

Stock Code: 6525



GEM Services, Inc.

ANNUAL REPORT 2025

Please see the Company's annual report on:

<http://mops.twse.com.tw/>

<http://www.gemservices.com/>

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III. Board of Directors

Title	Name	Nationality	Major career (academic) achievements
Chairman	Chu-Liang, Cheng	Republic of China	Ph.D., Electrical Engineering, Rutgers University, USA AT&T Bell Lab/ Researcher Fiber Optic Communication Company PCO/ Director LITE-ON Technology/ Deputy General Manager
Vice Chairman	Wen-Hsing, Huang	Republic of China	BA., Electrical Engineering, Chung Yuan Christian University, Taiwan Foreshot Industrial Corporation/ Deputy General Manager LITE-ON Technology/ Director
Director	Tay-Jen, Chen	Republic of China	Shih Chien University QC, Consolidate Graphics Inc. CA, USA
Director	Wei-Chung, Pan	Republic of China	Ph.D., Social Psychology, California School of Professional Psychology, GSPP SINO-INDO COMPANY LTD./ Director
Director	Elite Advanced Laser Corporation Representative of juristic person: Tien-Tseng, Sung	Republic of China	MBA, Atlanta International University Elite Advanced Laser Corporation/ President Sea & Land Integrated Corp./ President GEM Services, Inc./ Vice President CO-TECH DEVELOPMENT CORP./ Vice President GVC/ Assistant Vice President
Independent Director	Shu, Yeh	Republic of China	Ph.D., Accounting, University of California, Los Angeles Chunghwa Telecom Co., Ltd./ CFO & SEVP Chunghwa Telecom Co., Ltd./ Independent Director Powerchip Semiconductor Manufacturing Corporation/ Independent Director and Audit Committee

Independent Director	Wen-Chen, Huang	Republic of China	BA., Department of Industrial Management Science of the National Cheng Kung University School of Management MBA, NCCU MBA Program China Development Financial Holding Corp/ Assistant Manager CDIB & Partners Investment Holding Corporation/ Senior Manager The CID Group Ltd./ Vice President Elite Advanced Laser Corporation/ Director
Independent Director	Chun-Chi, Yang	Republic of China	Ph.D. in Business Administration, National Taiwan University Professor, Department of Business Administration, Fu Jen Catholic University Director, Center for Sustainable Development and Management, Fu Jen Catholic University Wonderful Hi-Tech Co., Ltd./ Independent Director Powertech Industrial Co., Ltd./ Independent Director

IV. Contact Information of the institution for stock transfer:

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Address: B1F., No. 67, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City

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CPA: Keng-Hsi, Chang and Meng-Kuei, Yu

CPA Firm: Deloitte & Touche

Address: 20F., No.100, Songren Rd., Xinyi Dist., Taipei City

Website: <http://www.deloitte.com.tw>

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VI. Overseas Listings and Access to the Listing Information: There is no oversea listing.

VII. Company website: www.gemservices.com

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Chapter I Report to Shareholders

Ladies and gentlemen, Dear Shareholders:

In 2025, although the macroeconomic environment of the semiconductor industry faced many challenges, the management team continued to adhere to the 4A guidelines of Ahead, Able, Agile, and Accountable-focusing persistently on core business expansion, technological upgrades, and deepening relationships with existing customers to maximize the interests of all shareholders. The summary report of the Company's 2025 annual operation and future business plan is as follows:

I. 2025 annual operation results:

(I) Implementation of the business plan:

The 2025 consolidated revenue of the Company was NT\$5,325,910 thousand and the consolidated net profit after tax was NT\$758,645 thousand with a earnings per share of NT\$5.88 and a net asset value per share of NT\$36.38. Through intensive development of both existing and new products and customers, improving production capacity utilization, and other effective measures such as cost and quality management, the Company's profit in 2025 grew compared to 2024.

(II) Budget execution status:

The 2025 financial forecast has not been made public, so there is no budget achievement.

(III) Analysis of receipts, expenditures, and profitability:

The Company's consolidated liabilities accounted for 31% of its consolidated assets and the consolidated current ratio was 244% which are on a healthy level in financial structure, solvency and profitability indicators.

(IV) Research and development work:

1. Continuously development on the manufacturing process, improvement on production efficiency, and understanding market trends and customer demands to further increase market share.
2. Utilize the Company's accumulated technology and knowledge related to manufacturing processes and materials and develop new application with customers and products to solidify market positioning.

II. Summary of 2026 business plan:

(I) Business strategy:

1. Looking at the big picture and having insights into the needs of the industry, applications, and clients, and formulating a business plan in advance.
2. Continuously enhancing our research and development capabilities to respond to the needs for new products, new markets, and new business activities.
3. Flexibly and quickly responding to changes and needs inside and outside the organization.
4. Taking responsibility and meeting clients' needs.
5. Reducing cost through automation and process optimization.
6. Strengthening talent recruitment and training to enhance organizational competitiveness.

(II) Expected sales and basis of estimation:

The Company forecast the sales plan for 2026 based on the sales in 2025 and the current industry overview. According to the current industry information, it is estimated that the market will continue to grow, but with rapid changes in the international trade environment and many uncertain factors, the Company's sales will be based on the latest market changes, customer operation, and the industry development trends.

(III) Important production and marketing policies:

1. Marketing strategy:
 - (1) Active collaboration with customers to strengthen services. Seek to establish strategic partnerships with customers.
 - (2) Continue to improve on the Company's brand image through product upgrades and lead the power semiconductor packaging and testing market.
2. Production strategy:
 - (1) Maintain long-term partnership with automation equipment manufacturers, and become strategic partners to develop specialized production processes, reduce production costs, and develop high-quality, multi-functional and competitive products.
 - (2) Continue to collaborate with customers to strengthen the planning and management of production capacity and quality to provide the services to the customer.

(IV) Future development strategy:

1. Combine the customer applications and develop versatility in the product line to diversify the products and provide a total solution for the customers.
2. Continue to develop key technologies, and develop new-generation products in response to industry trends to maintain as an industry leader.

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

The demand for electronic products changes with the consumer market, trade environment, and government policies of various countries. In recent years, the volume and performance of electronic components have been continuously improved, product lifetime shorter, supply chain competition increasingly fierce, and the requirements of laws and regulations on products and factories increasing. In response, the Company has striven to increase product applications, develop potential clients, expand product series, control investment risks, continue to pay attention to changes in the supply chain caused by geopolitical factors, and take countermeasures. Internally, we work to identify potential risks and formulate countermeasures through constant review of business and an internal control mechanism to reduce operational risks based on the industry environment and business conditions.

Facing future challenges, the Company will continue to enhance its R&D and manufacturing capabilities and efficient business management to maximize the interests of all shareholders.

May I wish you all

Good health and good luck

Chairman:
Chu-Liang, Cheng

General Manager:
Yen-Chiang, Tang

Head-Finance & Accounting:
Jui-Ping, Wang

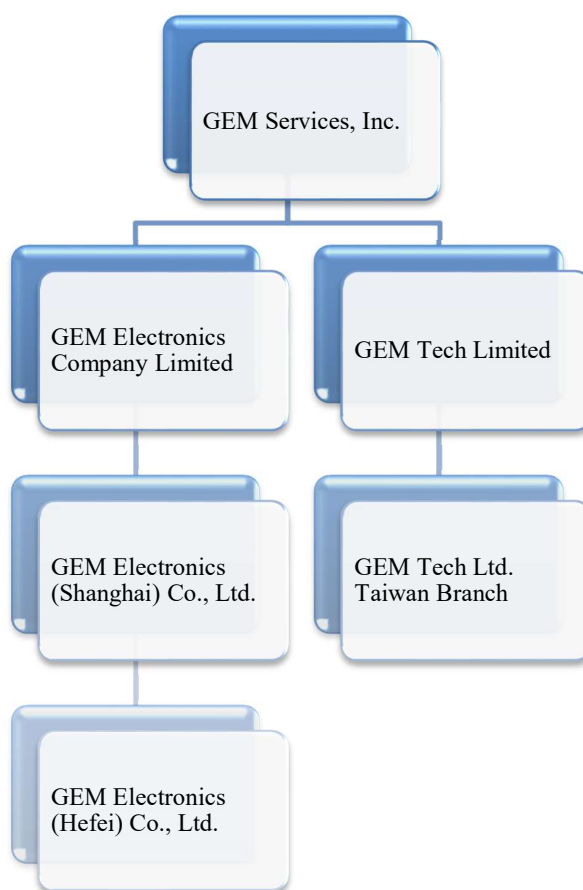
Chapter II Company Profile

I. Company profile

(I) Establishment date

GEM Services, Inc. (GEM or the Company) was established on April 17, 1998 in the British Cayman Islands (Cayman).

(II) Group structure



The shareholding ratio in the above figure is 100%.

(III) Company history

Year	Milestones
1998	In April, GEM Services, Inc. was established and became the holding company of the Group. In December, GEM Electronics (Shanghai) Co., Ltd. was established to manage the production. The primary business of the Group is power management components, IC packaging and testing services.

Year	Milestones
2000	First released the TO252 (DPAK) power management component package test and commenced mass production. Introduced SO8, GEM2021 (2.0mm x 2.1mm), GEM2928 (2.9mm x 2.8mm) and TSOP 3/5/6 miniaturized package products.
2002	Established a strategic alliance with a large Japanese trading company in the Japanese market.
2003	Introduced lead-free process and began to provide mass production services.
2006	In June, the acquisition of Rixin Semiconductor Technology Co., Ltd. was completed, and it was renamed as GEM Semiconductor in September. In September, GEM Electronics (Hefei) Co., Ltd. was established. Introduced SO8 copper wire bonding process capability, effectively replacing the materials used for gold wire and precious metals.
2007	Introduced GEMPAK5060(5.0mmx6.0mm) PDFN new packaging products.
2008	GEM Semiconductor introduced GEM2021 and DPAK mass production services. GEM Electronics (Hefei) introduced SO8, GEM2928, and DPAK mass production services.
2010	Introduced GEMPAK3333 (3.3mmx3.3mm) small PDFN product.
2011	In August, established a joint venture with Mitsubishi Electric Corporation, Mitsubishi Electric GEM Power Device (Hefei) Company Limited.
2012	In June, Elite Advanced Laser Corporation participated in the cash capital increase and became the largest shareholder. In June, GEM Tech Limited was established. In August, GEM Technologies Hong Kong Limited was established. In September, GEM Tech Ltd., Taiwan Branch was established. Introduced the GEMPAK5060 Ribbon aluminum cable welding process capability, providing mass production services for low-resistance and high-efficiency products.
2013	Introduced TO251AA long 9mm guide pin mass production service.
2014	Introduced TO277 new packaging products. GEM Electronics (Hefei) introduced TO220FP High-Voltage mass production service.
2016	In January, GEM Services, Inc. was approved for public offering by TWSE.
2016	In April, the stock was officially listed on the TWSE.
2018	In January, the liquidation of GEM Semiconductor was completed. In October, the liquidation of GEM Technologies Hong Kong Limited was completed.
2021	Building No.3 of GEM Electronics (Hefei) was established to expand the mass production service and introduce the packaging and testing service of medium and low voltage products.

(IV) Risks

1. Risk factor

- (1) The impact incurred by change in interest rate, exchange rate, inflation upon the Company's profit and/or loss and the future countermeasures:

A. Changes in interest rates

The Company's operation scale and profitability have improved with increasing self-owned capital, so it has little reliance on loans from financial institutions. Thus, the Company will not experience a significant increase in interest expenses if the interest rate level were to increase in the future. Thus, changes in interest rates have little impact on the Company's profit.

B. Change in exchange rate

Most of the Company's purchase and sales are denominated in US dollars, so the receivables and payables of the transactions can offset each other, resulting in a natural hedging effect. The Company's net exchange (losses) gains in 2024 and 2025 were NT\$79,016 thousand and NT\$(87,032) thousand, respectively, accounting for 1.69% and (1.63%) of the net operating revenue in each period which is an insignificant impact on the Company's profit and loss.

The main functional currency of the Company is the US dollar and there has not been any significant exchange rate risk. To reduce the impact of exchange rate changes on the Company's profit and loss, the Company will collect the exchange rate information, and strengthen the relationship with financial institutions through online real-time exchange rate system to research on the exchange rate fluctuation trend as a reference for foreign exchange settlement. The Company also deploys strategy to ensure the balance of foreign currency assets and liabilities is achieved as much as possible as a natural risk hedging and reduce the impact of exchange rate fluctuations. In the future, derivatives for hedging will be

adopted depending on the changes in the exchange market and the demand for exchange funds to avoid related exchange rate risks.

C. Inflation

The Company pays attention to market price fluctuations, and maintains good relationship with suppliers and customers and there has not been any significant impact due to inflation in the recent years.

(2) The major causes for engaging in high-risk, high-leverage investment, lending of funds to others, endorsements/guarantees and derivative financial instruments, the profit or loss and the future countermeasures:

- A. The Company does not engage in high-risk, high-leverage investments, unless hedging, or arbitrage can be achieved.
- B. The policy of loaning funds, and endorsements/guarantees is handled in accordance with the relevant regulations of the Company's Procedure on Loaning of Funds and Making of Endorsements/Guarantees.
- C. The policy of derivatives trading is implemented in accordance with the Company's Procedure on the Acquisition and Disposal of Assets, with hedging transactions as the main trading method. The Company determines that hedging is not necessary, unless the benefit of hedging is greater than the cost of hedging; if not, it will become a burden.

(3) The future research & development plans and the expenses anticipated to be invested into research & development

A. Future research & development programs

The Company will continue to invest in the development of new-generation products and technologies, including high-efficiency, high-voltage applications and multi-chip modular products. The Company will continue to make R&D breakthrough on process technology to develop power management products with higher efficiency, smaller size and enhanced structural performance, to expand the lead in the industry and enter more the high-performance application markets.

B. Expenses anticipated to be invested into research & development

The Company's estimated R&D investment is compiled according to the development progress of new products and new technologies. In the future, with the growth in revenue, the annual R&D expenses will be gradually increased and it is estimated that the R&D expenses be about NT\$46,588 thousand in 2026 to support the development of new products in the future and the performance improvement of existing products and increase the Company's competitiveness.

(4) The possible domestic and foreign impacts by government policies and laws upon the Company's financial conditions and the Company's countermeasures

The Company's daily operations are handled in accordance with relevant domestic and foreign laws and regulations and there has not been any major domestic and foreign policy and legal changes that has impacted the Company's financial performance; and the Company pays attention to the changes in domestic and foreign policy development trends and regulations (such as the recent tariffs levy issue) , collects relevant information as a decision-making reference for the management team for appropriate strategies.

(5) The impacts generated by change in science and technology (including ICT security risk) and change in industries upon the Company's financial conditions and the Company's countermeasures

The Company has accumulated considerable amount of R&D technologies, and is recognized by the customers. The management team pays attention to changes in the market and technology trends, and evaluates its risks and impact on the Company's product strategy to reduce all risk factors and maximize shareholders benefits. In addition, the Company continues to invest in R&D projects for new products, manages the product development schedule and formulates relevant response plans, and maintains a stable financial structure to maintain the flexibility of capital allocation in response to future market changes. Thus, in the latest year and up to the

publication date of the annual report, technological and industrial changes did not have a significant impact on the Company's financial performance.

As the popularization of computers and the vigorous development of the Internet brought a rapid and significant impact on people, it also changed the way we live. Along with information convenience comes worrying information security issues. Thus, ensuring information security in the information era is essential for the greater challenges and impacts in the future.

The types of information security protection can be divided into three parts, physical security, software security and data security. Factors affecting information security include:

- A. Invasion from unauthorized persons (hackers) to the computer system, theft or alter information or change the original system settings.
- B. Intentional or unintentional usage of the computers resulting in data damage, theft or system damage.
- C. Interception, eavesdropping or alteration of data during transmission.
- D. Infection and transmission of virus.

The Company has taken the following prevention measures:

- A. Cyber security risks

The Company has a firewall to prevent illegal intrusion, and illegal external access from the inside of the Company, and installs anti-virus software in all networked computers to prevent virus infection and transmission, and ensure the safety of the computers and networks.

- B. Hardware and Data Security Risks

The Company has facilities such as uninterruptible power supply system and hardware redundancy to prevent unexpected power supply and hardware failures and ensure the stability and continuous system operation.

The Company has account authentication, permission control, account password complexity setting, password regular replacement policy, data backup/recovery system to prevent malicious damage, human error and data loss caused by natural disasters, and protect the data integrity.

C. Software Compliance Risk

The Company regularly checks the software installed on the computer, and monitors the installation and use of the software through tools to ensure the compliance of the software.

D. Strengthen employees' information security awareness and standardize organizational information security behavior.

Strengthen employees' awareness of information security, and advocate the restriction of using illegal software or visiting unknown websites.

With relative measures to maintain information security, the Company believes that this risk is manageable, but it is still necessary to remain vigilant to ensure the Company's information security.

(6) The impacts created by a change in corporate image upon the management over crisis, and the Company's countermeasures

The Company operates under the spirit of ethical corporate management, and is committed to improving quality and efficiency and strengthening internal management. The Company holds a good reputation and corporate image in the industry, and there is no corporate crisis caused by changes in corporate image. The Company will further commit to maintaining corporate governance and transparent operations, paying more attention to the rights and interests of shareholders, and strengthening its excellent corporate image.

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

In the latest year and up to the publication date of the annual report, no mergers and acquisitions have occurred. However, if there is a merger and acquisition plan in the future, it will be

handled in accordance with the relevant laws and regulations and the relevant management measures formulated by the Company to ensure the interests of the Company and shareholders' equity are protected.

