continuously focusing on customer needs and enhancing the breadth and depth of its product portfolio. Currently, the memory product line includes SDR, DDR, DDR2, DDR3, DDR4, LPDDR2, LPDDR4/4X SDRAM, innovative RPC DRAM[®], as well as SPI NAND and e.MMC. Looking ahead, the Company will continue to invest in the R&D of next-generation memory technology, collaborating with global customers to create a more efficient, smarter, and more competitive product ecosystem.

(2) eEver

eEver specializes in USB Type-C high-speed interface chip products, possessing technologies that integrate USB high-speed transmission interfaces, Power Delivery, Type-C signal switching, and audio-visual capture. Regarding the introduction of PD IC and E-marker IC for the next-generation transmission standards DP 2.1, USB4, and Thunderbolt 5. This series of products also possesses downward compatibility, supporting existing USB 3.2, DP 1.4, and Thunderbolt 3, thereby achieving optimal interoperability with connected devices. The customers who formerly used Eever's USB PD3.0 can expand their products to a variety of different applications, such as PC, NB, Tablet, Docking, thus improving their competitiveness. A new generation 4K@60Hz video capture IC has been launched for USB applications, which support hardware compression of video data in H.265 and H.264 formats. It also integrates multiple audio and video processing functions and can be applied in various industries such as live streaming, broadcasting, gaming, conference systems, medical, and industrial control. This enhances its presence in the professional audiovisual (Pro AV) market.

(3) eYs3D

eYs3D has long focused on 3D imaging and depth sensing chip technology as its core, accumulating key technologies such as wide-angle imaging, depth point cloud modeling, and binocular and multi-view stereo vision. These technologies are widely applied in fields such as machine vision, intelligent monitoring, industrial automation, and the Internet of Things, establishing a solid foundation for sensing and image computation.

As AI rapidly extends from the cloud to the edge, AI is no longer limited to recognition and analysis, but is gradually moving towards an era of "Physical AI" that possesses understanding, decision-making, and action capabilities. The Company, in response to industry trends, has officially upgraded its product positioning from a focus on 3D imaging chips to a comprehensive extension based on machine vision, integrating edge AI, generative AI, and large language models (LLM) into the "Sense & React" intelligent system platform. The platform is designed around the framework of "Sense - Understand - Decide - React," enabling machines not only to perceive the environment in real-time but also to comprehend task instructions, make dynamic decisions, and drive physical actions, thereby forming a complete Hybrid Physical AI technology system.

In terms of technical architecture, the platform integrates control and sensing ICs, LiDAR and ToF depth modules, multi-sensor fusion engines, and real-time AI inference architectures. Convolutional neural networks (CNN) and large language models are incorporated at the perception and decision-making layers, building a modular and scalable intelligent sensing and human-machine interaction system.

On the product and market front, this year's AMR (Autonomous Mobile Robot) barebones system serves as the core commercialized product line. Through a PaaS architecture, it provides mapping and localization, autonomous exploration, 2D/3D intelligent obstacle avoidance, cross-floor navigation, multi-robot collaboration, and cloud-based dispatch management. LLM are also integrated at the task orchestration, human-machine interaction, and multi-robot collaborative decision-making levels, accelerating real-world deployment across smart services, logistics, and urban application scenarios.

In terms of business model, the Company employs a turnkey hardware-software integration strategy, combining ODM/OEM and platform licensing models to help system integrators and end customers rapidly adopt Physical AI solutions, continuously expanding application scale and industry influence in both domestic and international markets.

(4) DeCloak

DeCloak focuses on the integration of privacy computing and AI technology, dedicated to providing "privacy smart computing" hardware and software solutions in the fields of smart robotics, smart medtech, and smart security. The core product, the AipA platform, is a computational platform that integrates multimodal AI and privacy-enhancing technologies. It enables real-time analysis of images and sensor data at the edge while ensuring personal data security through differential privacy, homomorphic encryption, and federated learning techniques. AipA can be widely applied in scenarios such as healthcare monitoring, smart city security, industrial automation, and autonomous robot operations. It not only balances the high computational efficiency and real-time response of AI but also complies with international regulations such as GDPR and HIPAA regarding data protection standards. This demonstrates the leading position and market potential of DeCloak in the field of "privacy-enhancing AI."

2. Costs of R&D in the Last Year and up to the Publication Date of the Annual report

Unit: NT\$ thousand; %

Item	2024	2025
R&D Expense	657,539	782,085
Proportion to Revenue	19	19

3. Technologies or Products Successfully Developed during the Last Year

R&D Results
Completion of Long Retention Time (LRTDRAM™) technology development Completion of 25nm 4Gb DDR3 development Completion of 38nm 128Mb DDR2 development Completion of 20nm 2Gb DDR3 development Presentation on Mid-Side Interconnections within Wafer Substrate for OMHI Development 4K@60Hz capture card IC integrating multiple video and audio processing functions Development of the Sensor Fusion Subsystem Platform (RGB, Thermal, Radar, High-Performance ToF) Development of a Hybrid Deep Learning Architecture Development of DeCloakFace™ Development of DeCloakVision™ Development of SOE-Enterprise Development of PPU and PPU-based Dongle Development of the AI Privacy Agent Platform Development of DeCloakBrain™

(IV) Long-Term and Short-Term Business Development Plans

1. Short-Term Business Development Plan

- (1) Accelerate global business expansion and continue to increase the business growth from strategic clients and regional clients.
- (2) Introduce new specialty DRAM, increase the sales of KGD and industrial, automotive, and emerging application memory, thereby expanding the market and strengthening the stability of the long-term market layout and profitability.
- (3) Collaborating with clients to implement a global strategy, responding to changes in the global supply chain, and seizing new business opportunities arising from emerging markets and application demands.
- (4) Keep abreast of the USB Type-C interface standard trends and accelerate the expansion of the Type-C product line and the revenue and client base of audio and video capture systems.
- (5) The Company continues to expand the AI vision chip market and deepen industry applications, enhancing AI image processing and intelligent perception technologies, improving image recognition, situational understanding, and intelligent decision-making capabilities, and actively expanding key application markets such as smart transportation, industrial automation, and robotics.

- (6) Integrating DeCloakFace™ and DeCloakVision™ through edge de-identification technology and AI decision models, we aim to increase the adoption rate of these products in large domestic medical institutions within six months, creating a physical application example of smart healthcare that fully complies with HIPAA and high information security standards, serving as a foundation for future international expansion.
 - (7) Load and integrate DeCloakBrain™ into bipedal and quadrupedal robots that support edge computing. Complete the integration of APIs/SDKs with key hardware vendors or SIs (System Integrators) within a short term, verify the privacy security module, and quickly enter the high-security inspection, medical, or public safety market.
2. Long-Term Development Plan
- (1) Continuing to focus on advanced processes, heterogeneous integration, and system-oriented design capabilities, we develop application-oriented and highly customized memory solutions to strengthen the company's long-term competitiveness in niche and high value-added markets.
 - (2) Through the continuous optimization of business models and product service models, the introduction of non-standard memory in applications such as AI, edge computing, and intelligent systems has been deepened, gradually enhancing market penetration and value chain position.
 - (3) Utilizing the MemorAiLink platform to support and integrate the Company's R&D and product service capabilities, we aim to promote the upgrade of business models, assist clients in shortening system design timelines, and accelerate product implementation.
 - (4) Establish ASaaS to promote global market deployment; construct ASaaS to integrate sensing hardware, intelligent decision-making algorithms, and algorithm licensing into a new business model that enhances the sales stickiness of hardware and software integration.
 - (5) Based on the achievements of Taiwan's medical industry and the integration of software and hardware, a "Privacy Edge Computing Standard Architecture" is being developed for global high-sensitivity environments (smart medtech, security inspections). By establishing a seamless connection to international regulations (HIPAA, EU AI Act) as a technological moat, the transformation from a single-point system integration to a multinational robotic supply chain and the underlying decision-making core of the international medical network is undertaken, facilitating a global-scale business layout that transcends geopolitical restrictions.

II Analysis of the Market and Production and Marketing

(I) Market Analysis

1. Sales Regions of Main Products

Unit: NT\$ thousand; %

Region \ Year		2024		2025	
		Amount	%	Amount	%
Domestic Sales		912,895	26.28	1,479,707	36.66
Foreign Sales	Asia	2,192,870	63.14	2,081,239	51.56
	Others	367,452	10.58	475,833	11.78
Total		3,473,217	100.00	4,036,779	100.00

2. Market Share

According to statistics from research institutions, the global DRAM market size in 2025 is projected to be approximately USD\$153.6 billion. Based on the Company's revenue for 2025, our market share is estimated to be around 0.1%.

3. The Future Supply and Demand and Drowth of the Market

Due to the continuous increase in demand for high-end memory driven by AI and HPC applications, the three major manufacturers have prioritized the allocation of production capacity and capital expenditures to HBM and other advanced DRAM products in recent years, thereby relatively compressing the supply of older generation products, re-sulting in a significant change in the overall market supply and demand structure. Against this backdrop, the global DRAM industry is widely regarded as entering a "super cycle" phase in the second half of 2025, driving a year-on-year revenue growth of 60.3% for the global DRAM market.

Looking ahead to 2026, the current upward cycle in the memory industry is primarily attributed to a structural reversal in supply and demand, and it is anticipated that the growth momentum of the industry will continue. According to DRAMeXchange's estimates, the global DRAM market size in 2026 is expected to grow by 226.6% year-on-year, primarily driven by a 23.1% year-on-year increase in bit supply and a 166.0% year-on-year increase in average selling price (ASP).

4. Competitive Niche, Favorable and Unfavorable Factors of Development Prospects, and Countermeasures

(1) Competitive Niche

A. Having cultivated expertise in the specialized and application-oriented memory market for many years, we possess extensive experience in product development and mass production across diverse application fields. We are capable of providing a stable supply of high-quality memory ICs over the long term and have established a highly trusted supplier position in niche markets.

B. With mature KGD and highly customized memory design and integration capabilities, we are able to respond to different system architectures and application requirements,

providing differentiated solutions that create a specialized market competitive advantage with technical barriers.

- C. Establish long-term cooperative relationships with key industry customers and leading manufacturers. Through joint development and early participation in customer product planning, effectively enhance customer stickiness and reduce replacement risks.
- D. Maintain long-term and stable cooperative relationships with multiple wafer foundries and upstream and downstream supply chain partners. Through close collaboration and information integration, ensure the stability of product delivery and operational flexibility.
- E. The R&D design team has been focusing on application-oriented memory architecture for the long term, accumulating extensive experience in system-level design and integration. This enables them to respond quickly to customer customization requests and shorten product development timelines.
- F. The Company possesses an independent and complete management and R&D design team, covering key aspects such as memory design, verification, mass production implementation, and application support, ensuring the sustainable accumulation of core technologies and critical capabilities.
- G. Establish comprehensive R&D verification and testing resources to support product development and quality validation in diverse application scenarios, effectively enhancing product reliability and shortening the timeline for customer adoption and mass production.

(2) Favorable Factors

- A. As AI applications extend from the cloud to the edge, the demand for systems capable of real-time data processing, low power consumption, high reliability, and customized memory solutions continues to rise. This trend is favorable for niche DRAM products that possess customization and application-oriented integration capabilities, thereby expanding their application fields.
- B. The logic business department's product development has been adopted and recognized by multiple clients, gradually establishing long-term and stable partnerships. This contributes to enhancing the overall value of the solutions and customer stickiness.
- C. The three major memory manufacturers continue to concentrate their production capacity on HBM and DDR5/LPDDR5 products, resulting in a relative contraction in the supply of niche memory. This situation is favorable for specialized memory IC design companies to continue expanding their related businesses.
- D. The increasingly diverse system architecture presents higher and differentiated demands on memory in terms of bandwidth, power consumption, packaging, and system integration. This has led to a continuous enhancement in the importance of cross-memory IP and system layer integration capabilities.