- (8) The risks anticipated from the expansion of the plant buildings, and the Company's countermeasures

The Company is a power semiconductor packaging and testing company. In addition to expanding production lines depending on market changes, the Company has to avoid oversupply in the market. With actively developing new customers, R&D on new products and new technologies, it will also improve yield and reduce cost to maximize the benefits of capacity expansion and establish a long-term competitive advantage in the market.

- (9) The risks anticipated from the centralized input or output undertakings and the Company's countermeasures

- A. The risks anticipated from the centralized input undertakings and the countermeasures

The power semiconductor industry is a business model of vertical professional division of labor. To avoid the risk of supply shortage or interruption, the Company has established a backup supply, and maintains a certain procurement ratio to maintain good relationship with the suppliers with is adjusted according to product technical specifications. The Company also pays attention to the production status at any time and maintains close contact with the suppliers to reduce the concentration risk.

- B. The risks anticipated from the concentrated sales undertakings and the countermeasures

The Company's largest customer in 2024 and 2025 accounted for about 20% of the operating revenue, and the top five customers combined accounted for about 50% which is a concentration risk, but the Company continuously carry out credit evaluation on the financial status of customers, and recognize the allowance loss according to the expected credit loss of accounts receivable. The Company continues to expand its

customer base in addition to maintaining a stable collaborative relationship with existing customers.

- (10) The impacts and risks anticipated from the massive transfer of shareholding by directors, supervisors or key shareholders who hold more than 10% in shareholding and the Company's countermeasures:

In the latest year and up to the publication date of the annual report, there has not been any substantial transfer or replacement of directors, supervisors, or major shareholders holding more than 10% of the shares. Thus, it is not applicable.

- (11) The impacts and risks anticipated from the change in the managerial powers and the Company's countermeasures

In the latest year and as of the publication date of the annual report, the Company has not had any change in the managerial powers. The Company has strengthened various corporate governance measures and introduced independent directors to enhance the protection of overall shareholders' rights and interests. In addition, the Company's daily operations rely mostly on professional managers. The current team of professional managers has made considerable contribution to the Company's operating performance, and it should continue to win the support of shareholders. Thus, if there is a change in the management, it should not have a significant negative impact on the Company's various management and operating advantages.

- (12) Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that: (1) involve the Company and/or any company director, any company supervisor, the president, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10%, and/or any company or companies controlled by the Company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the Company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the publication date of the annual report:

None.

(13) Other critical risks and response measures

A. Protection of Shareholders' Equity

There are many different regulations between the Companies Law of the Cayman Islands and the Company Act of the R.O.C. Although the Company has amended its Articles of Association in accordance with the "Checklist of Shareholder Rights Protection by Foreign Issuers in Country (area) of Registration" stipulated by TWSE, there are still many differences in the operating regulations due to the differences in the regulations. Investors cannot apply the protection of legal rights and interests of investing in Taiwan companies to the Cayman Islands companies they invest in. Investors should study and consult experts to see if there is any shareholder equity protection that cannot be obtained by investing in Cayman Islands companies.

B. Risks of the economy, political environment, foreign exchange, laws and regulations

The Company is registered in the Cayman Islands where the main operation places are Samoa, the British Virgin Islands, Mainland China and Taiwan. Thus, changes in the economy and political environment of the place of registration and the place of operation, as well as fluctuations in foreign exchange will affect the operating performance of the Company and its subsidiaries.

C. Cash dividends distribution and taxation

According to the relevant laws of China, when a subsidiary in China distributes profit, at least 10% of net income after taxes every year must be first set aside as the legal reserve (regarded as a legal reserve that cannot be distributed as dividend on shares until it reaches 50% of the registered capital of a subsidiary of the Company). Thus, the Company's subsidiaries in China must first meet this condition before distributing the remaining after-tax net profit for the year.

A tax on any share dividend, bonus, interest, and other income earned in and from China by a non-resident company of a country or territory that has signed a tax agreement with China according to the provisions of the relevant tax agreement after a subsidiary of the Company's applications are reviewed and approved by a competent tax authority, a subsidiary of the Company may be eligible to the agreed tax rate. With the exception of the aforementioned scenarios, and when the China subsidiary remits the share dividends to places outside China, an income tax of 10% shall be deducted on behalf of the shareholder. These provisions may potentially reduce the ability of the Company to distribute share dividends to its shareholders. A subsidiary in China must comply with local laws for overseas remittance of shares dividend. If China changes laws related to the aforementioned activities and to dividend remittance so that a subsidiary of the Company in China is unable to comply with the relevant laws or must acquire permission or submit files related to the activities, there may be a risk of failure to remit share dividends.

D. Rapid changes in product scales in the market

The demand for electronic products depends on consumer choice and preferences as well as government policies of various countries. The suppliers and market share of terminal products including the Company's customer, change rapidly at any given time. The combination of the Company's products and manufacturers, and the growth of the market share of the products, in the past and the foreseeable future, depend on the ability of the end products to meet the consumer choices and preferences, and on the Company's cost-effectiveness, design capability, and the ability to manufacture and sell products to end customers of the market.

The Company will pay attention on relevant market demand at any time, and closely collaborate with terminal brand manufacturers to seize market opportunities,

develop innovative and advanced products, launch new products that meet consumer preferences ahead of competitors and reduce the risk due to changes in the demand of electronic products.

E. Risk of decrease in average sale price

The Company's packaging and testing is widely used in various electronic products, and the potential price pressure from customers may cause the Company's gross profit to decline. In anticipation of future competitive price pressures, the Company may reduce the average sale price of its products. If the Company is unable to compensate for the decrease in average sale price with increase in sales volume, reduce in manufacturing costs, or development of innovative and higher value-added products in a timely manner, the Company's gross profit and financial performance will be impacted.

The Company will continue to understand customer demand to create a market, and improve profitability through a flexible low-cost business model, to reduce the risk of decline in the average sale price of electronic products.

F. Risk of violating of intellectual property and patent rights

As is common in other cases in the semiconductor industry, from time to time the Company or its customers may receive claims of infringement, or it may be found that the relevant patent or intellectual property rights owned by others contain the technology, products and services of the Company or its end customers. The semiconductor industry is characterized by many companies owning a large number of patents and intellectual property rights, and actively pursuing, protecting and enforcing them.

The Company is currently not aware of any third party accusing the Company of infringing its intellectual property rights. However, allegations of intellectual property infringement are not uncommon in the

technology industry. The Company may be accused by others of infringing on other people's intellectual property rights in the future. Regardless of whether others have sufficient evidence, any allegations may affect the Company's reputation, finances, business and revenue which may cause the Company high litigation costs resulting a negative impact on the Company's operations.

2. An issuing company with subsidiaries meeting one of the standards of a "major subsidiary" in the latest year or the fiscal year when it applies for TWSE listing, it shall explain the risks of the foreign company's business base or subsidiary.

All subsidiaries of the Company meeting one of the standards of a "major subsidiary". Risks related to the overall economy, any changes in the political and economic environments, foreign exchange controls, taxes and relevant laws and regulations of its place of registration and major places of operation, and whether such places recognize the effect of conclusive judgments of R.O.C. civil courts, and also state the response measures undertaken. Please refer to the main country of operation.

3. A Foreign Issuing Company shall additionally explain various risks clearly, such as the overall economy, any changes in the political and economic environments, foreign exchange controls, taxes and relevant laws and regulations of its place of registration and major places of operation, and whether such places recognize the effect of conclusive judgments of R.O.C. civil courts, and also state the response measures undertaken.

(1) Country of registration: Cayman

- A. Overall economy, changes in the political and economic environments

Cayman Islands is a British colony located in the Caribbean Sea. The capital is George Town and its financial service industry is the main source of income. There are many legal, accounting, and professional service organizations that provide convenient services.

Cayman Islands has long been politically stable and English is the official language. The company registration

can be divided into five categories: Ordinary Company, Ordinary Non-Resident Company, Exempted Company, Exempted Limited Duration Company, and Foreign Company. Among them, exempted companies are mainly used by companies and individuals in various countries for financial planning, but they cannot operate locally; in addition, the Cayman Islands government has actively strengthened the credibility of its foreign financial operations in recent years, and signed a Mutual Legal Assistance Treaty with the United States and the United Kingdom in 1986 to prevent international criminal organizations from using the Cayman Islands' financial system to conduct illegal money laundering transactions. In addition, in response to the EU's implementation of the Base Erosion and Profit Shifting Action Plan (BEPS) formulated by the Organization for Economic Co-operation and Development (OECD), the Cayman Islands government announced the International Tax Co-operation (Economic Substance) Act at the end of 2018.

In summary, the Company is registered in the Cayman Islands as an exempted company, and there is no real local business activity. Moreover, the Cayman Islands has been politically stable for a long time, so changes in the overall economy and political and economic environment should not have a significant impact on the Company's overall operations. However, after the announcement of the International Tax Co-operation (Economic Substance) Act, it is still necessary to pay attention to the impact of the Act on the Company and assess possible compliance costs.

B. Foreign exchange control, taxes and related laws and regulations

There are no foreign exchange restrictions in the Cayman Islands except for the annual license fee and there is currently no corporate income tax or value-added tax for exempted companies; in addition, no decree enacted to

impose taxes on the profits, income, gains or appreciations shall apply to the Company, and no profits, income, gains or appreciations tax shall be payable in respect of the shares, bonds or other liabilities of the Company, or be withheld in accordance with tax incentives. The main regulations for exempted companies in the Cayman Islands are as follows:

- (A) An exempted company may not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the exempted company carried on outside the Cayman Islands unless such trade is beneficial for the Company's foreign operation.
- (B) An exempted company is prohibited from making any invitation to the public in the Cayman Islands to subscribe for any of its shares or debentures; nor may an exempted company own land in the Cayman Islands unless the Company is listed in Financial Secretary of the Cayman Islands.
- (C) The Companies Law of the Cayman Islands does not stipulate that the Company must hold an annual general meeting of shareholders. However, the Company should hold a Board meeting and a general meeting of shareholders in accordance with the provisions of the Articles of Association with the location not limited to the Cayman Islands. However, the Company's Articles of Association (Articles of Association) approved by the resolution of the shareholders' meeting on August 26, 2015 stipulates that the Company should hold a shareholders' meeting within six months after the end of each year, and it is stipulated that after listed as a public company, unless otherwise stipulated by laws and regulations, the shareholders' meeting of the Company shall be held in the R.O.C. territory. If the shareholder meeting is convened outside the R.O.C. territory, it shall report to the TWSE for approval

within two days after the resolution of the Board of Directors or the shareholder obtains the approval of the competent authority to convene, and a stock registrar and transfer agent in Taiwan shall be appointed to handle the stock affairs of the shareholder meeting. (including but not limited to accepting proxy voting of shareholders).

- (D) The Articles of Association stipulate that the issuance of new shares shall be subject to the approval of more than half of the directors present at a Board meeting at which more than two-thirds the directors are present, and the issuance of new shares shall be within the authorized capital of the Company.
- (E) Exempted companies do not need to submit or declare detailed information on shareholders to the Cayman Islands General Registry, but the Articles of Association stipulate that the Board of Directors should prepare a list of shareholders at the office of the Company's stock registrar and transfer agent in Taiwan, and it shall be prepared at an appropriate place inside or outside the Cayman Islands, which shall record the details of the shareholders and the number of shares they hold, as well as other details required by the Cayman Islands Companies Law.
- (F) The list of shareholders of an exempted company does not have to be open to public inspection.
- (G) Exempted companies can apply for deregistration and can transfer their registration to other countries.
- (H) Exempted companies can be registered as exempted limited duration companies. Exempted limited duration companies require at least two shareholders and is valid for a maximum period of 30 years.
- (I) Since the laws of the Cayman Islands are different from those of other jurisdictions in Taiwan in relation to the equity protection of the minority

shareholders, the Company has, in accordance with the Securities and Exchange Act of Taiwan, the Company Act and other laws and the requirements of the competent authority, amend the Articles of Association within the limits of the laws and regulations of the Cayman Islands to protect the shareholders' equity of Taiwanese investors.

In summary, since the Cayman Islands adopts an open policy on foreign exchange and has no relevant restrictions, there is no significant impact on the Company's use of funds. The Cayman Islands government also grants preferential policies to exempt companies in taxation. In addition to the above-mentioned restrictions on trading in Cayman Islands, making any invitation to the public in the Cayman Islands to subscribe for any of its shares or debentures, purchasing land and company names in relevant laws and regulations, there are no major restrictions on exempted companies' operations, and the Company is only a locally registered company and does not engage in local business activities. Thus, the Cayman Islands where the Company is registered, has no significant impact on the Company's operation in terms of taxation and related laws and regulations.

C. Whether the country recognizes the binding effect of civil judgments of the courts of the Republic of China

(A) Risk of litigation

The Articles of Association stipulate that, provided that it does not violate the laws and regulations, the Company shall, in accordance with the resolution of the Board of Directors, designate a natural person with domicile or residence in the R.O.C. territory as its litigious and non-litigious representative in the R.O.C. territory in accordance with the public offering company law and to serve as its responsible person in the Republic of China. The Company shall also report the designation and changes to the

competent authority of the Republic of China in accordance with the public offering company law.

Since the Company is an exempted company registered in the Cayman Islands and has not applied for the approval of the Ministry of Economic Affairs in accordance with the Company Act, if the investor files a lawsuit against the Company or the responsible person in the court of the Republic of China. The court may judge the existence of jurisdiction and the delivery method according to the nature and circumstances of the case, and may require investors to provide explanation of the foreign laws involved in the case. Thus, not all cases can be guaranteed to obtain substantive judgments in the courts of the Republic of China.

(B) Risks of judgment recognition and enforcement

The law of the Cayman Islands does not expressly stipulate that civil judgments made by the courts of the Republic of China (R.O.C. court judgments) may be enforced in the Cayman Islands, but according to its Common Law, the R.O.C. court judgments must comply with the following elements for the Cayman Islands courts to consider the recognition:

- a. The foreign court that rendered the judgment has jurisdiction;
- b. The judgment clearly states that the debtor is obliged to pay the liquidated sum specified in the judgment;
- c. The final judgment;
- d. No taxes, fines or penalties are involved; and
- e. The manner in which the judgment was obtained is not contrary to the natural justice or public policy of the Cayman Islands, and the recognition and enforcement of the judgment is not contrary to the natural justice or public policy of the Cayman Islands.

If the court of Cayman Islands does not recognize the judgment of the court of R.O.C., the judgment obtained by the investor will not be enforced. Thus, the investor may encounter the risk of being unable to claim the compensation. Investors should understand the legal risks of purchasing securities issued by foreign issuers.

- D. Whether the government of R.O.C. can extradite the defendants to stand trial

The Cayman Islands Monetary Authority, where the Company is registered, has signed the IOSCO Multilateral Memorandum of Understanding, and the Taiwan Financial Supervisory Commission may request relevant information or files from the CIMA based on the memorandum, including but not limited to: sufficient record to reconstruct all current securities and derivative financial product transactions (including bank and transaction records of all funds and asset transfers). However, the memorandum does not contain provisions related to extradition, so R.O.C. does not have the right to request the Cayman Islands to extradite the defendant based on the memorandum. In addition, Taiwan and the Cayman Islands have not signed an agreement on international mutual legal assistance in criminal matters. Thus, in summary, Taiwan may face the risk of being unable to request the Cayman Islands to extradite the defendant to stand trial.

- E. The risk of the law application arising from the differences between Cayman's laws and the laws of the Republic of China

(A) The Company is established under the laws of the Cayman Islands and to be listed on the TWSE, it has amended the Articles of Association in accordance with the requirements of the relevant laws and regulations of the Republic of China to protect the shareholders' equity. As for the matters not stipulated in the Articles of Association, the Company will handle in accordance with the relevant

laws of the Cayman Islands and the laws of the Republic of China applicable to foreign issuers. There are many differences between the laws and regulations of the Cayman Islands and the laws of the Republic of China on the Company's operation where investors cannot apply the legal equity protection of Taiwan company investments to the Cayman Islands companies. Investors should understand and consult with experts when necessary on whether investing in a Cayman Islands company provides the shareholder equity protection.

(B) Differences between the laws of the Cayman Islands and the laws of the Republic of China and the securities system may still cause conflicts of law application or interpretation, and the resolution such conflicts is still subject to court judgment. Thus, investors are reminded that if they request the court of the Cayman Islands to enforce the judgment of R.O.C., or file a lawsuit in the court of the Cayman Islands or enforce relevant rights, the court of the Cayman Islands might not recognize the laws and transaction practices of R.O.C. (including but not limited to method of transfer of shares and record of share holders), so there may be risks of exercising rights against foreign companies.

F. Investors should carefully assess whether their financial capabilities and economic conditions are suitable for investment before buying or selling listed, OTC or emerging stock foreign securities, and should pay special attention to the following matters:

(A) The Company is registered in the Cayman Islands and is regulated by local laws and regulations. Its corporate governance, accounting standards, taxation system and other relevant regulations may be different from those of R.O.C., and there are differences in listing standards, review methods, information disclosure, shareholder equity protection and supervision standards, etc. Investors should

understand this characteristics and potential investment risks.