(3) Unfavorable Factors

- A. The DRAM industry is extremely responsive to changes in the supply and demand structure. The supply of the wafer foundry market is inconsistent, which can result in price fluctuations in the market supply chain, adding operational pressure and impacting growth momentum.
- B. Recently, the prices in the DRAM market have risen significantly. Some customers, considering cost control and inventory strategies, may adjust their purchasing pace or postpone their delivery schedules.
- C. In the field of high- density and high-end standard memory ICs, mainstream manufacturers possess advanced processes and economies of scale, creating significant competitive pressure on other non-mainstream players.
- D. The increase in semiconductor process miniaturization costs has led to an increase in the costs of foundries, masks, Probe Cards, testing machines, wafers, and packaging. It has also led to an increase in design companies' R&D investment costs and the time to cover the costs.
- E. DRAM manufacturers in China are actively expanding production. In the future, if related production capacity is concentrated and released, it may impact the supply-demand balance and price stability of specific memory IC markets.

(4) Countermeasures

- A. Implement global business development strategies, strengthen the regional and localized deployment of business personnel, and enhance the ability to respond promptly to customer needs and market changes.
- B. Focusing on emerging markets with growth potential and strategic customers, we continue to deepen our design-in/design-win collaboration with original equipment manufacturers and end users.
- C. Continuously introducing advanced 2x/1x nanometer processes, with a focus on application-oriented and high value-added specialty DRAM products in research and development, enhancing product differentiation and gross profit structure.
- D. In the process of business expansion related to memory and logic products, careful evaluation of profitability, cash turnover rate, and resource investment efficiency is conducted to ensure the overall operation develops steadily.
- E. Closely monitor international political and economic situations as well as industry dynamics, flexibly adjust response strategies, and strengthen overall risk management.

(II) Important Functions and Production Process of Main Products

1. Important Use of Main Products

Company	Category	Major products	Functions of products
Etron	DRAM	SDR DDR DDR2 DDR3/3L DDR4 LPDDR2 LPDDR4/4X	Widely adopted as a key component across the following four major application areas, with applications as follows: 1. Computers and peripherals: HDD, SSD, ODD, Graphic, Printer, Projector, Industrial PC, etc. 2. Communication Systems: xDSL, FTTx/ PON, WiFi, IoT/IoE, IP Cam, IP STB, UAV, etc. 3. Consumer Electronics: DTV, Display, Set Top Box, DVD, Audio, Video, Intelligent Home, Game Console, etc. 4. Automotive Electronics: Car Infotainment, DAB, Dash Cam, HUD, Navigator, ADAS, etc.
	Flash	SPI NAND Flash e.MMC	SPI NAND is mainly high-density, low-pin count SLC NAND Flash for various applications such as networking, STB, IP Cam, and IoT. e.MMC is applicable for high-density storage and high-reliability applications that require cost-effectiveness. It is suitable for many consumer electronic devices, including smartphones, tablets, mobile network devices, wearable devices, and common high-density storage components for the IoT.
eEver	Analog System IC	USB Power Delivery +DP Alt Mode MUX	Designed specifically for the USB Type-C interface, this product is primarily utilized for USB Power Delivery and for managing the switching of USB data and DisplayPort (DP) video signals. It is compatible with a range of electronic devices that support the Type-C interface, facilitating the efficient transmission of power, USB data, and video signals.
		USB Video Capture Controller	The HDMI input video signal is converted to 4K at 60 frames per second using a USB audio and video capture IC. This technology is primarily utilized in markets such as online streaming, broadcasting, gaming, conference systems, medical applications, and industrial control.
eYs3D	Chips and Platforms for AI and Machine Vision	AI Subsystem Platform	AI and machine vision. With a commitment to advancing Edge AI Computing and intelligent sensing technologies and through its independently developed AI image processing architecture, the Company creates high-performance AI computing modules that support heterogeneous integration, multi-sensor fusion, and adaptive learning algorithms. This capability enables machines to more accurately comprehend their environment and objects, thereby enhancing intelligent decision-making and automation capabilities. The applications of its products encompass various fields, including intelligent transportation, robotics, autonomous driving, Industry 4.0, and AR, offering comprehensive AI subsystem solutions for the global intelligent sensing industry.
		3D Vision Sub-System	Leveraging its self-developed 3D depth sensing chips, the Company has further extended its capabilities to the design of 3D sensing hardware module kits. These solutions are applied in service robots, industrial robots, unmanned retail, and dynamic perception applications.
		Robot precision system	The robotic preparation system is based on the Sense & React platform, integrating AI computing modules, 3D visual sensing, control systems, and real-time inference engines, providing a rapidly deployable AMR robotic preparation system. The system is equipped with built-in mapping and localization (SLAM), autonomous exploration, 2D/3D intelligent obstacle avoidance, inter-floor navigation, multi-robot collaboration, and cloud dispatch management capabilities. It also incorporates LLM at the levels of task scheduling, human-machine interaction, and collaborative decision-making, assisting system providers and terminal customers in the rapid development and deployment of intelligent robotic applications.

Company	Category	Major products	Functions of products
DeCloak	Information service	Privacy data protection related systems Related systems software and hardware	The software and hardware data privacy computing solutions for personal privacy protection, which are mainly used for SOE-Enterprise, enterprise access control systems, electronic signatures, financial insurance, medical health, surveillance, and other applications with privacy data.
		DeCloakFace™ Access control system for biometric identification	The edge computing identity verification solution, which performs unidirectional encryption and de-identification at the data source to mitigate the risk of privacy leakage, is specifically designed for environments regulated by stringent personal data laws (such as GDPR). It is primarily applied in enterprise-level access control and attendance management systems, assisting multinational corporations in establishing compliant access control mechanisms and addressing employees' concerns regarding the misuse of facial data.
		DeCloakVision™ Human body imaging motion recognition surveillance system	The de-identified AI analysis system, compatible with existing surveillance hardware infrastructure, conducts extensive behavior and characteristic trajectory analysis while ensuring the privacy of the public and patients. Its primary applications include large-scale public monitoring, such as security and crowd trajectory analysis in stations, airports, and shopping malls, balancing public safety with the privacy rights of individuals. Additionally, it is utilized for smart medtech and long-term care monitoring in patient wards and public activity areas, providing danger alerts without infringing on patient dignity.
		DeCloakBrain™ General privacy security Robot decision-making platform	The Universal Privacy Protection Robot Global Perception Decision-Making System, centered on privacy intelligent computing, addresses the privacy and regulatory challenges encountered during the deployment of robots and intelligent vision systems in highly sensitive environments such as healthcare, industrial control, and public spaces. It also possesses advanced spatial intelligent computing capabilities, allowing for flexible deployment on bipedal and quadrupedal robots equipped with edge AI computing power. Furthermore, it seamlessly integrates DeCloakFace™ and DeCloakVision™, creating a comprehensive privacy security AI ecosystem.

2. Production and Manufacturing Process

The IC production and manufacturing process is mainly divided into four stages:

(1) Circuit design stage

Circuit design starts with the definition of product functions, followed by the design of relevant logic and analog circuits, then simulation, verification, and graphical layout, and finally the circuit layout pattern is converted into electronic data for making masks and stored on tapes or optical discs.

(2) Wafer manufacturing stage

The wafer manufacturing process is based on the repetitive processes of photolithography, etching, oxidation, and diffusion to produce the designed circuit pattern (i.e. the circuit pattern on the mask) on a silicon wafer layer by layer.

(3) Wafer testing stage

There are hundreds to thousands of dies on a manufactured wafer, which must be tested one by one to select the integrated circuit dies which functions well. Due to the absence of a packaging testing phase for KGD, additional testing processes are required to ensure product quality.

(4) Packaging and testing stage

In response to customer demand for packaged products, the small chips must undergo processes such as cutting, die bonding, wire bonding, and packaging. A final test is then conducted to ensure quality, completing the entire production process.

(III) Supply of the major raw materials

The Company's major raw material is silicon wafer. The Company continues to maintain long-term collaboration with at least three foundries, so there should be no concern about the sources of wafer supply.

(IV) The Names of Individual Customers/Suppliers who Have Accounted for at Least 10% of the Total Purchases (sales) in Any of the Last Two Years, Their Purchase (sale) Amounts and Proportions, and the Reasons for the Changes

1. Information on Major Suppliers in the Last Two Years

Unit: NT\$ thousand

Item	2024				2025			
	Name	Amount	Proportion to net purchase for the year (%)	Relationship with the issuer	Name	Amount	Proportion to net purchase for the year (%)	Relationship with the issuer
1	Supplier A	1,635,912	61.32	None	Supplier A	1,531,241	44.44	None
2	Supplier B	393,601	14.75	None	Supplier C	404,816	11.75	None
3	Others	638,460	23.93	-	Others	1,509,223	43.81	-
-	Net purchase	2,667,973	100.00	-	Net purchase	3,445,280	100.00	-

Reasons for the increase or decrease: Changes in customer demand have led to shifts in suppliers' proportions, resulting in increases or decreases.

2. Information on Major Sales Customers in the Last Two Years

Unit: NT\$ thousand

Item	2024				2025			
	Name	Amount	Proportion to net sales for the year (%)	Relationship with the issuer	Name	Amount	Proportion to net sales for the year (%)	Relationship with the issuer
1	Customer B	318,245	9.16	None	Customer C	465,090	11.52	None
2	Others	3,154,972	90.84	None	Others	3,571,689	88.48	None
-	Net sales	3,473,217	100.00	-	Net sales	4,036,779	100.00	-

Reasons for the increase or decrease: Changes in the demand for end products have led to shifts in customers' mix proportions, resulting in increases or decreases.

III Number of Employees, Average Length of Service, Average Age, and Education Distribution

Unit: Person, Age, Year

Year		2024	2025	As of March 31, 2026
Number of employees	R&D personnel	272	296	298
	Management and marketing personnel	172	170	174
	Technicians	12	12	12
	Total	456	478	484
Average age		44.68	44.09	44.05
Average years of service		9.82	9.74	9.75
Distribution of education	Doctoral degree	3.07%	3.14%	3.31%
	Master's degree	49.34%	48.75%	48.34%
	University and college	42.98%	43.51%	43.80%
	Senior high school	4.39%	4.39%	4.34%
	Below senior high school	0.22%	0.21%	0.21%

IV Environmental Protection Expenditure

- (I) Information on losses incurred due to environmental pollution in 2025 and as of the publication date of the annual report: None.
- (II) The estimated amount that may be incurred at present and in the future and countermeasures: The Company is a professional IC design company and did not cause material environmental pollution. In the future, we may adopt relevant operational control or filing operations in response to changes in laws and regulations. Current potential environmental expenditures include pollution control facility improvement costs and environmental disposal fees, which are estimated to be less than NT\$600,000 per year.

V Labor-management Relations

- (I) Employee benefit plans, continuing education, training, and pension systems and the status of the implementation, and the status of labor-management agreements and measures for safeguarding employees' rights and interests
1. Employee benefits
 - (1) The Company's employee benefits are handled as per the Labor Standards Act and relevant laws, and also include an employee stock ownership trust system and group insurance policy, so that employees can devote themselves to work more fully.
 - (2) The Company has set up an Employee Welfare Committee to provide various allowances or subsidies for marriage, funerals, national holidays, childbirth, and emergencies, as well as various employee travel activities, birthday parties, and club activities to enhance employees' physical and psychological health and strengthen the interaction and relations among them. The employees have been satisfied with the benefits above since the implementation.