- (B) The company law of the country where the Company is registered differs from the laws and regulations of R.O.C. in terms of the exercise and protection of shareholders' equity. Investors should read the Company's annual report and Articles of Association in detail to understand the applicable capital increase and decrease procedures, handling of acquisition of the Company's shares, restrictions on share transfers, notice time limit for shareholders' meetings, attendance at shareholders' meetings and exercise of voting rights, dividend distribution percentage and procedures, election and dismissal of directors, powers of the Board of Directors, powers of independent directors and the Audit Committee, remuneration of directors and managers, rights of directors and managers to claim compensation from the Company, etc., are important matters related to corporate governance and shareholder rights. When necessary, the opinions of professionals such as lawyers and accountants who have obtained local licenses should be consulted.
- (C) Before investing, investors should understand the Company's characteristics and risks, including: liquidity risk when trading in the R.O.C. market, the Company's financial and business risks, political, economic, and social changes in the country of registration and main business location, changes in the industry cycle, legal compliance and other risks.
- (D) It is impossible to list all foreign securities investment risks and market factors in detail. Investors should carefully read relevant information such as annual reports and other announcements before trading, carefully consider other factors that may affect investment judgments, and conduct

financial planning and risk assessment to avoid unbearable losses.

(2) Main country of operation: Samoa

A. Changes in the overall economy and political environment

Samoa is an island country in the South Pacific, located between Hawaii and New Zealand, west of American Samoa, and the center of the Polynesian Islands, formerly known as “Western Samoa”. Samoa was a German colony until 1914 before it became independent in 1962, and was later ruled by New Zealand. In 1997, the Samoan government amended the constitution, changing the name of the country from “Independent State of Western Samoa” to “Independent State of Samoa”, with Apia as its capital. Samoa has a stable society with stable political and economic environment. Samoan and English are the official languages of which English is very popular in the country. Samoa has not announced an Economic Substance Act or new tax regulations. Although it seems that it will not be affected for the time being, the European Union has prepared specific sanctions. However, the Company has no business activities in Samoa, which should not have a significant impact on the overall operation. The Company will continue to pay attention to its possible impact.

B. Exchange control, taxation, laws and regulations

The currency of Samoa is the Samoa Tala (WST). Its exchange rate is quite stable and there is no foreign exchange control for international companies. For international companies, they are tax-exempt companies according to law and do not need to pay taxes. Thus, there is no tax risk. In addition, Samoa has no foreign exchange control for international companies, so there is no risk of foreign exchange control.

C. The risk basis of not recognizing the binding effect of civil judgments of R.O.C. courts

According to the legal opinion of Samoa lawyers: Although there is no law in Samoa that stipulates that the judgments made by the courts of the Republic of China can be enforced in Samoa, if the parties file a request to the Supreme Court of Samoa for the enforcement of foreign court judgments and if such judgment meets the following requirements, the Samoan court will not have a hearing on the disputes involved in the foreign court judgment, and will recognize and enforce the foreign court judgment in accordance with common law:

- (A) The foreign court that made the judgment has jurisdiction over the case;
- (B) The judgment imposes on the losing party an obligation to pay the liquidated sum;
- (C) The final judgment;
- (D) No taxes, fines or penalties are involved; and
- (E) The manner in which the judgment was obtained is not contrary to the natural justice or public policy of Samoa, and the recognition and enforcement of the judgment is not contrary to the natural justice or public policy of Samoa.

(3) Main country of operation: British Virgin Islands

A. Changes in the overall economy and political environment

The British Virgin Islands is located in the Caribbean Sea and is a British Overseas Territory. After gaining self-government in 1967, it became a member of the Commonwealth of Nations and has a stable political environment. Financial services and tourism are the main income sources for the British Virgin Islands. Since the promulgation of the International Business Company Act (IBCA) in 1984, the registration of foreign companies has been opened, and its overseas financial service industry has developed rapidly. It is now one of the most popular offshore jurisdictions in the world.

The British Virgin Islands is actively strengthening the credibility of its overseas financial operations. The Mutual Legal Assistance Treaty signed between the United Kingdom and the United States in 1986 was extended in 1989 to prevent international criminal organizations from using the financial system of the British Virgin Islands to conduct illegal transactions. The British Virgin Islands established an independent BVI Financial Services Commission in 2001 and joined the International Organization of Securities Commissions (IOSCO) in 2007 to regulate its financial services industry. In addition, in response to the EU's implementation of the Base Erosion and Profit Shifting Action Plan (BEPS) formulated by OECD, the British Virgin Islands announced the International Tax Co-operation (Economic Substance) Act at the end of 2018. The Company will continue to pay attention to its possible impact.

B. Exchange control, taxation, laws and regulations

The British Virgin Islands have no exchange controls or other currency restrictions. Commercial companies registered in British Virgin Islands are exempt from taxation on overseas income. Companies only need to pay the annual government license fee to the local government, costs for using the registered address and the cost of the registered agent. There are no other miscellaneous fees. Commercial companies registered in British Virgin Islands only need to pay government license fees every year, and overseas income is exempt from tax. In terms of laws and regulations, the BVI Business Companies Act promulgated in 2004 is its most important company laws and regulations.

C. Whether the country recognizes the binding effect of civil judgments of the courts of the Republic of China

The law of the British Virgin Islands does not expressly stipulate that civil judgments made by the courts of the Republic of China (R.O.C. court judgments) may be enforced in the British Virgin Islands, but according to its

Common Law, if a foreign court in the British Virgin Islands has no reciprocal agreement and has made a definite judgment on monetary payment, the court of the British Virgin Islands may recognize the judgment of the foreign court if the following requirements are met:

- (A) the judgment has not been fully implemented to fulfill the claims of the winning party;
- (B) the foreign court that determined the judgment has jurisdiction, and the defendant has a domicile or residence, or doing business in that jurisdiction, and has been duly served;
- (C) the winning party did not obtain the favorable judgment by fraud;
- (D) the recognition or enforcement of the judgment would not be contrary to the public policy of the BVI, or the judgment would not be enforceable by the courts of the BVI on other similar grounds; and
- (E) the trial process of the judgment did not violate the natural justice under the laws of the British Virgin Islands.

If the court of the British Virgin Islands does not recognize the judgment of the court of R.O.C., the judgment obtained by the investor will not be enforced. Thus, the investor may encounter the risk of being unable to successfully claim the compensation. Investors should understand the legal risks of purchasing securities issued by foreign issuers.

(4) Main country of operation: Mainland China

A. Changes in the overall economy and political environment

China is one of the fastest growing economies in the world. China's economic development is determined by the rapid expansion of domestic labor, capital and resources, as well as the improvement of technology and systems, thereby improving various domestic production

efficiency. The Chinese government is promoting the popularization of education, urbanization, infrastructure, and consumption upgrading, and it has participated in international events and organizations. China has become more and more influential in the world where its consumption on global resources is also increasing. Thus, under the actions of the Chinese government, the Chinese economy is expected to remain in a state of high growth in the future.

The Company's development strategy is to set the operation base in the Mainland China market. Thus, the Company's financial performance, operation results and prospects will be affected by China's political, economic, and legal changes.

B. Foreign exchange control, taxes and related laws and regulations

(A) Foreign exchange control

Before the reform, the Chinese foreign exchange management system was highly centralized under the planned economy system with centralized and unified management of foreign exchange transactions. It was not until the reform in 1978 that it gradually moved towards market management. Since 1994, China has carried out a series of foreign exchange management system reforms to utilize the market mechanism. The first is to realize the unification of exchange rates and implement a managed floating exchange rate system based on market supply and demand. The second is to implement the bank's foreign exchange settlement and sales system. The foreign exchange income of institutions in China under the current account, except for the foreign exchange that is allowed to be retained according to the regulations and can open foreign exchange accounts at designated foreign exchange banks, must be immediately transferred back to China, and sell to designated foreign

exchange banks at the listed exchange rate. At the same time, CNY current account can be conditionally converted. Companies can purchase foreign exchange from designated foreign exchange banks with valid certificates within the specified scope. This is to gradually realize the free conversion of CNY under the current account. The last is to establish an inter-bank foreign exchange market, improve the exchange rate mechanism, and maintain a reasonable and relatively stable CNY exchange rate. The exchange of CNY and foreign currencies depends on the influence of Chinese politics and international political economy. Since the Chinese government adopted a floating exchange rate policy on July 21, 2005, the CNY exchange rate has officially decoupled from the USD and is adjusted with reference to the currency basket. Under this policy, the CNY exchange rate can fluctuate slightly, but it has been underestimated as the Chinese government has forcibly prevented its appreciation to ensure its export competitiveness. As a result, international powers continue to put pressure on the Chinese government to adopt further floating currency policies, thereby appreciating the USD. Changes in the exchange rate of CNY to the USD may have an uncertain impact on the Company's cash flow, profitability, earnings distribution, and financial performance, and its foreign exchange control measures may result in challenges to the Company's overall capital allocation.

The Chinese government has enacted a number of foreign exchange control rules, regulations, and notices, which allow limited conversion of CNY. Accordingly, foreign-funded companies can only exchange CNY into foreign currencies for current account transactions through designated foreign exchange banks. China's State Administration of Foreign Exchange has always had strict regulations

on foreign exchange control under the capital account. The Company's local subsidiaries have been established through legal registration procedures, and previous capital increases have been approved by relevant local authorities.

(B) The characteristics of land and properties

There is no private ownership of land in China. Land in China is owned by collectives, except for state ownership as stipulated by law. According to the Constitution of the People's Republic of China enacted by the National People's Congress, the subject of land ownership in China is specific, including the state and the collective where land ownership is divided into state land ownership and collective land ownership accordingly. The state may expropriate or requisition land according to law.

Pursuant to the "Urban Real Estate Management Law of the People's Republic of China" ("Real Estate Management Law") and the "Administrative Measures for Commodity House Leasing" promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010 and implemented on February 1, 2011, the parties to house leasing shall sign a leasing contract; house leasing shall implement a registration and filing system. According to the relevant provisions of the "Contract Law of the People's Republic of China" and the "Interpretations of the Supreme People's Court on Certain Issues Concerning the Application of the Contract Law of the People's Republic of China (I)", if the relevant law or administration regulation requires that a certain contract be registered without subjecting its effectiveness to such registration, then failure to effect registration shall not impair the effectiveness of the contract. In view of the relevant laws such as the "Real Estate Management Law" and the "Administrative

Measures for Commodity House Leasing”, administrative regulations do not stipulate that the lease contract shall be registered subjecting its effectiveness to such registration, so the failure to effect registration shall not impair the effectiveness of the contract.

(C) Corporate income tax and value added tax

According to the newly implemented “Enterprise Income Tax Law of the People’s Republic of China” and “Enterprise Income Tax Law Implementation Regulations” (“New Tax Law”) on January 1, 2008, the income tax rate for domestic-funded enterprises and foreign-funded enterprises is 25%, and a number of tax reductions and incentives for foreign-funded enterprises have been canceled while the tax incentives enjoyed by foreign-funded enterprises can gradually increase from the preferential tax rate to 25% within five years after the implementation of the New Tax Law. Non-Chinese resident enterprises (refers to non-resident enterprises are enterprises which are set up in accordance with the law of a foreign country (region) and whose actual administrative institution is not in China, but which have institutions or establishments in China, or which have no such institutions or establishments but have income generated from inside China.) are required to pay enterprise tax on its income generated from both inside and outside China. On December 26, 2007, the State Council of the People’s Republic of China issued the Notice by the PRC State Council on the Implementation of the Grandfathering Preferential Policies under the PRC Enterprise Income Tax Law (Decree No. [2007] 39). the enterprises that have been granted the “2-year exemption and 3-year half payment” tax concessions shall continue to enjoy the tax concessions until the expiry day in accordance with the tax preferences

under the old income tax law, regulations and relevant provisions. However, for those enterprises that did not enjoy the preferential, as they did not make profits during the transitional period, the tax preferential period shall commence from the implementation of the new law.

For value-added tax, the Chinese government implemented the “Provisional Regulations of the People’s Republic of China on Value-added Tax” on January 1, 2009 where all units and individuals engaged in the sales of goods, provision of processing, repairs and replacement services, and the importation of goods within the territory of the People’s Republic of China are taxpayers of Value-Added Tax, and taxpayers selling or importing goods, other than those exporting goods with the tax rate of 0% or as otherwise stipulated by the State Council, the tax rate shall be 17%. On April 4, 2018, the State Taxation Administration issued a notice on adjusting the VAT rate to adjust the original applicable tax rate of 17% to 16% effective as of May 1, 2018. In addition, on March 21, 2019, the State Taxation Administration announced the (STA Announcement [2019] No. 14) “Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Relevant Policies for Deepening the Value-Added Tax Reform”, and the original applicable tax rate of 16% was adjusted to 13%. From April 1, 2019, the VAT rate of 13% is applicable to the transaction partners of GEM Electronics (Shanghai) and GEM Electronics (Hefei) that are local manufacturers in Mainland China.

(D) Labor contract law

On January 1, 2008, China implemented the new labor contract law which stipulates that employer should sign written labor contracts with employees

on the date of employment. If no written labor contract is concluded at the time when a labor relationship is established, such a contract shall be concluded within one month as of the date when the employer employs an employee. Where an employer fails to conclude a written labor contract with an employee for more than a month but less than a year from the date it starts employing him, it shall pay the employee two times his salary for each month. If an employer fails to conclude a written labor contract with an employee within one year as of the date when it employs the employee, it shall be deemed to have concluded an open-ended labor contract with the latter. In addition, in order to prevent employers from arbitrarily dismissing workers, the labor contract law clearly stipulates the financial compensation shall be paid on the basis of the number of years a person works in an entity, the rate being one month's salary for the work of one full year. If he has worked for six months or more but less than one year, the time shall be calculated as one year; and if he has worked for less than six months, he shall be paid half of his monthly salary as financial compensation; if the employment exists for more than a month but less than a year, the employer shall pay the employee two times his salary for each month and compensation according to the above calculation method when the employment expires and is terminated; compensation shall also be paid when terminating the labor contract without a fixed term; If the contract is terminated due to the inability to work or incompetence for the job after the medical treatment period (depending on the region; generally ranging from three months to two years), the employer shall pay the employee compensation. In addition, according to the Labor Contract Law, when working on statutory holidays, the overtime pay shall be at least three times the salary; if 20 or less than 20

people are dismissed but account for more than 10% of the total number of employees in the enterprise, the employer shall consider the trade union's or employees' opinion and notify the Ministry. If the contract is violated or terminated, the employer must pay twice the compensation standard; In the event of that employee has been working for the employer continuously for 15 years in full and is less than 5 years away from the statutory retirement age where the employee has no statutory fault, the employer may not revoke the labor contract concluded with the employee.

In summary, the implementation of the Labor Contract Law may increase the Company's labor costs and cause financial uncertainty. However, the labor-management relations will become increasingly harmonious due to the clear regulation of the law.

(E) Social insurance and housing provident fund

a. Social insurance payments

“Social Insurance Law of the People's Republic of China” refers to the regulations on social insurance in the Chinese government, including the “Interim Regulation on the Collection and Payment of Social Insurance Premiums”, the “Social Insurance Law of the People's Republic of China” and the “Regulation on Work-Related Injury Insurance”. There are detailed regulations according to each type of insurance in each region and the Company has participated in pension insurance, medical insurance, unemployment insurance, work-related injury insurance and maternity insurance according to law.

b. Housing provident fund payment

The “Guiding Opinions on Some Specific Issues Concerning the Management of Housing Provident Funds” implemented in Mainland China on January 10, 2005 stipulates that the management of housing provident funds should be carried out in accordance with the “Regulation on the Administration of Housing Accumulation Funds”. However, the housing provident fund system is still in the process of establishment and improvement with different implementation in each region. Thus, each province and city combines the experience and applies the basic concept of the “Regulation on the Administration of Housing Accumulation Funds”, to formulate specific regulations on the collection and withdrawal of housing provident funds, issue policies on the payment base and ratio of housing provident funds each year, and realize territorial management of housing provident funds. The use of the housing provident fund is limited to the purchase of houses and house repairs in the area where the deposit is made. The HPF cannot be used when buying a house in another place, and the participating employees need to allocate the same proportion of salary as the Company to deposit in the HPF account. The Company pays HPF accordingly, and there is no record of administrative punishment involving violation of laws and regulations related to HPF in Shanghai and Hefei Housing Provident Fund Management Center.

c. Risks and countermeasures that the Company may face

According to Article 84 of the “Social Insurance Law of the People’s Republic of China”: Where

an employer fails to handle social insurance registration, the social insurance administrative department shall order it to make correction within a prescribed time limit; and if it fails to do so within the prescribed time limit, impose a fine of 1-3 times the amount of the social insurance premiums payable upon it, and impose a fine of not less than CNY\$500 but not more than CNY\$3,000 upon the directly liable person in charge and other directly liable persons. And Article 86: Where an employer fails to pay social insurance premiums on time or in full amount, the collection agency of social insurance premiums shall order it to pay or make up the deficit of premiums within a prescribed time limit, and impose a daily late fee at the rate of 0.05% of the outstanding amount from the due date; and if it still fails to pay the premiums within the prescribed time limit, the relevant administrative department shall impose a fine of 1-3 times the outstanding amount upon it.

According to Article 37 of the “Regulation on the Administration of Housing Accumulation Funds”: Where, in violation of the provisions of these Regulations, a unit fails to undertake payment and deposit registration of housing provident fund or fails to go through the formalities of opening housing provident fund accounts for its staff and workers, the housing provident fund management center shall order it to go through the formalities within a prescribed time limit; where failing to do so at the expiration of the time limit, a fine of not less than CNY\$10,000 nor more than CNY\$50,000 shall be imposed. And Article 38: Where, in violation of the provisions of these Regulations, a unit is overdue in the payment and deposit of, or underpays, the housing provident fund, the

housing provident fund management center shall order it to make the payment and deposit within a prescribed time limit; where the payment and deposit has not been made after the expiration of the time limit, an application may be made to a people's court for compulsory enforcement.

As the Company has paid social insurance and housing provident fund for its employees in China in accordance with relevant regulations, there shall be no possible risks.