- (3) The Company values the physical and mental health of its employees and work-life balance and has implemented Employee Assistance Program to provide colleagues with support and consultation resources in the areas of work, mental health, and life.
- (4) The Company continues to promote corporate social responsibility by caring for and supporting disadvantaged employment. It plans quarterly services for visually impaired massage, balancing the physical and mental health of employees with the practice of social inclusion.
- (5) The Company was awarded the National "Friendly Workplace" by the Council of Labor Affairs (currently known as the Ministry of Labor) in 2008, and selected as an enterprise for offering an excellent "Employee Assistance Program (EAPs)" by the Council of Labor Affairs (currently known as the Ministry of Labor) in 2011. We were also honored the Family LOHAS Award and the Health LOHAS Award of the 1st Work-Life Balance Award launched by the Ministry of Labor in 2014, which were the highest national honor for the Company's promotion of work-life balance.

2. Pension system

Etron has formulated the "Employee Pension Measures of Etron Technology Inc." and established a Supervisory Committee of Labor Retirement Reserve as per the Labor Standards Act and the Labor Pension Act.

- (1) Employees eligible for retirement under the Labor Standards Act will have their retirement benefits calculated based on their years of service and the average monthly wage approved at the time of retirement. For those with 15 years of service or less, a benefit of two base amounts will be granted for each full year of service. For those with more than 15 years of service, a benefit of one base amount will be granted for each full year of service, with a maximum accumulation limit of 45 base amounts. Etron Technology Inc. allocates 2% of the total monthly salary to the retirement fund in accordance with the law. This fund is stored in a special account at Taiwan Bank under the name of the Labor Retirement Reserve Supervisory Committee, which is responsible for supervision, income and expenditure, custody, and utilization.
- (2) For employees to whom the retirement criteria of the Labor Pension Act apply, the Company will contribute 6% of the monthly salary as per the monthly contribution range table approved by the Executive Yuan to the individual pension account of the Bureau of Labor Insurance according to an employee's salary while cooperating with employees' voluntary contribution.

3. Employee education and training

Etron adheres to the concept of lifelong learning, encourages employees to learn actively and spontaneously, and focuses on the internalization of knowledge and the display of work performance. As such, we have formulated "Education and Training Regulations", "Employee On-the-job Training Regulations", "Internal Trainer Management Regulations" and other relevant training regulations, and provide diverse training models. In 2025, total

training expenses amounted to approximately NT\$1.1 million, with an average of 11.86 training sessions and 20.28 training hours per employee.

Since 2005, we have been granted separate course subsidies under the Enterprise Human Resources Improvement Program launched by Workforce Development Agency, Ministry of Labor. In 2018, 2020, and 2023, we were awarded the Bronze Award by the Talent Quality Management System (TTQS) in the Taoyuan, Hsinchu, and Miaoli regions.

The Company's training methods are divided into three models: internal training, industry learning, and self-development, which are described as follows:

- (1) "Internal training" focuses on departmental independent training and inter-departmental integrated training to leverage the effects of internal knowledge dissemination and teaching while learning.
 - (2) "Industry learning" refers to external courses and international seminars, which are arranged to strengthen the connectivity between knowledge, technology, and industry, and the information absorbed and integrated will be shared internally.
 - (3) As for "Self-development", self-growth space is provided to enhance individuals' learning willingness through resources, such as internal learning platforms, IEEE Database, and libraries.
 - (4) The Company's training system is divided into the components below:
 - A. In "management competency training" professional management training is provided to managers at all levels; lectures for managers are organized regularly, and outstanding leaders are trained actively.
 - B. As for "Departmental professional competency courses", professional knowledge, skills, and attitude that employees should possess in different job positions are drawn up as per the annual training plan.
 - C. The "School of Life and Knowledge" is planned to provide knowledge related to humanities, social sciences, and natural sciences to promote personal self-growth, expand the horizon exploration, and diversify the knowledge.
 - D. "Corporate culture" aims to cultivate the necessary skills that should be possessed by Etron's employees, such as new employee training to help new employees quickly understand the Company's philosophy, spirit, system, and culture.
 - E. "Language training" trains employees to possess the language skills needed for internationalization and to enhance individual competitiveness.
 - F. As for "annual certifications" that need to be passed by specific professionals, such as quality inspectors, environmental safety and health personnel, and chefs, we arrange regular annual training sessions, and have formulated "specific personnel qualification certification implementation regulations" for personnel who are critical to product quality to ensure employees' skills are qualified for their jobs.
4. Agreements between labor and management and various measures to protect employees' rights and interests

The Company does not have a labor union and has not signed a formal collective agreement. However, four labor-management meetings are held annually to negotiate and communicate on matters such as working conditions and the work environment. Employees may also communicate through the Company's internal mailbox and bulletin boards, ensuring smooth communication channels.

At the same time, Etron Technology respects people in different ways due to their race, socioeconomic class, language, ideology, religion, party, birthplace, gender, marriage, appearance, physical obstacles or previous union memberships. Establish appropriate internal management measures and procedures, and undergo regular audits by internal teams, certification bodies, and clients to ensure proper implementation.

(II) In 2025 and up to the publication date of the annual report, the situation of labor disputes and the estimated amount that may be incurred in the future and countermeasures: The Company did not suffer loss due to labor disputes, and the Company's labor-management relationship is harmonious. It is estimated that the possibility of losses incurred due to labor disputes in the future is extremely low.

VI Information Security Management

(I) Information Security Risk Management Structure, Policies, Specific Management Schemes and Resources Invested in Information Security Management

1. Information Security Risk Management Structure

The Company has established the Information Security Committee that is responsible for formulating and reviewing information security policies, resource allocation, and inspection of the implementation of different measures. The senior executives—as management representatives—are responsible for the coordination and promotion of information security management affairs. They regularly convene security meetings and submit annual reports to the Board of Directors on the implementation status. In addition, in December 2023, the Company established a security director and security personnel in compliance with the law to improve the effectiveness of security operations. The executive secretary supports the dedicated security director in performing security-related tasks, and department managers serve as committee members to contribute to the development and execution of various information security plans and measures.

2. Information Security Policies

The Company has formulated information security policies as guidelines for information security management in accordance with its own operating requirements and relevant laws and regulations to ensure the confidentiality, integrity, and availability of company information. The operation of internal information security organization helps to implement executive management measures. In addition, the Company should establish information security risk awareness among employees, and make the best of management procedures and security protection technologies to achieve the security goals of information collection, processing, transmission, storage, and circulation.

3. Specific Management Schemes and Resources Invested in Information Security Management

With respect to "security and information security education and training of human resource to enhance personnel information security awareness":

- (1) Personnel employment change or termination of employment have been included in the information security process to manage the employees. These efforts are designed to ensure that employees can implement relevant information security measures in their positions, thereby reducing possible information security risks.
- (2) The Company regularly conducts 1 hour information security awareness, social engineering attack, and prevention education training for employees, tailored to the nature of their job responsibilities and current information security environment requirements. Simulated phishing emails are designed around current events and relevant topics to test employees' awareness of social engineering attacks. These efforts

aim to enhance employees' information security knowledge and strengthen the company's overall information security posture.

- (3) To enhance information security management and personnel training, dedicated staff 89 total training hours in 2025, including 24 hours of professional management, 23 hours of functions training, and 42 hours of IT security courses.
- (4) The Company periodically issue email security notices to employees, reminding them to remain vigilant and providing information on security incidents and preventive measures. A total of 34 notices were issued in 2025.

With respect to "information asset identification and risk management":

- (1) The Company regularly identifies and protects its assets based on their importance. This involves collecting and classifying information assets, reviewing their confidentiality, availability, and integrity, assessing vulnerabilities and threats, and creating risk management plans. The company tracks these enhancement plans until improvements are implemented.
- (2) In response to external security threats, the company continually strengthens its measures. This includes enhancing existing protection mechanisms and implementing additional safeguards such as Endpoint Detection and Response (EDR) software, as well as using multi-factor authentication (MFA) and other solutions..

With respect to "Information Security Incident Reporting and Response":

- (1) The Company joins domestic cybersecurity alliances to acquire and exchange cybersecurity information. This helps the company respond promptly to any cybersecurity issues.
- (2) In the event of an information security incident within the company, the associated departments are responsible for promptly reporting the incident according to their roles and the incident classification system. They should follow prepared mitigation plans, take necessary actions, and document the process and outcomes. The reports are then submitted to the Information Security Committee.

The Company's Information Security Committee held ad hoc working group meetings and quarterly formal meetings in 2025. On November 10, 2025, a report on the implementation of information security was presented to the Board of Directors. The Company also continues to invest in software and hardware infrastructure to strengthen network protection mechanisms, system operations, and the security of confidential information management.

The Company has implemented a comprehensive ISO27001 information security management system. In June 2024, it successfully passed third-party verification and received certification, which is valid until June 2027. To mitigate cybersecurity threats in terms of system, technical, and procedural aspects, the Company has created an information security protection environment that aligns with customer requirements and consistently follows the Plan-Do-Check-Act (PDCA) cycle for continuous improvement.

(II) For the most recent year and as of the printing date of the annual report, the losses, possible impacts and responses to major information security incidents, if not reasonably estimable, shall state the facts that they are not reasonably estimable: None.

VII Important Agreements

Type of Contract	Party	Contract Duration	Main Content	Restrictive Clauses
Insurance	Chubb Insured	2025/9/16~2026/9/16	Liability insurance for directors, supervisors, and important employees	None
Syndicated Credit Facility	Land Bank of Taiwan and other participating banks	2025/9/25~2030/9/25	Repay bank loans and strengthen mid-term operating capital	None

Chapter 5 Review and Analysis on Financial Status and Financial Performance and Risk Matters

I Financial Status

Unit: NT\$ thousand

Item \ Year	December 31, 2024	December 31, 2025	Difference	Percentage of Change (%)
Current Assets	4,202,397	5,137,622	935,225	22.25
Financial Assets at Fair Value through Other Comprehensive Income - Non-current and Investments Accounted for Using Equity Method	1,047,637	1,442,273	394,636	37.67
Property, Plant and Equipment, Net	653,148	673,248	20,100	3.08
Other Assets	827,822	463,144	(364,678)	(44.05)
Total Assets	6,731,004	7,716,287	985,283	14.64
Current Liabilities	2,240,816	2,201,722	(39,094)	(1.74)
Long-term Borrowings	18,125	1,355,901	1,337,776	7,380.83
Other Liabilities	192,110	166,267	(25,843)	(13.45)
Total Liabilities	2,451,051	3,723,890	1,272,839	51.93
Share Capital	3,255,958	3,255,958	0	0.00
Capital collected in advance	0	5,088	5,088	100.00
Capital Surplus	1,419,142	796,472	(622,670)	(43.88)
Retained Earnings	(596,602)	(499,243)	97,359	16.32
Other Equity	87,081	353,187	266,106	305.58
Non-controlling Interests	114,374	80,935	(33,439)	(29.24)
Total Equity	4,279,953	3,992,397	(287,556)	(6.72)
Explanation of the proportion of the changes (%):				
1. Current Assets: The increase in accounts receivable and inventories in 2025 is mainly due to the reclassification of guarantee deposits paid to other current assets based on liquidity.				
2. Financial Assets at Fair Value through Other Comprehensive Income - Non-current and Investments Accounted for Using Equity Method: This is mainly due to the increase in valuation gains of non-current financial assets measured at FVTOCI for 2025.				
3. Other Assets: This is mainly due to the reclassification of guarantee deposits paid in 2025 to other current assets is due to liquidity.				
4. Long-term Borrowings: Mainly due to new bank loans added in 2025.				
5. Capital Collected in Advance: Mainly due to the exercise of stock options by employees in 2025.				
6. Capital Surplus: This is mainly due to the capital surplus used to offset losses in 2025.				
7. Other Equity: Mainly due to the increase in unrealized gains on the valuation of equity instruments at fair value through other comprehensive income in 2025.				
8. Non-controlling Interests: Mainly due to the losses incurred by subsidiaries in 2025.				