(F) Environmental protection regulations

According to the current effective laws and regulations in China on environmental protection, the Ministry of Environmental Protection of the People's Republic of China implements unified supervision and management of environmental protection across the China. The Chinese environmental protection administrative department of the local government at or above the county level shall implement unified supervision and management of the environmental protection within its jurisdiction. The current effective environmental protection laws and regulations in China include the "Environmental Protection Law of the People's Republic of China", "Law of the People's Republic of China on Environmental Impact Assessment", "Law of the People's Republic of China on Prevention and Control of Water Pollution", "Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution", and "Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste". Units that cause environmental pollution and other public hazards shall incorporate the work of environmental protection into their plans and establish a responsibility system for environmental protection, and must adopt effective measures to

prevent and control the pollution and harms caused to the environment by waste gas, waste water, waste residues, dust, malodorous gases, radioactive substances, noise, vibration and electromagnetic radiation generated in the course of production, construction or other activities. The Company's subsidiaries in China, GEM Electronics (Shanghai) and GEM Electronics (Hefei), have obtained drainage permits and pollutant discharge permits respectively.

- (G) The Company's subsidiaries in China are subject to the supervision and jurisdiction of Chinese government authorities, including but not limited to ministry of commerce, administration for industry and commerce, foreign exchange management, environmental protection, administration of work safety, press and publication administration, and medical product administration. The above-mentioned government regulatory authorities have the right to promulgate and/or implement laws, regulations and regulations related to the operation of subsidiaries in China. The operation of the Company's subsidiaries in China needs to obtain relevant permits and licenses from government regulatory authorities. If the subsidiaries cannot obtain or continue to hold the relevant permits and licenses from various government regulatory authorities, the subsidiaries may be subject to penalties include fines, termination or operations restriction. The occurrence of any of the above situations will affect the operation of the Company. The Company will continue to closely observe, understand, and follow the development trend of the Chinese government's policies and changes in laws and regulations.

- C. The risk on whether the country recognizes the binding effect of civil judgments of the courts of the Republic of China

According to the “Provisions of the Supreme People’s Court on Recognition and Enforcement of the Civil Judgments of Courts of the Taiwan Region”, the final civil judgments of the Republic of China are recognized to have the same effect as the effective judgments made by the People’s Courts and approved by the Chinese courts.

(5) Main country of operation: Republic of China

- A. Changes in the overall economy and political environment

Taiwan is located in the center of the Asia-Pacific region, bordering the world’s growing economic center and the world’s second largest economy in the west – China, facing the world’s third largest economy in the north - Japan, the world’s largest economy in the east - the United States, and the 10 ASEAN countries including India in the south, with the geographic and linguistic advantages. Taiwan is a transportation hub in Asia and a regional transshipment center in East Asia. It can connect global production resources and markets as an important bridge for connections and industrial strategies between Europe, the United States, Japan and Asia-Pacific emerging markets.

According to data from the Chung-Hua Institution for Economic Research (CIER), while uncertainty and risks facing the global economy remain high, global economic growth has shown signs of slowing down amidst geopolitical instability, the passing on of tariff costs, expansionary fiscal policies, and the prevailing rate-cutting cycle. Nevertheless, the development of AI continues to provide growth momentum for industrial transformation and productivity enhancement. Consequently, CIER predicts an economic growth rate of 4.14% for 2026.

B. Foreign exchange control, taxes and related laws and regulations

Taiwan's foreign exchange market was established in 1979, and foreign exchange controls were relaxed in 1987. The exchange rate of NTD against foreign currencies is largely determined by market supply and demand, which is called "managed floating exchange rate".

For tax collection, there are many tax items in Taiwan, including value-added tax, income tax (profit-seeking enterprise income tax and individual income tax), income basic tax, estate and gift tax and securities transaction tax. Among them, the value-added tax is generated due to sales; the profit-seeking enterprise income tax is generated due to business profits; the income basic tax is generated due to the income exempted from income tax; the estate tax is generated due to the inheritance left by the individual when he dies; the gift tax arises is generated due to the transfer of assets from individuals to others; the securities transaction tax arises from the sale and purchase of securities. In addition, the stock transactions can currently only levy income tax on the income generated by individual stock transactions (except for the income generated by individuals residing in the R.O.C. territory from the sale of listed stocks and emerging stocks in 2014, where income tax is levied only on the income generated from major transactions of emerging stocks and transactions of some first-time listed stocks; from 2015, only for the portion of the annual sales amount exceeding NT\$1 billion will be taxed is calculated at a rate of 1%); For profit-seeking enterprises in the Taiwan, it is only required to incorporate the income from stock transactions into the basic income to determine whether to pay the basic tax.

The Company reinvests in various business entities in the form of a holding company. The main source of capital is the issuance of new shares and borrowing from financial institutions which is used to reinvest in subsidiaries. The

relevant securities laws and regulations of R.O.C. have been continuously revised in line with the competent authority to promote foreign companies to list in Taiwan, and there are no major restrictions that may impact the Company's various operating activities.

- C. The risk on whether the country recognizes the binding effect of civil judgments of the courts of the Republic of China

The Company's main operation base is in Taiwan, so the evaluation of whether the main operation country recognizes the binding effect of the civil judgment of the court of the Republic of China is not applicable.

Chapter III Corporate Governance

I. Information of Directors, Supervisor, President, Vice Presidents, Senior Managers, and the heads of various departments and branches

(I) Directors, supervisors

Names, gender, age, nationality or place of registration, work experience (educational background), positions concurrently held with this and other companies; appointment date and term; date of initial appointment; number of shares held by them, their spouses, minor children, and held through nominees; their professional expertise; and the diversity policy of the board of directors.

1. Director

March 28, 2026; Unit: thousand shares; %

Title	Nationality and registry	Name	Gender/ Age	Date of election to office	Term	Date first elected	Shares at election		Current number of shares held		Shareholdings of spouse and underage children		Shares held in the names of others		Major career (academic) achievements	Current positions in the Company and other companies	Spouse or relatives of second degree or closer acting as department heads, directors or supervisor			Remark (Note 1)
							Quantity	Ratio of shareholding (%)	Quantity	Ratio of shareholding (%)	Quantity	Ratio of shareholding (%)	Quantity	Ratio of shareholding (%)			Title	Name	Relation	
Chairman	Republic of China	Chu-Liang, Cheng	Male Age 71-80	May 27, 2024	3 years	June 14, 2012	207	0.16	207	0.16	241	0.19	—	—	Ph.D., Electrical Engineering, Rutgers University, USA AT&T Bell Lab/ Researcher Fiber Optic Communication Company PCO/ Director LITE-ON Technology/ Deputy General Manager	Chairman of the Company Elite Advanced Laser Corporation/ Chairman Mitsubishi Electric GEM Power Device (Hefei) Co., Ltd./ Director Centera Photonics Inc./ Chairman	Director	Tay-Jen, Chen	Spouse	—
Vice Chairman	Republic of China	Wen-Hsing, Huang	Male Age 71-80	May 27, 2024	3 years	June 23, 2015	264	0.20	164	0.13	651	0.50	—	—	BA., Electrical Engineering, Chung Yuan Christian University, Taiwan Foreshot Industrial Corporation/ Deputy General Manager LITE-ON Technology/ Director	Vice Chairman of the Company Elite Advanced Laser Corporation/ Director FORESHOT Industrial Corporation Ltd./ Director	—	—	—	—
Director	Republic of China	Tay-Jen, Chen	Female Age 61-70	May 27, 2024	3 years	June 19, 2018	241	0.19	241	0.19	207	0.16	—	—	Shih Chien University QC, Consolidate Graphics Inc. CA, USA	Director of the Company Elite Advanced Laser Corporation/ Director Modern Women's Foundation/ Director	Chairman	Chu-Liang, Cheng	Spouse	—
Director	Republic of China	Wei-Chung, Pan	Female Age 61-70	May 27, 2024	3 years	August 26, 2015	—	—	—	—	—	—	—	—	Ph.D., Social Psychology, California School of Professional Psychology, GSPP SINO-INDO COMPANY LTD./ Director	Director of the Company	—	—	—	—
Director	Republic of China	Elite Advanced Laser Corporation	-	May 27, 2024	3 years	June 14, 2012	65,809	51.00	65,809	51.00	—	—	—	—	-	-	—	—	—	—
		Representative of juristic person: Tien-Tseng, Sung	Male Age 61-70	-	-	-	629	0.49	629	0.49	—	—	—	—	MBA, Atlanta International University Elite Advanced Laser Corporation/ Deputy General Manager GEM Services, Inc./ Vice President Sea & Land Integrated Corp./ President CO-TECH DEVELOPMENT CORP./ Vice President GVC/ Assistant Vice President	Elite Advanced Laser Corporation/ President Director of the Company (Juristic person)				
Independent Director	Republic of China	Shu, Yeh	Male Age 61-70	May 27, 2024	3 years	June 19, 2018	—	—	—	—	—	—	—	—	Ph.D., Accounting, University of California, Los Angeles Chunghwa Telecom Co., Ltd./ CFO & SEVP Chunghwa Telecom Co., Ltd./ Independent Director Powerchip Semiconductor Manufacturing Corporation/ Independent Director and Audit Committee	Professor of Department of Accounting, National Taiwan University Independent Director, Remuneration and Auditing Committee of the Company Powerchip Semiconductor Manufacturing Corporation/ Independent Director and Audit Committee	—	—	—	—
Independent Director	Republic of China	Wen-Chen, Huang	Male Age 51-60	May 27, 2024	3 years	June 19, 2018	—	—	—	—	—	—	—	—	BA., Department of Industrial Management Science of the National Cheng Kung University School of Management MBA, NCCU MBA Program China Development Financial Holding	Independent Director, Remuneration and Auditing Committee of the Company	—	—	—	—

Title	Nationality and registry	Name	Gender/ Age	Date of election to office	Term	Date first elected	Shares at election		Current number of shares held		Shareholdings of spouse and underage children		Shares held in the names of others		Major career (academic) achievements	Current positions in the Company and other companies	Spouse or relatives of second degree or closer acting as department heads, directors or supervisor			Remark (Note 1)
							Quantity	Ratio of shareholding (%)	Quantity	Ratio of shareholding (%)	Quantity	Ratio of shareholding (%)	Quantity	Ratio of shareholding (%)			Title	Name	Relation	
															Corp/ Assistant Manager CDIB & Partners Investment Holding Corporation/ Senior Manager The CID Group Ltd./ Vice President Elite Advanced Laser Corporation/ Director					
Independent Director	Republic of China	Chun-Chi, Yang	Female Age 51-60	May 27, 2024	3 years	May 27, 2024	—	—	—	—	—	—	—	—	Ph.D. in Business Administration, National Taiwan University Dean of Office of International Education, Fu Jen Catholic University Professor, Department of Business Administration, Fu Jen Catholic University Elite Advanced Laser Corporation/ Independent Director	Professor, Department of Business Administration, Fu Jen Catholic University Director, Center for Sustainable Development and Management, Fu Jen Catholic University Wonderful Hi-Tech Co., Ltd./ Independent Director and Remuneration and Audit Committee Makalot Industrial Co., Ltd./ Remuneration Committee	—	—	—	—
Independent Director	Republic of China	Chi-Yu, Yang (Note 2)	Male Age 51-60	May 27, 2024	3 years	May 27, 2024	—	—	—	—	—	—	—	—	Master, Department of Financial, National Chengchi University Advanced Power Electronics Corp./ Director	LandMark Optoelectronics Corporation/ Director and CFO Elite Advanced Laser Corporation/ Independent Director and Remuneration and Audit Committee Partner, The CID Group Ltd. Equity Dynamic Asia Limited/ Director Prime Reliance Investment Limited/ Director Ruicheng Investment Co., Ltd./ Director	—	—	—	—

Note 1: Where the chairperson of the Board of Directors and the president or person of an equivalent post (the highest level manager) of the Company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto: None.

Note 2: Resigned on July 23, 2025, due to a heavy personal workload.

2. Supervisor: The Company has set up an Audit Committee to replace the supervisor.
3. Major shareholders of corporate shareholders

Major shareholders of corporate shareholders

March 29, 2026

Corporate shareholder name	Major shareholders of corporate shareholders
Elite Advanced Laser Corporation	Chu-Liang, Cheng (5.94%), HSBC Bank (Taiwan) Limited, in custody for Morgan Stanley & Co. International plc Investment Account (2.46%), HSBC Bank (Taiwan) Limited in custody of Merrill Lynch International Investment Account (1.61%), Citibank Taiwan Ltd. under the Custody of BNP Financial Markets Investment Account (1.51%), Tay-Jen, Chen (1.45%), UBS Europe SE (1.35%), Mega International Commercial Bank Co., Ltd. Trust Account for Allianz Global Investors Taiwan Fund (1.25%), HSBC (Taiwan) Custody Goldman Sachs International Investment Account (1.13%), New Labor Pension Fund The 1st 2023 Discretionary Investment Account Managed by Mega International Investment Trust (1.00%), JPMorgan Investment under custody of JPMorgan Chase Bank, Taipei Branch (0.85%)

4. Disclosure of professional qualification of the directors and independence of directors:

Qualification Name	Professional qualification and experience	Compliance of independence	Number of positions as an Independent Director in other public listed companies
Chairman Chu-Liang, Cheng	Dr. Chu-Liang, Cheng is currently the chairman of the Company. Joined the Board on June 14, 2012. Prior to this, Dr. Cheng established Elite Advanced Laser Corporation in September 2000 and served as the chairman with his leadership, business judgment, and industry knowledge. Before Elite Advanced Laser Corporation, Dr. Cheng worked as a researcher at AT&T Bell Lab in New Jersey, USA, director at Fiber Optic Communication Company PCO, and deputy general manager at LITE-ON Technology. Dr. Cheng holds a Ph.D. in Electrical Engineering, Rutgers University, USA	Does not meet any descriptions stated in Article 30 of the Company Act.	None.
Vice Chairman Wen-Hsing, Huang	Wen-Hsing, Huang is currently the vice chairman of the Company and he joined the Board on June 23, 2015. Prior to this, Mr. Huang worked at Elite Advanced Laser Corporation as the president with his leadership, business judgment, risk management and industry knowledge. Before Elite Advanced Laser Corporation, he worked as the director at LITE-ON Technology. Mr. Huang holds a bachelor's degree in Electrical Engineering, Chung Yuan Christian University.	Does not meet any descriptions stated in Article 30 of the Company Act.	None.

Qualification Name	Professional qualification and experience	Compliance of independence	Number of positions as an Independent Director in other public listed companies
Director Tay-Jen, Chen	Tay-Jen, Chen is currently a director of the Company and she joined the Board on June 19, 2018. Prior to this, Ms. Chen worked at Consolidate Graphics Inc., California, USA, and she possesses business judgment. Ms. Chen holds a bachelor's degree from Shih Chien University.	Does not meet any descriptions stated in Article 30 of the Company Act.	None.
Director Wei-Chung, Pan	Wei-Chung, Pan is currently a director of the Company and she joined the Board on August 26, 2015. Prior to this, Ms. Pan was the chairman of SINO-INDO COMPANY LTD., and she possesses leadership and business judgment. Ms. Pan holds a PhD in Psychology from GSPP.	Does not meet any descriptions stated in Article 30 of the Company Act.	None.
Director Elite Advanced Laser Corporation Representative of juristic person: Tien-Tseng, Sung	Tien-Tseng, Sung is currently a director of the Company and he joined the Board on August 2, 2021. Prior to this, Tien-Tseng, Sung worked as the president in Elite Advanced Laser Corporation. Before Elite Advanced Laser Corporation, Mr. Sung worked as the president in Sea & Land Integrated Corp., vice president at CO-TECH Development Corp. and the assistant manager at GVC. He possesses rich industry experience and relevant knowledge. Mr. Sung holds a MBA degree from Atlanta International University.	Does not meet any descriptions stated in Article 30 of the Company Act.	None.