II Financial Performance

(I) Analysis of Financial Performance

Unit: NT\$ thousand

Item \ Year	2024	2025	Amount of Change	Percentage of Change (%)
Operating Revenue	3,473,217	4,036,779	563,562	16.23
Operating Costs	(3,030,402)	(3,418,415)	(388,013)	(12.80)
Operating Gross Profit	442,815	618,364	175,549	39.64

Item \ Year	2024	2025	Amount of Change	Percentage of Change (%)
Operating Expenses	(1,162,363)	(1,264,475)	(102,112)	(8.78)
Other Income and Expenses	67,555	66,372	(1,183)	(1.75)
Operating Income (Loss)	(651,993)	(579,739)	72,254	11.08
Non-operating Income and Expenses	37,741	2,768	(34,973)	(92.67)
Income (Loss) from Continuing Operations before Tax	(614,252)	(576,971)	37,281	6.07
Income Tax (Expenses)	0	(6,000)	(6,000)	100.00
Net Income (Loss)	(614,252)	(582,971)	31,281	5.09
Net Income (Loss) Attributable to Owners of the Parent	(540,640)	(497,494)	43,146	7.98
Description of the percentage of change:				
1. Gross Profit: Mainly due to the increase in market demand for memory in the second half of 2025 led to a rise in prices, resulting in a growth in gross profit for 2025 compared to 2024.				
2. Non-operating Income and Expenses: Mainly due to the increase in finance costs in 2025.				
3. Income Tax Expenses: Mainly due to the increase in the taxable income in the current period.				

(II) Expected Sales Volume in the Coming Year and Its Basis

The Company specializes in IC design for specialty DRAM and has expanded into USB chips, AI and image processing chips, and their respective systems. At the same time, it develops software solutions for AI privacy computing and data de-identification. By integrating AI privacy computing, the products can be applied in various consumer electronics, smart peripheral products, smart medtech, security monitoring, robotics, and various AIoT device applications. The expected sales volume and operations in the future are based on the changes in demand for consumer electronics, according to which various response plans and strategies for financial business are formulated.

III Cash Flows

(I) Analysis of the Changes in Cash Flows for the Most Recent Year

Item \ Year	2024	2025	Percentage of Change
Cash Flow Ratio	–	–	–
Cash Flow Adequacy Ratio	37.81	30.44	(19.49)
Cash Reinvestment Ratio	–	–	–
Description of the percentage of change:			
1. Cash Flow Ratio: N/A, which was mainly due to the cash outflows from operating activities in 2025.			
2. Cash Flow Adequacy Ratio: Mainly due to increases in inventories and capital expenditures in 2025 compared with 2024.			
3. Cash Reinvestment Ratio: N/A, which was mainly due to the cash outflows from operating activities in 2025.			

(II) Remedial Plans for Liquidity Shortfalls: Not applicable as the Company does not expect any liquidity shortfalls.

(III) Analysis of Liquidity for the Coming Year: Liquidity for the coming year is expected to be better than that in the previous year.

IV Effect on Financial Operations of Any Major Capital Expenditures during the Most Recent Year

Unit: NT\$ thousand

Program	Capital Expenditures		
	2023	2024	2025
Purchase of Equipment	115,072	106,404	147,445
Impact on financial operations	Such capital expenditure will be invested in product R&D as well as the expansion of product manufacturing, and is expected to have a positive impact on future operating revenue.		

V Reinvestment Policy for the Most Recent Year, Main Reasons for Profits/Losses Generated Thereby, Improvement Plan, and Investment Plans for Coming Year

(I) Reinvestment Policy for the Most Recent Year

The Company's reinvestment strategy focuses on long-term strategic development, concentrating on areas related to its core business. It actively integrates AI technology and applications, while combining innovative technologies in de-identification and privacy protection to align with the industry trends of digitalization and data security. We are committed to enhancing product competitiveness through AI technology, achieving a more precise understanding of customer needs, and building a more trust-based market environment by strengthening privacy protection mechanisms. At the same time, through collaboration with strategic partners, we continue to explore new product and market opportunities, expand market share, ultimately driving the Company's overall revenue and profit growth, and ensuring a long-term industry leadership position.

(II) Main Reasons for Profits/Losses Generated Thereby and Improvement Plan

In 2025, market demand has rebounded, and the subsidiary's business momentum has shown improvement. To strengthen long-term competitiveness, the subsidiary continues to expand its team and increase R&D investment, resulting in an overall loss that has increased compared to the previous year. All subsidiaries will continue to deepen their efforts in forward-looking technologies and R&D layouts, with the expectation of gradually generating benefits and achieving profitability in the coming years.

Looking ahead to 2026, despite the ongoing global high interest rate environment and geopolitical risks, the gradual easing of inflationary pressures and the rebound in customer demand, along with the introduction of new applications driven by AI and de-identification privacy protection technologies into the market, are expected to lead to a gradual improvement in the operations of each subsidiary, demonstrating better performance.

The Company will continue to focus on supporting its investee companies in enhancing core competitiveness and operational efficiency, aiming to create shared value and contribute to more stable profit growth for the Company.

(III) Investment Plans for Coming Year

The Company will continue to prudently evaluate its investment plans for long-term strategic purposes.

VI Risk Assessment and Management

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

1. Effect of interest rate fluctuations and response measures to be taken in the future

The interest expenses in 2024 and 2025 were NT\$60,617 thousand and NT\$90,254 thousand respectively, accounting for 1.75% and 2.24% of the consolidated net operating revenue respectively. The Company will always pay attention to the trend of interest rates in the financial market, regularly evaluate bank interest rates, and closely liaise with banks to strive for more favorable interest rate terms.

2. Effect of exchange rate fluctuations and response measures to be taken in the future

The Company's operating revenue was mainly denominated in USD. Net of certain payables on purchases denominated in foreign currencies, USD-denominated assets constituted most of the net position. Therefore, exchange rate fluctuations between the New Taiwan Dollar and the U.S. dollar could have an impact on the Company's profit or loss. In addition to natural hedging, the Company entered into forward contracts to mitigate the impact of exchange rate fluctuations on its profit and loss. To keep abreast of trends and changes in exchange rates, the Company's finance department constantly monitors changes in international financial markets, maintains close contact with banks, collects information on exchange rate fluctuations and financial markets; it also adjusts the USD position in a timely manner to reduce the exchange rate risk.

3. Effect of changes in the inflation rate and response measures to be taken in the future

In the most recent year, inflation had an insignificant impact on the business operations and profit or loss of the Company and its subsidiaries. In the future, the Company and its subsidiaries will closely monitor the changes in the international prices of raw materials and products, maintain good relationships with customers and suppliers, and adjust the selling prices of products and inventories in a timely manner in order to reduce the effect of changes in the inflation rate.

(II) Policies on High Risk or Highly Leveraged Investments, Loans to Others, Endorsements and Guarantees, as well as Derivatives Trading, Main Reasons for Profits or Losses, and Response Measures to Be Taken in the Future: The Company and all its subsidiaries did not engage in any high risk or highly leveraged investments. To ensure sound financial management and to reduce the operational risks, the Company has formulated the "Operating Procedures for Loans to Others" and "Procedures of Endorsements and Guarantees" according to law and required that the Company and all its subsidiaries should comply when providing loans or endorsements/guarantees to others. The Company engages in derivatives trading primarily for hedging

purposes, using forward foreign exchange and swap contracts to reduce the adverse effects of fluctuations in foreign exchange rates on the Company's operating results.

- (III) **Future R&D Plan and Projected R&D Expenses:** In response to the industry trend of heterogeneous integration and incorporating the sustainable concept of green design, the Company and its subsidiaries continue to develop application-driven specialty DRAM, logic chip products, next-generation AI processing chips, as well as AI privacy computing hardware and software solutions, and next-generation de-identification processing chips that are high speed, high bandwidth, low voltage, low power consumption, suitable density/capacity, and low cost. At the same time, in response to the rapid proliferation of AI, the Company is actively positioning itself in AI memory solutions, promoting innovative development in edge AI and HPC applications, and is committed to providing a higher-end product portfolio to create added value for its products. The R&D expenses in 2025 amounted to approximately NT\$782,085 thousand, accounting for 19% of the Company's operating revenue. The equivalent percentage is expected in 2026 in terms of the R&D expenses in 2025.
- (IV) **Effect of Changes in Major Domestic and International Policies and Laws on the Company's Finances and Business Operations and Response Measures to Be Taken in the Future:** The changes in major domestic and international policies and laws this year did not have any major impact on the finances and business operations of the Company and its subsidiaries. In the future, the Company will keep itself timely updated on relevant information and develop timely and necessary responses to meet the Company's operational needs.
- (V) **Effect of Changes in Technology and the Industry on the Company's Finances and Business Operations and Response Measures to Be Taken in the Future:** The Company strengthened the R&D capabilities and followed technological developments and market trends at home and abroad to respond to changes in technology and the industry; in terms of financial management, the Company focused on cash flow management to keep the operations sound and robust. In addition, regarding the Company's responses to information security, please refer to Operational Highlights - Information Security Management of this annual report.
- (VI) **Effect of Changes in Corporate Image on Corporate Risk Management and Measures Taken in Response:** The Company is a world-class fabless IC design house for cutting-edge CEDRAM and KGDM. With "honor, courage, innovation, teamwork" as the core, the Company continues to develop advanced technologies and enhance customer service, forging long-term and stable partnerships with many leading customers around the world. In terms of corporate image, the Company presents its core values, business strategies, visions, market trends, and other product or financial information through disclosures and channels of communication such as company website, DMs, press release, awards and credentials, participation in industry events; it also

engages with the media and investors to increase the public's understanding and recognition of its business goals and to create a positive corporate image.

- (VII) Expected Benefits and Possible Risks Associated with Mergers and Acquisition and Measures Taken in Response: None
- (VIII) Expected Benefits and Possible Risks Associated with Any Plant Expansion and Measures Taken in Response: None
- (IX) Risks Associated with Excessively Centralized Purchases or Sales and Measures Taken in Response: In terms of purchases, having been deeply involved in the field of semiconductor IC products for a long time, the Company has formed a stable and close partnership with suppliers and has considered more than two suppliers for the management of purchases, so that the Company can flexibly allocate production capacity to ensure stable supply and quality. As for sales, the Company sells to customers worldwide for a variety of consumer electronics products, and the sales are still actively expanding, with no centralized sales.
- (X) Effect upon and Risk to the Company in the Event a Major Quantity of Shares Belonging to a Director, Supervisor, or Shareholder Holding Greater than a 10 Percent Stake in the Company Has Been Transferred or Has Otherwise Changed Hands, and Measures Taken in Response: The equity changes of the above-mentioned personnel of the Company were mainly due to their personal financial management activities, which did not pose any risk to the Company's operations.
- (XI) Effect of Changes in Management on the Company, Related Risks, and Measures Taken in Response: None
- (XII) Litigation or Non-litigation Events: The Securities Investors and Futures Investors Protection Center (hereinafter referred to as the Protection Center) filed a civil lawsuit in February 2017 against the Company, the Company, and other defendants regarding the Securities and Exchange Act case involving former Chairman Wu of TM Technology Inc. This case, after undergoing judicial review, was once again ruled against the request of the Insurance Center by the Taiwan High Court on January 21, 2026 (Taiwan High Court Civil Judgment No. 9 of 2023). However, the Insurance Center remains dissatisfied with this outcome and has filed another appeal. The Company continues to engage with legal counsel in defense of its interests, assessing that the case does not have a material impact on the equity of its shareholders or securities.
- (XIII) Other Major Risks and Countermeasures: None

VII Other Important Issues: None

Chapter 6 Special Records

I Relevant Information on Affiliates:

MOPS →Single Company→ Download Electronic Documents→ Three Reporting Forms for Affiliated Enterprises

(https://mopsov.twse.com.tw/mops/web/t57sb01_q10)

II Issuance of Private Placement Securities in the Most Recent Year and As of the Date of Publication of the Annual Report: None.

III Other Necessary and Supplemental Description: None.

IV Conditions that Materially Affect Shareholders' Interests or Price of Securities: None.

Etron Technology, Inc.
Chairman: Nicky Lu