Qualification Name	Professional qualification and experience	Compliance of independence	Number of positions as an Independent Director in other public listed companies
Independent Director Shu, Yeh	Shu, Yeh is currently a director of the Company and he joined the Board on June 19, 2018. Mr. Yeh taught at National Taiwan University and was a professor of the department of accounting. He served as the CFO & SEVP of Chunghwa Telecom Co., Ltd. and possesses accounting and financial expertise. There is no circumstances specified in Article 30 of the Company Act. Mr. Yeh holds a Ph.D. in accounting from UCLA.	1. Not employed by the Company or any of its affiliated companies. 2. Not a director, supervisor of the Company or any of its affiliated companies. 3. Does not hold more than 1% of the Company's outstanding shares in his/her own name or under the name of spouse, underage children, or any other person; nor is any party listed herein one of the ten largest natural person shareholders of the Company.	1
Independent Director Wen-Chen, Huang	Wen-Chen, Huang is currently a director of the Company and he joined the Board on June 19, 2018. Mr. Huang was the Chairman of Heli Investment Co., Ltd., and has served as a director of many listed and emerging companies. Before that, he was the vice president of the CID Group Ltd., senior manager of CDIB & Partners Investment Holding Corporation, and assistant manager of China Development Financial Holding Corp. He possesses business judgment, rich industry experience and is familiar with the international market. There are no circumstances specified in Article 30 of the Company Act. Mr. Huang holds a MBA degree from NCCU MBA Program.	4. A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under (1) or any of the persons stated in (2) and (3). 5. Not a director, supervisor or employee of an institutional shareholder directly holding more than 5% of the outstanding shares issued by the Company, or a director, supervisor or employee of an institutional shareholder who is among the top 5 shareholders, or a representative of an institutional shareholders appointed as the director or supervisor of the Company according to Paragraph 1 or 2, Article 27 of the Company Act.	None.
Independent Director Chun-Chi, Yang	Chun-Chi, Yang is currently a director of the Company and she joined the Board on May 27, 2024. Ms. Yang serves as a Professor in the Department of Business Administration at Fu Jen Catholic University, previously as Director of the Center for Sustainable Development and Management. Specializes in strategic human	6. Not a director, supervisor or employee of a company controlling over one half of the Company director seats or voting shares under one person.	1

Qualification Name	Professional qualification and experience	Compliance of independence	Number of positions as an Independent Director in other public listed companies
	resource management, corporate sustainable development, and organizational reforms and development. Holds a Ph.D. from the Institute of Business and Management, National Taiwan University. No circumstances listed under Article 30 of the Company Act.	7. Not a director, supervisor, or employee of a company or institution whose chairperson and president or equivalent role is same person or its spouse. 8. A director, supervisor, managerial officer, or shareholder holding 5% or more of the shares, of a specified company or institution that has a financial or business relationship with the Company.	
Independent Director Chi-Yu, Yang (Note)	Chi-Yu, Yang joined the Board on May 27, 2024. Current Director and CFO of LandMark Optoelectronics Corporation, with prior directorships at TWSE/TPEX-listed companies, specializing in accounting and finance. No circumstances listed under Article 30 of the Company Act. Mr. Yang holds a master's degree in Financial Management from National Chengchi University.	9. Not a professional or owner, partner, director (associate), supervisor (except for members of the Remuneration Committee, public tender offer review committee or special committee for merger/consolidation and acquisition exercising powers according to the Securities and Exchange Act or the Business Mergers and Acquisitions Act or related laws or regulations.), managerial officer or the spouse of these roles of a sole proprietorship, partnership, company or institution that audits or provides related business, legal, financial, accounting services or consultation with service fees accumulating above NT\$500 thousand over the last two years for the Company or its affiliates. 10. No spouse or a relative within the second degree of kinship with other directors. 11. Does not meet any descriptions stated in Article	1

Qualification Name	Professional qualification and experience	Compliance of independence	Number of positions as an Independent Director in other public listed companies
		30 of the Company Act. 12. There is no government agency or a juristic person acts as a shareholder of the Company elected stipulated in Article 27 of the Company Act.	

Note: Resigned on July 23, 2025, due to a heavy personal workload.

5. Board diversity and independence:

(1) Board diversity:

Directors (including independent directors) are elected via a candidate nomination system per the Company's Articles of Association. The rules and procedures for nominating this candidate shall comply with the policies formulated by the Board of Directors and approved by an ordinary resolution at the shareholders' meeting. These policies shall be in accordance with applicable laws, the charter, the Articles of Incorporation, and the regulations governing public companies. To strengthen corporate governance and promote the development of the composition and structure of the Board of Directors, the composition of directors should be adjusted according to Paragraph 2, Article 21 of the Company's "Corporate Governance Principles": Diversification should be considered in the composition of Board of Directors, except those who serve as company managers should not exceed one-third of the number of directors. Diversification policy shall be formulated based on operation, business model and development needs which should include but not limited to the following two major standards:

- A. Basic requirements and values: gender, age, nationality and culture, etc. Among them, the proportion of female directors should be at least one-third of the directors.
- B. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, and technology), professional skills, and industry experience.

The Company's Board of Directors consists of 8 directors, including 5 general directors and 3 independent directors who have rich experience and expertise in finance, business and management.

In addition, the Company pays attention to gender equality in the Board of Directors. The goal is to have female directors be at least (including) one-third of the directors. Currently, there are 8 directors, including 3 female directors with the ratio of one-third.

The implementation of the Board diversity policy is as follows:

Director Name		Diversity core item															
		Basic composition								Professional knowledge/skills			Expertise				
		Nationality	Gender	Current positions in the Company	Age			Tenure of Independent Director			Business management ability	Leadership and decision making	Knowledge of the industry	Director experience	Accounting and finance	Business operation	An international market perspective
51 to 60	61 to 70				71 to 80	Under 3 years	3 to 9 years	More than 9 years									
Director	Chu-Liang, Cheng	Republic of China	Male				✓				✓	✓	✓	✓		✓	✓
	Wen-Hsing, Huang	Republic of China	Male	✓			✓				✓	✓	✓	✓		✓	✓
	Tay-Jen, Chen	Republic of China	Female			✓					✓	✓		✓			✓
	Wei-Chung, Pan	Republic of China	Female			✓					✓	✓		✓		✓	✓
	Elite Advanced Laser Corporation Representative of juristic person: Tien-Tseng, Sung	Republic of China	Male				✓					✓	✓	✓	✓		✓
Independent Director	Shu, Yeh	Republic of China	Male			✓			✓		✓	✓		✓	✓	✓	✓
	Wen-Chen, Huang	Republic of China	Male		✓				✓		✓	✓		✓	✓	✓	✓
	Chun-Chi, Yang	Republic of China	Female		✓			✓			✓	✓		✓	✓	✓	✓
	Chi-Yu, Yang (Note)	Republic of China	Male		✓			✓			✓	✓	✓	✓	✓	✓	✓

Note: Resigned on July 23, 2025, due to a heavy personal workload.

Management objectives and achievement of the Board Diversity Policy:

Management objectives	Implementation	Description
Directors who concurrently serve as company managers should not exceed one-third of the total directors	Achieved	In 2025, the proportion of directors who also serve as company managers is 12.5%.
The target for the ratio of female directors is above (including) one-third	Achieved	In 2025, the ratio of female directors is 37.5%.
The term of office of independent directors does not exceed 3 terms	Achieved	All the 6th independent directors have not exceeded 3 terms.
Diversified professional background	Achieved	The Board of Directors possesses professional abilities, independence and gender-diversity.

(2) Independence of board of directors:

The Company has 1 director with employee status, accounting for 12.5%; 3 independent directors, accounting for 37.5%. Except for Chairman Chu-Liang, Cheng and Director Tay-Jen, Chen who are spouses, the rest of the directors and independent directors are not spouses or related within the second degree of kinship. And after reviewing the list of shareholders and the employee roster, and according to the statement of the independent directors, independent directors, his/ her spouse, or relatives within the second degree (held under the name of another person) holds the shares of the Company. The independent directors have not received any remuneration for providing business, legal, financial, accounting, and other services to the Company or its affiliates in the past two years.

6. Succession plan and operation of directors:

- (1) The director succession plan considers the diversity and directors who concurrently serve as managers for the Company shall not exceed one-third of the total directors. It also considers gender equality and the directors' knowledge, skills, and accomplishments to perform the duties.
- (2) The Company continues to perform director succession plan, and builds a database of director candidates according to the following standards:
 - A. Integrity, responsibility, innovation and decision-making skills in line with the Company's core values and the ability to contribute to the professional knowledge and capabilities of the Company's management.
 - B. Equipped with industry experience relevant to the Company's business.

- C. The member shall provide the Company an effective and diverse Board of Directors that meets the needs of the Company.
- D. The nomination and selection process of director and independent director candidates must comply with the qualification and relevant regulations to ensure that when there is a vacancy or an increase in the number of directors, suitable new directors can be effectively selected.

(II) President, Vice President, Senior Manager, and the heads of all the Company’s Divisions and Branch units

Names; gender; nationality; principal work experience and academic qualifications; date on which current position was assumed; term of contract; and shares held by them and their spouses, children of minor age, and held through nominees

March 28, 2026; Unit: thousand shares; %

Title	Nationality	Name	Gender	On-board date	Shareholding		Shareholdings of spouse and underage children		Shares held in the names of others		Major career (academic) achievements	Current positions in other companies	Spouse or relatives of second degree or closer acting as managers			Remark (Note 1)
					Quantity	Ratio of shareholding (%)	Quantity	Ratio of shareholding (%)	Quantity	Ratio of shareholding (%)			Title	Name	Relation	
CSO	Republic of China	Wen-Hsing, Huang	Male	July 1, 2021	164	0.13	651	0.50	—	—	BA., Electrical Engineering, Chung Yuan Christian University, Taiwan Foreshot Industrial Corporation/ Deputy General Manager LITE-ON Technology/ Director	Vice Chairman of the Company Elite Advanced Laser Corporation/ Director FORESHOT Industrial Corporation Ltd./ Director	—	—	—	—
President	Republic of China	Yen-Chiang, Tang	Male	July 1, 2015	206	0.16	298	0.23	—	—	Industrial Engineering, Oriental Institute of Technology Elite Advanced Laser Corporation/ Engineering Assistant General Manager LITE-ON Technology/ Director of Wuxi Plant	GEM Electronics (Shanghai) Co., Ltd./ Director GEM Electronics (Hefei) Co., Ltd./ Director	—	—	—	—
COO	Mainland China	Wei-Bing, Chu	Male	July 1, 2015	—	—	—	—	—	—	Master, Department of Semiconductor Physics and Devices, Shanghai Institute of Metallurgy GEM (Shanghai) Co., Ltd./ President Agape Package Manuf. Ltd. (Nasdaq: AOSL/ Vice President of Operations and Engineering	—	—	—	—	—
GEM Electronics (Shanghai)/ Vice President	Mainland China	Heng-Yu, Liu	Male	July 1, 2015	—	—	—	—	—	—	Master of Fudan University IBM/ Manufacturing engineering manager Shanghai XINJIN Semiconductor Manufacturing Co. Ltd./ Senior manager of semiconductor packaging outsourcing	—	—	—	—	—
Business Integration Department/ Senior Manager	Republic of China	Chun-Ching, Wu	Male	July 18, 2021	10	0.01	3	—	—	—	Master, Industrial Engineering, National Kaohsiung University of Applied Sciences Kaohsiung Opto-Electronics Inc.(formerly KAOHSIUNG HITACHI ELECTRONICS CO., LTD.)/ Equipment Section Manager	—	—	—	—	—
GEM Electronics (Hefei) / Operations Senior Manager	Mainland China	Wei, Zhuang	Male	February 1, 2017	18	0.01	—	—	—	—	Bachelor of Engineering in Electronic Materials and Components, Material Science and Engineering, ShanghaiTech University Shanghai Vacuum Electron Devices Co., Ltd./ Engineer of Electron Tube No. 2 Factory Shanghai Ruixi Turbine/ Factory engineer GEM Electronics (shanghai) Co., Ltd./ Manager Mitsubishi Electric GEM Power Device (Hefei) Co., Ltd./ Vice President	—	—	—	—	—

Title	Nationality	Name	Gender	On-board date	Shareholding		Shareholdings of spouse and underage children		Shares held in the names of others		Major career (academic) achievements	Current positions in other companies	Spouse or relatives of second degree or closer acting as managers			Remark (Note 1)
					Quantity	Ratio of shareholding (%)	Quantity	Ratio of shareholding (%)	Quantity	Ratio of shareholding (%)			Title	Name	Relation	
Global Customer Management Department/ Senior Manager	Republic of China	Shou-Chi, Liu	Male	April 1, 2024	—	—	—	—	—	—	Monash University Australia, Bachelor of Marketing and Computer science	—	—	—	—	—
Senior Manager of Engineering Department	Mainland China	Yi-Chu Chang	Male	April 1, 2024	—	—	—	—	—	—	Studied at Antai College of Economics and Management, Shanghai Jiao Tong University.	—	—	—	—	—
Head-Finance & Accounting	Republic of China	Jui-Ping ,Wang	Female	July 15, 2016	89	0.07	—	—	—	—	Department of Accounting, Chinese Culture University Deloitte & Touche/ Audit assistant manager	Centera Photonics Inc./ Supervisor	—	—	—	—
Audit Supervisor	Mainland China	Sen-Xing, Lai	Male	July 1, 2015	—	—	—	—	—	—	Industrial Engineering, School of Environmental and Biological Engineering, Jiangsu University of Technology Wistron InfoComm Technology Service (Kunshan) Co., Ltd./ SMT IT Team leader GEM Electronics (Shanghai) Co., Ltd./ IE engineer	—	—	—	—	—

Note 1: Where the chairperson of the Board of Directors and the president or person of an equivalent post (the highest level manager) of the Company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto: None.

II. Remuneration payment to directors, supervisor, president, and vice president in the most recent year

(I) Remuneration for directors and independent directors

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

Title	Name	Remuneration to Directors								The sum of A, B, C and D as a percentage of after-tax profit		Remuneration as an employee								The sum of A, B, C, D, E, F and G as a percentage of after-tax net profit		Remuneration received from the invested companies other than the subsidiaries and the parent company
		Remuneration (A)		Pension (B)		Directors compensation (C)		Fees for services rendered (D)				Salaries, bonuses, special allowances etc. (E)		Pension (F)		Employee compensation (G)						
		The Company	All companies shown in the consolidated financial report	The Company	All companies shown in the consolidated financial report	The Company	All companies shown in the consolidated financial report	The Company	All companies shown in the consolidated financial report	The Company	All companies shown in the consolidated financial report	The Company	All companies shown in the consolidated financial report	The Company		All companies shown in the consolidated financial report		The Company	All companies shown in the consolidated financial report			
Chairman	Chu-Liang, Cheng	7,200	7,200	0	0	19,550	19,550	40	40	26,790 3.53%	26,790 3.53%	0	0	0	0	0	0	0	0	26,790 3.53%	26,790 3.53%	None
Vice Chairman	Wen-Hsing, Huang	4,800	4,800	0	0	8,500	8,500	40	40	13,340 1.76%	13,340 1.76%	0	2,095	0	108	2,750	0	2,750	0	16,090 2.12%	18,293 2.41%	None
Director	Tay-Jen, Chen	1,500	1,500	0	0	300	300	40	40	1,840 0.24%	1,840 0.24%	0	0	0	0	0	0	0	0	1,840 0.24%	1,840 0.24%	None
Director	Wei-Chung, Pan	1,500	1,500	0	0	300	300	40	40	1,840 0.24%	1,840 0.24%	0	0	0	0	0	0	0	0	1,840 0.24%	1,840 0.24%	None
Director	Elite Advanced Laser Corporation	0	0	0	0	300	300	0	0	300 0.04%	300 0.04%	0	0	0	0	0	0	0	0	300 0.04%	300 0.04%	None
	Representative of juristic person: Tien-Tseng, Sung	1,500	1,500	0	0	0	0	40	40	1,540 0.20%	1,540 0.20%	0	0	0	0	0	0	0	0	1,540 0.20%	1,540 0.20%	None
Independent Director	Shu, Yeh	1,500	1,500	0	0	300	300	40	40	1,840 0.24%	1,840 0.24%	0	0	0	0	0	0	0	0	1,840 0.24%	1,840 0.24%	None
Independent Director	Wen-Chen, Huang	1,500	1,500	0	0	300	300	40	40	1,840 0.24%	1,840 0.24%	0	0	0	0	0	0	0	0	1,840 0.24%	1,840 0.24%	None
Independent Director	Chun-Chi, Yang	1,500	1,500	0	0	300	300	40	40	1,840 0.24%	1,840 0.24%	0	0	0	0	0	0	0	0	1,840 0.24%	1,840 0.24%	None
Independent Director	Chi-Yu, Yang (Note)	875	875	0	0	150	150	20	20	1,045 0.14%	1,045 0.14%	0	0	0	0	0	0	0	0	1,045 0.14%	1,045 0.14%	None

- * The remuneration policy, system, standard and structure of independent directors, and the linkage to the remuneration amount according to the responsibilities, risks, time, and other factors:
- According to Article 30.2 of the Articles of Association, directors’ remuneration shall be recommended by the Remuneration Committee and submitted to the Board of Directors for approval, and shall be paid in consideration of the director’s service scope, value and the domestic and foreign payment level. Independent directors receive a fixed remuneration and Board meeting attendance fees this year. Directors' remuneration will be allocated at their discretion based on the profit situation of the current year.
- * Other than those disposed in the Table above, remuneration received by directors in the most recent year for services provided to a company as mentioned in the financial statement (e.g. serving as a consultant to all non-employees of the parent company/companies in the financial report/reinvested enterprises, etc.): None.

Note: Resigned on July 23, 2025, due to a heavy personal workload.

Unit: NT\$ thousand; %

Table of salaries scale

Remunerations to individual directors in respective brackets along the salaries scale	Name of director			
	Total of the aforementioned 4 items (A+B+C+D)		Total of the aforementioned 7 items (A+B+C+D+E+F+G)	
	The Company	All companies shown in the consolidated financial report	The Company	All companies shown in the consolidated financial report
< NT\$1,000,000	-	-	-	-
NT\$1,000,000 - NT\$2,000,000 (exclusive)	Elite Advanced Laser Corporation Representative of juristic person: Tien-Tseng, Sung Tay-Jen, Chen; Wei-Chung, Pan; Shu, Yeh; Wen-Jun, Huang; Chun-Chi, Yang; Chi-Yu, Yang	Elite Advanced Laser Corporation Representative of juristic person: Tien-Tseng, Sung Tay-Jen, Chen; Wei-Chung, Pan; Shu, Yeh; Wen-Jun, Huang; Chun-Chi, Yang; Chi-Yu, Yang	Elite Advanced Laser Corporation Representative of juristic person: Tien-Tseng, Sung Tay-Jen, Chen; Wei-Chung, Pan; Shu, Yeh; Wen-Jun, Huang; Chun-Chi, Yang; Chi-Yu, Yang	Elite Advanced Laser Corporation Representative of juristic person: Tien-Tseng, Sung Tay-Jen, Chen; Wei-Chung, Pan; Shu, Yeh; Wen-Jun, Huang; Chun-Chi, Yang; Chi-Yu, Yang
NT\$2,000,000 - NT\$3,500,000 (exclusive)	-	-	-	-
NT\$3,500,000 - NT\$5,000,000 (exclusive)	-	-	-	-
NT\$5,000,000 - NT\$10,000,000 (exclusive)	-	-	-	-
NT\$10,000,000 - NT\$15,000,000 (exclusive)	Wen-Hsing, Huang	Wen-Hsing, Huang	-	-
NT\$15,000,000 - NT\$30,000,000 (exclusive)	Chu-Liang, Cheng	Chu-Liang, Cheng	Wen-Hsing, Huang; Chu-Liang, Cheng	Wen-Hsing, Huang; Chu-Liang, Cheng
NT\$30,000,000 - NT\$50,000,000 (exclusive)	-	-	-	-
NT\$50,000,000 - NT\$100,000,000 (exclusive)	-	-	-	-
> NT\$100,000,000	-	-	-	-
Total	9 people	9 people	9 people	9 people

* The basis of remuneration disclosed above is different to the basis required by the Income Tax Act; hence the above table has been prepared solely for information disclosure, and not for tax purposes.

(II) Remuneration of supervisor

Not Applicable. (The Company has set up an Audit Committee to replace the supervisor).

(III) President's and Vice Presidents' remuneration

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

Title	Name	Salary (A)		Pension (B)		Bonuses and allowances etc. (C)		Remuneration to employees (D)				The sum of A, B, C and D as a percentage of after-tax profit		Remuneration received from the invested companies other than the subsidiaries and the parent company
		The Company	All companies shown in the consolidated financial report	The Company	All companies shown in the consolidated financial report	The Company	All companies shown in the consolidated financial report	The Company		All companies shown in the consolidated financial report		The Company	All companies shown in the consolidated financial report	
								Cash amount	Stock amount	Cash amount	Stock amount			
President	Yen-Chiang, Tang	-	3,360	-	108	-	-	2,750	-	2,750	-	2,750 0.36%	6,218 0.82%	None
CSO	Wen-Hsing, Huang	-	2,095	-	108	-	-	2,750	-	2,750	-	2,750 0.36%	4,953 0.65%	None
COO	Wei-Bing, Chu	-	3,705	-	310	-	-	-	-	1,091	-	-	5,106 0.67%	None
GEM Electronics (Shanghai)/ Vice President	Heng-Yu, Liu	-	3,118	-	310	-	-	-	-	947	-	-	4,375 0.58%	None

Table of salaries scale

The brackets of remunerations to all Presidents and Vice Presidents of the Company	Names of the Presidents and the Vice Presidents	
	The Company	All companies shown in the consolidated financial report
< NT\$1,000,000	-	-
NT\$1,000,000 - NT\$2,000,000 (exclusive)	-	-
NT\$2,000,000 - NT\$3,500,000 (exclusive)	Wen-Hsing, Huang; Yen-Chiang, Tang	-
NT\$3,500,000 - NT\$5,000,000 (exclusive)	-	Wen-Hsing, Huang; Heng-Yu, Liu
NT\$5,000,000 - NT\$10,000,000 (exclusive)	-	Yen-Chiang, Tang; Wei-Bing, Chu
NT\$10,000,000 - NT\$15,000,000 (exclusive)	-	-
NT\$15,000,000 - NT\$30,000,000 (exclusive)	-	-
NT\$30,000,000 - NT\$50,000,000 (exclusive)	-	-
NT\$50,000,000 - NT\$100,000,000 (exclusive)	-	-
> NT\$100,000,000	-	-
Total	2 people	4 people

* The basis of remuneration disclosed above is different to the basis required by the Income Tax Act; hence the above table has been prepared solely for information disclosure, and not for tax purposes.

(IV) Remuneration of the Company's top five highest-paid supervisors

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

Title	Name	Salary (A)		Pension (B)		Bonuses and allowances etc. (C)		Remuneration to employees (D)				The sum of A, B, C and D as a percentage of after-tax profit		Remuneration received from the invested companies other than the subsidiaries and the parent company
		The Company	All companies shown in the consolidated financial report	The Company	All companies shown in the consolidated financial report	The Company	All companies shown in the consolidated financial report	The Company		All companies shown in the consolidated financial report		The Company	All companies shown in the consolidated financial report	
								Cash amount	Stock amount	Cash amount	Stock amount			
President	Yen-Chiang, Tang	-	3,360	-	108	-	-	2,750	-	2,750	-	2,750 0.36%	6,218 0.82%	None
CSO	Wen-Hsing, Huang	-	2,095	-	108	-	-	2,750	-	2,750	-	2,750 0.36%	4,953 0.65%	None
COO	Wei-Bing, Chu	-	3,705	-	310	-	-	-	-	1,091	-	-	5,106 0.67%	None
GEM Electronics (Shanghai)/ Vice President	Heng-Yu, Liu	-	3,118	-	310	-	-	-	-	947	-	-	4,375 0.58%	None
GEM Electronics (Hefei) / Operations Senior Manager	Wei, Zhuang	-	2,594	-	310	-	-	-	-	851	-	-	3,755 0.49%	None

* The basis of remuneration disclosed above is different to the basis required by the Income Tax Act; hence the above table has been prepared solely for information disclosure, and not for tax purposes.

Name of the managers received remuneration and the distribution of remuneration

December 31, 2025

Unit: NT\$ thousand

	Title	Name	Stock amount	Cash amount (Note 1)	Total	As a percentage of net profit after tax (%)
Manager	CSO	Wen-Hsing, Huang	-	12,831	12,831	1.69
	President	Yen-Chiang, Tang				
	COO	Wei-Bing, Chu				
	GEM Electronics (Shanghai)/ Vice President	Heng-Yu, Liu				
	GEM Electronics (Hefei) / Operations Senior Manager	Wei, Zhuang				
	GEM Electronics (Shanghai) / Senior Manager of Engineering Department	Yi-Chu Chang				
	Global Customer Management Department/ Senior Manager	Shou-Chi, Liu				
	Business Integration Department/ Senior Manager	Chun-Ching, Wu				
	Head-Finance & Accounting	Jui-Ping ,Wang				

Note 1: This distribution is an estimate.

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

Title	The Company				All companies shown in the consolidated financial statements			
	2024		2025		2024		2025	
	Total Amount	% of Net Income	Total Amount	% of Net Income	Total Amount	% of Net Income	Total Amount	% of Net Income
Director	49,038	7.39	52,215	6.87	49,038	7.39	52,215	6.87
Presidents and the Vice Presidents	5,000	0.75	5,500	0.72	20,112	3.02	20,652	2.72
Net Income	664,197	-	758,645	-	664,197	-	758,645	-

1. Analysis of changes in the proportion of after-tax net profit in the last two years:
 - (1) The decrease in the proportion of total directors' remuneration to after-tax net profit was due to higher profitability in 2025.
 - (2) The decrease in the proportion of remuneration for the President and Vice Presidents to after-tax net profit was due to higher profitability in 2025.
2. The policies, standards, and packages for director, president, vice president remuneration, the procedures for determining remuneration and its linkage to business performance and future risks
 - (1) Director
 - A. During the term of office, the chairman and vice-chairman may receive their remuneration according to Article 30.1 of the Articles of Association due to business needs. The remuneration amount shall be proposed by the Remuneration Committee and submitted to the Board of Directors for resolution, and shall take into account their service scope, value to the Company and the standard remuneration of domestic and foreign industry companies.
 - B. The independent directors of the Company receive fixed remuneration. In addition, directors receive attendance fees for each board meeting.
 - C. The director's compensation is in accordance with Article 34.1 of the Articles of Association. If there is any profit in the year, the director's compensation shall be distributed below 3% (inclusive) of the current

year's profit. The Company has set up a Remuneration Committee, with all independent directors serving as members. The Remuneration Committee is responsible for formulating and regularly reviewing the policies, systems, standards and structures of directors' performance evaluation and remuneration, and regularly assessing and determining directors' remuneration with reference to the industry's standards.

In summary, the amount of remuneration for directors in 2025 ranged between 6% and 8% of the after-tax net profit of the Company and all companies in the consolidated statements. According to the business performance, there should be no overestimation of the payment compared to the industry standard. There is also no impact on the Company's final performance and no need for risk evaluation.

(2) Presidents and the Vice Presidents

The compensation of the president and vice president includes salary, bonus and employee remuneration. The salary is based on the position held, the responsibility and the contribution to the Company, and it is negotiated with reference to the industry standard. Bonuses and employee compensation are highly linked to performance evaluation, including the achievement rate of the Company's revenue and after-tax net profit, and whether there are major deficiencies in the department's compliance with laws and regulations and internal control operations. They are distributed according to principles recommended by the Remuneration Committee and approved by the Board of Directors according to the operating performance.

III. Corporate governance

(I) Facts about performance by the board of directors:

1. The Board of Directors convened 4 meetings (A) in 2025 and the participation of the directors are shown below:

Title	Name	Actual attendance (B)	Proxy attendance	Percentage of actual attendance (%) [B/A] (Note 1)	Remark
Chairman	Chu-Liang, Cheng	4	0	100%	
Vice Chairman	Wen-Hsing, Huang	4	0	100%	
Director	Tay-Jen, Chen	4	0	100%	
Director	Wei-Chung, Pan	4	0	100%	
Director	Elite Advanced Laser Corporation Representative of juristic person: Tien-Tseng, Sung	4	0	100%	

Title	Name	Actual attendance (B)	Proxy attendance	Percentage of actual attendance (%) [B/A] (Note 1)	Remark
Independent Director	Shu, Yeh	4	0	100%	
Independent Director	Wen-Chen, Huang	4	0	100%	
Independent Director	Chun-Chi, Yang	4	0	100%	
Independent Director	Chi-Yu, Yang	2	0	100%	(Note 2)

Note 1: The actual attendance rate (%) is calculated based on the number of Board of Directors meetings and the number of actual attendance during the tenure.

Note 2: Resigned on July 23, 2025, due to a heavy personal workload.

2. Other required information

- (1) For the matters listed in Article 14-3 of the Securities and Exchange Act and other resolutions of the Board of Directors that have been objected or reserved by independent directors and have records or written statements, the date, period, content of the discussion, opinions of all independent directors and the Company's handling of Board of Directors' opinion:

Proposals and resolution results of matters listed in Article 14-3 of the Securities and Exchange Act:

Board meeting dates and periods	Discussion	Independent directors' objections, reservations or major proposals	Results of Audit Committee resolutions	The Company's handling of the Audit Committee's opinion
March 10, 2025 5th meeting of the 6th Board of Directors	1. 2024 internal control policies effectiveness evaluation and declaration of internal control policies. 2. Proposal for managers' salary adjustment.	None.	The issue was resolved by all present directors in full.	Not applicable
May 5, 2025 6th meeting of the 6th Board of Directors	1. Proposal for the 2024 Manager's Remuneration Distribution. 2. Proposal for the 2024 Directors' Remuneration Distribution.	None.	The issue was resolved by all present directors in full.	Not applicable

Board meeting dates and periods	Discussion	Independent directors' objections, reservations or major proposals	Results of Audit Committee resolutions	The Company's handling of the Audit Committee's opinion
November 10, 2025 8th meeting of the 6th Board of Directors	1. Formulate the 2026 internal audit plan of the Company and its subsidiaries. 2. The Company regularly evaluates the audit quality indicators (AQIs) of CPAs and the 2026 CPAs' remuneration proposal. 3. Amendment of the "Procedures for Acquisition and Disposal of Assets"	None.	The issue was resolved by all present directors in full.	Not applicable
March 9, 2026 9th meeting of the 6th Board of Directors	1. 2025 internal control policies effectiveness evaluation and declaration of internal control policies. 2. Proposal for managers' salary adjustment.	None.	The issue was resolved by all present directors in full.	Not applicable

- (2) Other than the aforementioned issues, the issue objected by an independent director or where an independent director maintain a qualified opinion with record or documented declaration in a decision resolved by the Board of Directors: None.
- (3) With respect to the avoidance of conflicting interest agendas, describe the names of directors, details of the relevant agendas, reasons for avoiding conflicting interest, and the voting decisions:

Board meeting dates and periods	Discussion	Reasons to act on recusal due to conflicts of interest and participation in voting
May 5, 2025 6th meeting of the 6th Board of Directors	Proposal 2: [Proposal from Remuneration Committee] Proposal for the 2024 Manager's Remuneration Distribution.	Vice Chairman Wen-Hsing, Huang recused according to law and did not participate in the discussion and resolution of the proposal. It was approved by all directors present without any objection.

- (4) The cycle, duration, scope, method and content of Board self-evaluations (or peer-evaluation) performed:

The implementation of the Board of Directors evaluation:

The Company and the Board of Directors approved the resolution to formulate the “Rules for Performance Evaluation of Board of Directors” on January 16, 2020. The performance evaluation of the Board of Directors should be performed at least once every three years by an external professional independent organization or a team of external experts and scholars. The internal and external performance evaluation results of the Board of Directors shall be completed before the end of the first quarter of the year following the implementation year.

- A. Evaluation cycle: internal self-evaluation is conducted once a year, and an external professional independent organization evaluation is conducted at least once every three years.
- B. Evaluation period: evaluate the performance of the Board of Directors from January 1, 2025 to December 31, 2025.
- C. Evaluation scope: including the performance evaluation of the overall Board of Directors, individual director, Audit Committee and Remuneration Committee.
- D. Evaluation methods: questionnaires for performance evaluation are applied to self-evaluation of the Board of Director, self-evaluation of board members and peer evaluation, and self-evaluation of Audit Committee and Remuneration Committee.
- E. Evaluation content:

Subjects	Evaluation
Board of Directors	1. Level of participation in the Company’s operations.
	2. Improvement of board’s/functional committee’s decision quality.
	3. Board/functional committee composition.
	4. Election and ongoing education of directors.
	5. Internal control.
Board members (self or peers)	1. Director’s awareness toward the Company’s goals and missions.
	2. Director’s awareness to duties.
	3. Level of participation in the Company’s operations.
	4. Management and communication of internal relations.
	5. Professionalism and ongoing

Subjects	Evaluation
	education of directors.
	6. Internal control.
Audit Committee	1. Level of participation in the Company's operations.
	2. Responsibilities and duties of Audit Committee.
	3. Improve the decision-making quality of Audit Committee.
	4. Composition of Audit Committee and selection of members.
	5. Internal control.
Remuneration Committee	1. Level of participation in the Company's operations.
	2. Responsibilities and duties of Remuneration Committee.
	3. Improve the decision-making quality of Remuneration Committee.
	4. Composition of Remuneration Committee and selection of members.

F. 2025 Performance evaluation of the Board of Directors:

The performance evaluation of the Board of Directors and functional committees in 2025 was completed on November 10, 2025, and was reported to the Board of Directors on March 9, 2026.

Subjects	Assessment result
Board of Directors	1. The average attendance rate of directors in the 2025 was 100% and 8 directors attended the 2025 annual shareholders meeting. The directors also regularly communicate with the CPA and audit supervisor. 2. All directors fully understand the Company's core values and the characteristics and risks of the industry in which the Company operates, and hold board meetings at least once a quarter. 3. The Board of Directors has established sufficient independent directors which complies with relevant regulations, and the composition of the Board of Directors is appropriate and has the expertise required for the decision-making process. 4. The Company has established a rigorous and transparent director selection process, and the directors receive appropriate training hours each year. 5. The directors understand and supervise the Company's accounting

Subjects	Assessment result
	system, financial performance and financial reports, audit reports and the follow ups.
Board member (self or peer)	1. The directors understand the Company's core values and the characteristics and risks of the industry in which the Company operates. 2. The directors have fully understood the statutory obligations of the directors, and have complied with the obligation of confidentiality with respect to the Company's internal information obtained during the terms of directors. 3. The attendance rate for individual directors at board meeting was 100%, and the directors have made specific suggestions on the proposals. 4. The interaction between the directors and the management team is good with sufficient communication with other directors and CPA. 5. The directors have the expertise required for the implementation of the Board of Directors' decisions, and receive appropriate training hours each year. 6. The directors understand and supervise the Company's accounting system, financial performance and financial reports, audit reports and the follow ups.
Audit Committee	1. The average attendance rate of members of the Audit Committee in 2025 was 100%, and the Audit Committee held meetings at least once a quarter. 2. The Audit Committee communicates with the CPA on a regular basis and regularly evaluates the independence and competence of the CPA. 3. The meeting minutes properly recorded the discussion content, and the resolutions of the Audit Committee meetings are followed up properly. 4. The members of the Audit Committee are appropriately composed and possess the expertise required for the decision-making process while maintaining their independence. 5. The Audit Committee understands and supervises the Company's accounting system, financial performance and financial reports, audit reports and the follow ups.
Remuneration Committee	1. The average attendance rate of members of the Remuneration Committee in 2025 was 100%, and the Remuneration Committee held general meetings. 2. The Remuneration Committee can timely, professionally and objectively put forward suggestions and submit them to the Board of Directors for discussion and decision-making. 3. The meeting minutes of the Remuneration Committee properly recorded the discussion content, and the resolutions of the Remuneration Committee meetings are followed up properly. 4. The members of the Remuneration Committee are properly composed and possess the expertise required for the decision-making process while maintaining their independence.

On September 2, 2025, the Company entrusted the Taiwan Corporate Governance Association, an external organization, to conduct an

evaluation of the effectiveness of the Board of Directors for the period from January 1, 2025 to December 31, 2025. CGA appointed four evaluation experts to evaluate the effectiveness of the Board of Directors through questionnaires and interviews on the composition, authorization, supervision, communication, and self-discipline, internal control policies, risk management and other aspects and indicators. CGA and the experts do not have any business relationship with the Company and are independent. An evaluation report was submitted on March 17, 2026, and the Company reported the results to the Board of Directors on March 9, 2026, with request on improvements. The CGA's suggestions and the Company's planned improvement plan are as follows:

Suggestions:

- (A) It is suggested that the Company refer to the sustainability and risk management best practice principles issued by the competent authorities to establish a dedicated implementation unit. The management team should periodically report to the Audit Committee and the Board of Directors on matters such as sustainability progress, key talent cultivation, major risk control, and stakeholder communication to ensure these issues are closely linked with the Company's medium-to-long-term development strategies. Furthermore, it is recommended that the Company assess the timing for elevating the sustainability and risk management framework to a functional committee under the Board of Directors, based on operational maturity. By inviting independent directors to participate in guidance and supervision, the Board will be able to more systematically oversee risk identification, responsive strategies, and sustainability performance. This would strengthen the overall governance structure and depth of supervision, demonstrating the Company's commitment and determination to further enhance its sustainable governance.
- (B) It is suggested that the Company, in response to regulatory trends and practical needs, systematize current operational processes (such as senior management compensation systems, whistleblowing systems, reporting procedures for major unexpected incidents, and orientation arrangements for new directors) into complete written regulations to enhance institutional transparency and consistency in execution. Meanwhile, it is

recommended that after each re-election of the Board of Directors, the Company arrange for each functional committee to re-examine their respective charters and internal regulations. to ensure that the governance system stays up-to-date and achieves the goal of effective governance. In view of the development trend of corporate governance and sustainable development, and to strengthen the effectiveness of corporate governance evaluation by the competent authorities, it is recommended that the Company refer to the Corporate Governance 3.0 and the items of corporate governance evaluation to set improvement goals for strengthening corporate governance and to promote the ESG concept and corporate governance culture.

- (C) To enhance the Audit Committee's guidance on the internal control system, it is recommended that the Company refer to relevant regulations and practical methods. When deliberating major internal control issues (such as annual audit plans or assessments of internal control effectiveness), the chief internal auditor should be arranged to attend in a non-voting capacity and explain to provide real-time responses to committee members' questions. If necessary, a separate communication mechanism excluding management should be adopted and documented in writing to strengthen the transparency and effectiveness of internal control operations. In addition, considering the close interaction between the chief internal auditor and the Audit Committee, it is suggested that the annual performance evaluation mechanism systematically incorporate feedback from the Audit Committee regarding the chief internal auditor. This would give the committee's supervisory role more substantive influence, further demonstrate the independence and professionalism of the internal audit function, and fulfill the Audit Committee's responsibilities for guidance and oversight.

The performance evaluation methods and results of the Board of Directors and functional committees have been disclosed on the Company's website.

Improvement plans/Implementation status:

- (A) Improvement plan:

- a. Implementation Framework:

Establishment of a dedicated implementation unit: Led by the management team to coordinate sustainability and risk management affairs.

Periodic reporting mechanism: Topics such as sustainability progress, key talent cultivation, major risk control, and stakeholder communication shall be formally proposed and reported to the Audit Committee and the Board of Directors.

b. Governance strengthening:

Evaluation of functional committees: Based on operational maturity, evaluate the elevation of the sustainability and risk management framework to a functional committee under the Board of Directors at an appropriate time.

Participation of independent directors: Invite independent directors to participate in guidance and supervision to enhance the Board's oversight of risk identification, response strategies, and sustainability results.

Implementation status:

In light of the suggestions in the evaluation report received on March 17, 2026, the Company plans to implement improvements step-by-step starting from the second quarter of 2026 and will announce the progress of these improvements on its official website.

(B) Improvement plan:

a. System establishment:

Documentation of procedures: Systematically establish comprehensive written regulations for senior management compensation systems, whistleblowing systems, reporting procedures for major unexpected incidents, and orientation arrangements for new directors.

Enhancement of transparency: Disclose and periodically update institutional content to ensure that employees and stakeholders have a clear understanding.

b. Governance refinement:

Review by functional committees: After each re-election of the Board of Directors, the Company arrange for each functional

committee to re-examine their respective charters and internal regulations.

Continuous revision: Periodically revise the governance system according to regulatory trends and practical needs to ensure it stays up-to-date.

Director training: Have new directors complete their orientation programs to ensure they are well-versed in the corporate governance framework and their duties.

Implementation status:

In light of the suggestions in the evaluation report received on March 17, 2026, the Company plans to implement improvements step-by-step starting from the second quarter of 2026 and will announce the progress of these improvements on its official website.

(C) Improvement plan:

a. Strengthening of meeting mechanisms:

Attendance of chief internal auditor in a non-voting capacity: Arrange the chief internal auditor to attend in a non-voting capacity, provide explanations, and respond to members' questions in real-time when deliberating major internal control issues (such as annual audit plans and assessments of internal control effectiveness).

Independent communication mechanism: Adopt a separate communication mode, excluding management when necessary, to ensure that members can communicate directly with the chief internal auditor.

Retention of written records: Establish complete meeting minutes to enhance transparency and traceability.

b. Institutionalization of performance evaluation:

Incorporation of member feedback: Systematically incorporate the feedback from the Audit Committee regarding the chief internal auditor into the annual performance evaluation mechanism.

Strengthening of independence: Highlight the independence and professionalism of the chief internal auditor through the feedback from committee members.

Enhancement of supervisory role: Make the guidance and supervisory responsibilities of the Audit Committee more substantive in influence.

Implementation status:

In light of the suggestions in the evaluation report received on March 17, 2026, the Company plans to implement improvements step-by-step starting from the second quarter of 2026 and will announce the progress of these improvements on its official website.

- (5) Targets for strengthening of the functions of the board during the current and immediately preceding fiscal years (such as setting up an audit committee, improving information transparency):

A. Establishment of independent directors:

Since 2015, the Company has set up at least 3 independent directors to strengthen the functions of the Board of Directors and improve corporate governance.

B. Establishment of the Remuneration Committee:

Since 2015, the Company has set up a Remuneration Committee to evaluate the Company's directors and managers' remuneration policy and system and make recommendations to the Board of Directors.

C. Improve information transparency:

Since 2015, the Company has announced the financial report after the financial report is approved by the Board of Directors, so that financial and business information related to shareholders' equity can be disclosed in the most timely manner. This greatly improved the information transparency.

D. The selection of directors adopts the nomination system with the single-vote cumulative election method to select the most professional board members through fair, just and open selection procedures.

(II) The operation of the audit committee:

The Audit Committee is composed of 3 independent directors and its purpose is to assist the Board of Directors to perform its supervision on the Company's quality and integrity in the implementation of accounting, auditing, financial reporting processes and financial management.

1. Professional Qualifications and Experience of Audit Committee Members

Audit Committee Members	Professional qualification and experience
Independent Director Shu, Yeh	Shu, Yeh is currently a director of the Company and he joined the Board on June 19, 2018. Mr. Yeh taught at National Taiwan University and was a professor of the department of accounting. He served as the CFO & SEVP of Chunghwa Telecom Co., Ltd. and possesses accounting and financial expertise. There is no circumstances specified in Article 30 of the Company Act. Mr. Yeh holds a Ph.D. in accounting from UCLA.
Independent Director Wen-Chen, Huang	Wen-Chen, Huang is currently a director of the Company and he joined the Board on June 19, 2018. Mr. Huang was the Chairman of Heli Investment Co., Ltd., and has served as a director of many listed and emerging companies. Before that, he was the vice president of the CID Group Ltd., senior manager of CDIB & Partners Investment Holding Corporation, and assistant manager of China Development Financial Holding Corp. He possesses business judgment, rich industry experience and is familiar with the international market. There are no circumstances specified in Article 30 of the Company Act. Mr. Huang holds a MBA degree from NCCU MBA Program.
Independent Director Chun-Chi, Yang	Chun-Chi, Yang is currently a director of the Company and she joined the Board on May 27, 2024. Ms. Yang serves as a Professor in the Department of Business Administration at Fu Jen Catholic University, previously as Director of the Center for Sustainable Development and Management. Specializes in strategic human resource management, corporate sustainable development, and organizational reforms and development. Holds a Ph.D. from the Institute of Business and Management, National Taiwan University. No circumstances listed under Article 30 of the Company Act.
Independent Director Chi-Yu, Yang (Note)	Chi-Yu, Yang joined the Board on May 27, 2024. Current Director and CFO of LandMark Optoelectronics Corporation, with prior directorships at TWSE/TPEX-listed companies, specializing in accounting and finance. No circumstances listed under Article 30 of the Company Act. Mr. Yang holds a master's degree in Financial Management from National Chengchi University.

Note: Resigned on July 23, 2025, due to a heavy personal workload.

- The Audit Committee convened 4 meetings (A) in 2025 and the participation of the independent director are shown below:

Title	Name	Actual attendance (B)	Proxy attendance	Actual attendance (%) (B/A) (Note 1)	Remark
Independent Director (Convener)	Shu, Yeh	4	0	100%	

Title	Name	Actual attendance (B)	Proxy attendance	Actual attendance (%) (B/A) (Note 1)	Remark
Independent Director Member	Wen-Chen, Huang	4	0	100%	
Independent Director Member	Chun-Chi, Yang	4	0	100%	
Independent Director Member	Chi-Yu, Yang	2	0	100%	Note 2

Note 1: The actual attendance rate (%) is calculated based on the number of Audit Committee meetings and the number of actual attendance during the tenure.

Note 2: Resigned on July 23, 2025, due to a heavy personal workload.

3. Audit Committee work focus:

The 2025 meeting items for the Audit Committee are as follows:

Dates and periods of the Audit Committee meetings	Discussion
March 10, 2025 4th meeting of the 4th Audit Committee	1. Proposal for 2024 annual consolidated business report, consolidated financial report. 2. Proposal for 2024 distribution of cash dividend. 3. Proposal for 2024 earnings distribution. 4. 2024 internal control policies effectiveness evaluation and declaration of internal control policies.
May 5, 2025 5th meeting of the 4th Audit Committee	Proposal for the Consolidated Financial Report for the first quarter of 2025.
August 11, 2025 6th meeting of the 4th Audit Committee	Proposal for the Consolidated Financial Report for the second quarter of 2025.
November 10, 2025 7th meeting of the 4th Audit Committee	1. Proposal for the Consolidated Financial Report for the third quarter of 2025. 2. Audit quality indicators (AQIs) evaluation report and remuneration proposal for CPAs. 3. Proposal for amendment of the “Procedures for Acquisition and Disposal of Assets”.

4. Other required information

- (1) For matters listed in Article 14-5 of the Securities and Exchange Act and other resolutions that have not been approved by the Audit Committee but

have been approved by more than two-thirds of all directors, the date, period, content of the discussion, the results of the resolution of the Audit Committee, and the Company's handling of the Audit Committee's opinion shall be described as following:

The Company's proposals and resolution results for the matters listed in Article 14-5 of the Securities and Exchange Act:

Board meeting dates and periods	Discussion	Results of Audit Committee resolutions	The Company's handling of the Audit Committee's opinion
March 10, 2025 5th meeting of the 6th Board of Directors	1. Proposal for 2024 annual consolidated business report, consolidated financial report. 2. Proposal for 2024 distribution of cash dividend. 3. Proposal for 2024 earnings distribution. 4. 2024 internal control policies effectiveness evaluation and declaration of internal control policies.	Approved with the entire committee members present voting in favor.	Approved with the entire Board members present voting in favor.
May 5, 2025 6th meeting of the 6th Board of Directors	Proposal for the Consolidated Financial Report for the first quarter of 2025.	Approved with the entire committee members present voting in favor.	Approved with the entire Board members present voting in favor.
August 11, 2025 7th meeting of the 6th Board of Directors	Proposal for the Consolidated Financial Report for the second quarter of 2025.	Approved with the entire committee members present voting in favor.	Approved with the entire Board members present voting in favor.
November 10, 2025 8th meeting of the 6th Board of Directors	1. Proposal for the Consolidated Financial Report for the third quarter of 2025. 2. Audit quality indicators (AQIs) evaluation report and remuneration proposal for CPAs. 3. Proposal for amendment of the "Procedures for Acquisition and Disposal of Assets".	Approved with the entire committee members present voting in favor.	Approved with the entire Board members present voting in favor.

- (2) Except the aforementioned issue, other issue not yet resolved in the Audit Committee but has been duly resolved by two-thirds majority of the total number of director seats: None. Handling of the opinions of the Audit Committee: None.
- (3) With respect to the avoidance of conflicting interest agendas, describe the names of independent directors, details of the relevant agendas, reasons for avoiding conflicting interest, and the voting decisions: None
- (4) Facts of communications by and between independent directors and internal audit supervisors as well as CPA(s) (should include issues regarding the Company's financial conditions, facts in business operation and such key issues, the method of communications and the outcome thereof):
 - A. Communication policy between independent directors, internal audit supervisors and CPA:
 - (A) The internal audit supervisor delivers audit reports and follow-up reports to the independent directors every month, and the independent directors request the internal audit supervisor to supplement information and convene meetings as needed.
 - (B) The internal audit supervisor attends the Audit Committee and the Board of Directors meetings on a regular basis, and reports the status of internal audit implementation to the independent directors.
 - (C) Independent directors hold communication meetings with the internal audit supervisor when necessary, at least twice a year, to exchange opinions on the operation and relevant improvement of internal control.
 - (D) The CPA attends the Audit Committee meeting at least twice a year to report and communicate to the independent directors on the impact of key audit matters, IFRSs amendments, or other laws and regulations.
 - B. Communication between independent directors and internal audit supervisors in 2025:

Date	Attendee	Matters	Results
May 5, 2025 Audit Committee	Independent Director Shu, Yeh Independent Director Wen-Chen, Huang Independent Director Chun-Chi, Yang Independent Director Chi-Yu, Yang Audit Supervisor	Implementation Report of internal audit work in the second quarter of 2025.	Approved without objection.

Date	Attendee	Matters	Results
	Sen-Xing, Lai (Video Attendance)		
November 10, 2025 Audit Committee	Independent Director Shu, Yeh Independent Director Wen-Chen, Huang Independent Director Chun-Chi, Yang Audit Supervisor Sen-Xing, Lai (Video Attendance)	1. 2026 audit plan. 2. 2025 audit implementation report. 3. 2025 statutory compliance report. 4. 2025 internal control self-evaluation. 5. Continuous education report for the Internal audit and agent 6. Subsidiary supervision - the internal audit process 7. Status of annual report.	Approved without objection.

C. Communication between independent directors and CPAs in 2025:

Date	Attendee	Matters	Results
May 5, 2025 Audit Committee	Independent Director Shu, Yeh Independent Director Wen-Chen, Huang Independent Director Chun-Chi, Yang Independent Director Chi-Yu, Yang CPA Keng-Hsi, Chang	The CPA described and explained the key audit matters of the consolidated financial report for the first half of 2025.	Approved without objection.
November 10, 2025 Audit Committee	Independent Director Shu, Yeh Independent Director Wen-Chen, Huang Independent Director Chun-Chi, Yang CPA Keng-Hsi, Chang	The CPA described and explained the audit plan and key audit matters of the consolidated financial report for the 2025, as well as the recent laws and regulations updates.	Approved without objection.

(III) Performance in corporate governance and the differential gap between corporate governance and Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the cause thereof

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
I. Will the Company based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies set up and disclose the Company's corporate governance best-practice principles?	✓		The Company has formulated the "Corporate Governance Best Practice Principles". The Corporate Governance Best Practice Principles adopted by the Company are as follows: 1. Protect the shareholders equity. 2. Strengthen the functions of the Board of Directors. 3. Exert the function of the Audit Committee. 4. Respect the rights and interests of stakeholders. 5. Improve information transparency.	The above is identical with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
II. Shareholding structure and shareholders' equity (I) Will the Company have the internal procedures regulated to handle shareholders' proposals, doubts, disputes, and litigation matters; also, have the procedures implemented accordingly? (II) Will the Company possess the list of the Company's major shareholders and the list of the ultimate controllers of the major shareholders? (III) Will the Company establish and implement the risk control and firewall mechanisms with the related parties? (IV) Will the Company set up internal norms to prohibit insiders from utilizing the undisclosed information to trade securities?	✓ ✓ ✓ ✓		(I) The Company has dedicated personnel to handle shareholders' suggestions, doubts, disputes and litigation matters, and the spokesperson is currently the dedicated personnel. (II) The Company maintains close relationship with major shareholders, and understands the changes in major shareholders and their ultimate controllers on record dates such as annual shareholder meetings and earnings distribution. (III) The Company has established relevant internal control policies in compliance with laws and regulations. (IV) The Company has established the "Procedures for Handling Material Inside Information" to regulate the Company's insiders, and the "Procedures for Ethical Management and Guidelines for Conduct" stipulates that "all personnel may not take advantage of undisclosed information of which they have learned to engage in insider trading". Thus, all employees are required to abide by the above-mentioned regulations to prevent insider trading.	The above is identical with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
III. The constitution and obligations of the board of directors (I) Does the board of directors formulate and implement diversity policies, specific management objectives?	✓		(I) The Company has formulated and implemented a Board diversity policy according to the "Procedures for Election of Directors" Diversification should be considered in the selection and overall composition of directors, and formulate a diversified policy based on the Company's operation, business model and development	The above is identical with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(II) Will the Company, in addition to setting the Remuneration Committee and Audit Committee lawfully, have other functional committee set up voluntarily?		✓	needs. The policy should include but not limited to the following two major aspects of the standard: I. Basic requirements: gender, age, nationality and culture shall be considered. II. Professional knowledge and skills: professional background (such as legal, accounting, industry, finance, marketing and technology), professional skills and industry experience, etc. Board members should generally have the knowledge, skills, and experience necessary to perform their duties, and the overall abilities should be as follows: I. Business judgment ability II. Accounting and financial analysis ability capabilities. III. Business management ability IV. Crisis management ability V. Knowledge of the industry VI. An international market perspective. VII. Leadership ability VIII. Decision making ability The Company's Board of Directors consists of 8 directors, including 5 general directors and 3 independent directors who have rich experience and expertise in finance, business and management. Please refer to pages 51-52 for the implementation of the diversity policy of the Board of Directors of and the specific management objectives. (II) The Company has set up the Remuneration Committee and the Audit Committee on June 23, 2015, and other various functional committees will be set up when necessary.	
(III) Does the Company establish a method to evaluate board performance and evaluate board performance every year? Are the performance evaluation results reported to the board and used as a reference for the remuneration and nomination for re-election of directors?	✓		(III) The Company approved a resolution of the Board of Directors on January 16, 2020 to formulate the "Rules for Performance Evaluation of Board of Directors" which stipulates that "the Company shall base its determination of an individual director's remuneration on the evaluation results of his or her performance." The Company regularly conducts performance evaluations in accordance with the regulations every year and submits the results to the Board of Directors before the end of the first quarter of the next year and apply them as a reference for individual directors' remuneration and nomination for re-election. The internal self-assessment of the 2025 performance evaluation for the Board of	

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies												
	Yes	No	Summary description													
(IV) Will the Company have the independence of the public accountant evaluated regularly?	✓		Directors and each functional committee was completed on November 10, 2025. The external evaluation by an independent institution was completed on March 3, 2026. The results of the 2025 Board performance evaluation were reported to the Board of Directors on March 9, 2026. For the results of the 2025 Board performance evaluation, please refer to pages 66–74. (IV) The Company regularly evaluates the audit quality indicators (AQIs) of the CPAs. The Audit Committee of the Company evaluates the independence and competency of the CPAs every year, and requires the CPAs and the affiliated joint accounting firms to provide independent assessment reports and statements issued by the CPAs, as well as the evaluation table of CPAs' audit quality indicators (AQIs). The latest evaluation was approved by the Audit Committee resolution on November 10, 2025, and was reported to the Board of Directors on November 10, 2025, to resolve and approve the audit quality indicators (AQIs) evaluation of CPAs. Refer to the audit quality indicators (AQIs) information to confirm the training hours of CPAs and auditors, the turnover rate of auditors, and the hours engaged by CPAs in audits (including auditing financial reports of publicly issued and non-publicly issued companies, or the main signature, counter-signing and auditing time involved) by CPAs and affiliated firms are either better than the industry average or equivalent to it. Evaluate programs of the audit quality indicators (AQIs) of CPAs <table><tr><th colspan="2">Assessment items</th></tr><tr><td>Aspect 1. Professional indicators</td><td>Audit experience, training hours, turnover, professional support.</td></tr><tr><td>Aspect 2. Audit quality indicators</td><td>Accountant load, audit engagement, the status of the engagement quality control review (EQCR), and quality control support capability.</td></tr><tr><td>Aspect 3. Independence</td><td>Non-audit services and being familiar with clients.</td></tr><tr><td>Aspect 4. Supervise</td><td>External inspection of deficiencies and penalties, and the competent authority will issue a letter for improvement.</td></tr><tr><td>Aspect 5. Innovation capability</td><td>Innovative plans or initiatives</td></tr></table>	Assessment items		Aspect 1. Professional indicators	Audit experience, training hours, turnover, professional support.	Aspect 2. Audit quality indicators	Accountant load, audit engagement, the status of the engagement quality control review (EQCR), and quality control support capability.	Aspect 3. Independence	Non-audit services and being familiar with clients.	Aspect 4. Supervise	External inspection of deficiencies and penalties, and the competent authority will issue a letter for improvement.	Aspect 5. Innovation capability	Innovative plans or initiatives	
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Aspect 4. Supervise	External inspection of deficiencies and penalties, and the competent authority will issue a letter for improvement.															
Aspect 5. Innovation capability	Innovative plans or initiatives															

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies																					
	Yes	No	Summary description																						
			The CPA firm selected by the Company has strict requirements on the CPA independence. For example, the CPA shall be rotated at least once every 5 years. When the CPA firm replaces the CPA due to internal organizational considerations, the professionalism, integrity and independence of the new CPA will be evaluated by the Company, and submits it to the Board of Directors for resolution. The Company’s CPA independent assessment items are as follows: <table> <tr> <th>Assessment items</th> <th>Assessment result</th> <th>Is it consistent with independence?</th> </tr> <tr> <td>1. Whether the CPA has not served as a director of the Company or an affiliated company.</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>2. Whether the CPA is not a shareholder of the Company or an affiliated company.</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>3. Whether the CPA is not paid by the Company or an affiliated company.</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>4. Whether the CPA has confirmed that the CPA firm to which he/she operates has complied with the relevant independence norms.</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>5. Whether a former partner within one year of disassociating from the CPA firm not joins the Company as a director, supervisor, or officer or is in a key position to exert significant influence over the auditing matter.</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>6. The CPA has never provided the Company with the audit</td> <td>Yes</td> <td>Yes</td> </tr> </table>	Assessment items	Assessment result	Is it consistent with independence?	1. Whether the CPA has not served as a director of the Company or an affiliated company.	Yes	Yes	2. Whether the CPA is not a shareholder of the Company or an affiliated company.	Yes	Yes	3. Whether the CPA is not paid by the Company or an affiliated company.	Yes	Yes	4. Whether the CPA has confirmed that the CPA firm to which he/she operates has complied with the relevant independence norms.	Yes	Yes	5. Whether a former partner within one year of disassociating from the CPA firm not joins the Company as a director, supervisor, or officer or is in a key position to exert significant influence over the auditing matter.	Yes	Yes	6. The CPA has never provided the Company with the audit	Yes	Yes	
Assessment items	Assessment result	Is it consistent with independence?																							
1. Whether the CPA has not served as a director of the Company or an affiliated company.	Yes	Yes																							
2. Whether the CPA is not a shareholder of the Company or an affiliated company.	Yes	Yes																							
3. Whether the CPA is not paid by the Company or an affiliated company.	Yes	Yes																							
4. Whether the CPA has confirmed that the CPA firm to which he/she operates has complied with the relevant independence norms.	Yes	Yes																							
5. Whether a former partner within one year of disassociating from the CPA firm not joins the Company as a director, supervisor, or officer or is in a key position to exert significant influence over the auditing matter.	Yes	Yes																							
6. The CPA has never provided the Company with the audit	Yes	Yes																							

Assessment items	Actual governance					Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description			
			service for consecutive 7 years. 7. Whether the CPA meets the requirements about independence referred to in the Statement of the Norm of Professional Ethics for Certified Public Accountant of the Republic of China No. 10. Yes Yes According to the Company’s evaluation, CPA Keng-Hsi, Chang and Meng-Kuei, Yu of Deloitte & Touche meet the independent evaluation standards and are qualified to serve as the Company’s CPA. The CPA firm selected by the Company has strict requirements on the CPA independence. For example, the CPA shall be rotated at least once every 5 years. When the CPA firm replaces the CPA due to internal organizational considerations, the professionalism, integrity and independence of the new CPA will be evaluated by the Company, and submits it to the Board of Directors for resolution.			
IV. Does a public company equip an appropriate number of eligible governance personnel and assign the governance officer to take charge of company’s governance affairs (including, without limitation, providing directors and supervisors with the data required for business operations, assistance for the legal compliance of directors and supervisors, handling affairs related to holding a board meeting or a general meeting of shareholders and producing minutes for board meetings and general meetings of shareholders)?	✓		The Company has set up a corporate governance unit, which consists of the following units: 1. Full-time unit: Secretariat of the Board of Directors. The account supervisor and spokesperson Jui-Ping, Wang is responsible for coordinating corporate governance related affairs. 2. Part-time unit: Financial department personnel are responsible for co-organizing corporate governance related affairs. The main responsibilities of the corporate governance unit are to provide the information required by the directors to perform their duties, and to handle matters related to the Board meetings and shareholders’ meeting in accordance with the regulations. The 2025 business execution is as follows: 1. The Company has consulted the opinions of all directors before the board meeting to arrange the agenda and notify all directors to attend the meeting and provide sufficient meeting materials seven days before the meeting, so that the directors can understand the content of the relevant issues and complete the minutes of the board meeting within 20 days after the meeting.			The above is identical with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies												
	Yes	No	Summary description													
			2. The date of the shareholders’ meeting is registered according to the legal deadline, prepared and the meeting notice, handbook and the meeting minutes are reported the before the deadline. In accordance with the Corporate Governance Best Practice Principles, independent directors assist in arranging communication meetings when necessary, to communicate with CPA and internal audit supervisors to understand the Company’s financial and business operations.													
V. Has the Company established a communication channel with the stakeholders (including but not limited to the shareholders, employees, customers, and suppliers), set up a stakeholder section on the Company’s website, and responded appropriately to the important corporate social responsibilities concerned by the stakeholders?	✓		The Company’s website (http://www.gemservices.com) has a dedicated page for stakeholder, and stakeholder can contact the Company at any time via telephone, letter, or email when necessary. <table><tr><th>Stakeholder</th><th>Issues</th><th>Communication channels and response methods</th><th>2025 stakeholder communication performance</th></tr><tr><td>Shareholders and investors</td><td>Financial information Stock information Business performance Dividend policy Corporate governance</td><td>Contact: Spokesperson/ Senior Manager Jui-Ping, Wang Contact number: (886)2-2248-0680 E-mail: IR@gemservices.com ◆ Annual General Meeting ◆ Regular announcement of financial statements and annual reports ◆ Hold Investor Conference ◆ Announcement of important information in accordance with the regulations of the competent authority ◆ Set up an investor contact and mailbox on the Company website</td><td>MOPS announced 16 major news. One investor conference was held in 2025. Respond to inquiries received from shareholders via phone on an ad hoc basis.</td></tr><tr><td>Customer</td><td>Business performance Product quality Customer service</td><td>Contact: Global Customer Management Department/ Senior Manager Shou-Chi, Liu Contact number: (886)2-2248-0680 E-mail: IR@gemservices.com ◆ Visit customers ◆ Email, phone communication</td><td>In 2025, the product yield rate reached the customer’s target, so there were no major customer complaints.</td></tr></table>	Stakeholder	Issues	Communication channels and response methods	2025 stakeholder communication performance	Shareholders and investors	Financial information Stock information Business performance Dividend policy Corporate governance	Contact: Spokesperson/ Senior Manager Jui-Ping, Wang Contact number: (886)2-2248-0680 E-mail: IR@gemservices.com ◆ Annual General Meeting ◆ Regular announcement of financial statements and annual reports ◆ Hold Investor Conference ◆ Announcement of important information in accordance with the regulations of the competent authority ◆ Set up an investor contact and mailbox on the Company website	MOPS announced 16 major news. One investor conference was held in 2025. Respond to inquiries received from shareholders via phone on an ad hoc basis.	Customer	Business performance Product quality Customer service	Contact: Global Customer Management Department/ Senior Manager Shou-Chi, Liu Contact number: (886)2-2248-0680 E-mail: IR@gemservices.com ◆ Visit customers ◆ Email, phone communication	In 2025, the product yield rate reached the customer’s target, so there were no major customer complaints.	The above is identical with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
Stakeholder	Issues	Communication channels and response methods	2025 stakeholder communication performance													
Shareholders and investors	Financial information Stock information Business performance Dividend policy Corporate governance	Contact: Spokesperson/ Senior Manager Jui-Ping, Wang Contact number: (886)2-2248-0680 E-mail: IR@gemservices.com ◆ Annual General Meeting ◆ Regular announcement of financial statements and annual reports ◆ Hold Investor Conference ◆ Announcement of important information in accordance with the regulations of the competent authority ◆ Set up an investor contact and mailbox on the Company website	MOPS announced 16 major news. One investor conference was held in 2025. Respond to inquiries received from shareholders via phone on an ad hoc basis.													
Customer	Business performance Product quality Customer service	Contact: Global Customer Management Department/ Senior Manager Shou-Chi, Liu Contact number: (886)2-2248-0680 E-mail: IR@gemservices.com ◆ Visit customers ◆ Email, phone communication	In 2025, the product yield rate reached the customer’s target, so there were no major customer complaints.													

Assessment items	Actual governance					Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies	
	Yes	No	Summary description				
			Supplier	Business performance Long-term business strategy Long-term collaboration model	Contact: Materials Management Department/Senior Manager Heng-Yu, Liu Contact number: (886)2-2248-0680 E-mail: IR@gemservices.com ◆ Email, phone communication	In 2025, the supplier management evaluates the delivery time and quality of each manufacturer at the end of each quarter.	
VI. Has the Company commissioned a professional stock service agent to handle shareholders affairs?	✓		The Company mandates Registrar & Transfer Agency Department Yuanta Securities Co., Ltd. to be the Company’s shareholder services agent.			The above is identical with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.	
VII. Disclosure of information (I) Does the Company have a website setup and the financial business and corporate governance information disclosed? (II) Has the Company adopted other information disclosure methods (such as, establishing an English website, designating a responsible person for collecting and disclosing information of the Company, substantiating the spokesman system, placing the investor conference on the Company’s website, etc.)? (III) Does the Company announce and report its financial statements within two months after the end of a fiscal year, and publish and declare in advance the financial statements of Q1, Q2 and Q3 as well as status of monthly operations?	✓ ✓	 ✓	(I) The Company has Chinese and English websites (http://www.gemservices.com), which regularly disclose information related to the Company’s finances, business and corporate governance. (II) The Company has set up spokespersons and acting spokespersons as a channel for information collection, disclosure, and external communication, and holds investor conferences from time to time to improve the information transparency. The investor page/ investor conference of the Company’s website (http://www.gemservices.com) and the MOPS website are available for the investors as reference. (III) The Company has not announced and reported its financial statements within two months after the end of a fiscal year, but has published and declared in advance the financial statements of Q1, Q2 and Q3 as well as status of monthly operations. Please visit the MOPS for more detail (https://mops.twse.com.tw/).			The above is identical with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.	
VIII.Are there any other important information (including but not limited to the interests of employees, employee care, investor relations, supplier relations, the rights of stakeholders, the advanced study of directors and supervisors, the implementation of risk management policies and risk measurement standards, the execution of customer policy, the purchase of liability insurance for the Company’s directors and	✓		1. Employee rights and employee care: Please refer to the description of labor-management relations in the business overview of this annual report. 2. Investor relations: The Company has set up a spokesperson and a spokesperson mailbox to handle shareholder suggestions. 3. Supplier relationship: The contract signed by the Company and the supplier includes compliance with the ethical management policy. If			The above is identical with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.	

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
supervisors) that are helpful in understanding the corporate governance operation of the Company?			the counterparty of the transaction is involved in unethical conduct, the contract may be terminated or rescinded at any time. 4. Rights of Stakeholders: Stakeholders may communicate with the Company in various ways to protect their rights. 5. Continuous education for directors and supervisors: The Company notifies directors from time to time to participate in relevant professional knowledge continuous education courses. In 2025, the Company has complied with the training hours and training scope stipulated in the “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies”. 6. Implementation of risk management policies and risk measurement standards: The Company has established internal control policies and related management measures, and implements them accordingly. 7. Implementation of customer policy: The Company maintains a stable and good relationship with customers for its profitability. From December 1, 2024, we purchased product liability insurance to protect customer rights and mitigate the Company's liability risks. 8. Purchases of liability insurance for directors and supervisors: The Company has purchased liability insurance for all directors for the scope of their business.	
IX. Please describe the improvement performed according to the corporate governance evaluation results published by the Governance Center of Taiwan Stock Exchange in recent years, and propose the matters with priority for improvement and the respective measures and Corporate: (Companies not in the evaluation are not included):				
Item no. and evaluation indicator			Improvement description	
2.24 Has the Company established an ICT security risk management framework, formulated ICT security policies and specific management plans, and allocated resources for ICT security management, and are these disclosed on the Company’s website or in the annual report?			The Company has disclosed the items listed below on the Company’s website or in the annual report.	
4.12 Does the company formulate, water reduction or other waste management policies, including reduction goals, promotion measures and achievement status?			The Company has disclosed the items listed below in its annual report or sustainability report.	
For corporate governance evaluation results released in the latest year that have not been improved, the priority matters and measures to be strengthened are as follows:				
Indicator	Item no. and evaluation indicator		Priorities and measures for strengthening improvement	
Strengthen the structure and operation of the Board of Directors	2.14	Has the Company established a Nomination Committee consisting of no fewer than three members, with more than half of the members being independent directors and one independent director serving as the convener and meeting chair? Are its composition, responsibilities, and operational status disclosed?	The Company will continue to evaluate and add functional committees other than statutory ones according to the needs of the Company.	

Assessment items			Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
			Yes	No	Summary description	
Improve information transparency	3.14	Does the Company's annual report disclose the link between the performance evaluation and remuneration of directors and managers?			The Company will continue to conduct evaluations and formulate relevant measures.	
Promoting sustainable development	4.1	Has the Company established a designated (part-time) unit to promote corporate sustainable development that, following the principle of materiality, conducted risk assessment on environmental, social, or corporate governance issues related to the Company’s operations, and formulated relevant risk management policies or strategies, and did the Board of Directors oversee the promotion of sustainable development, and did it disclose the same on the Company’s website and in its annual report?			The Company will continue to evaluate and comply with the regulations of the competent authority and the need of the Company.	
	4.7	Does the Company upload an English version of its sustainability report to the MOPS and its official website?				
	4.18	Does the Company disclose information on the governance, strategy, risk management, indicators, and targets related to climate-related risks and opportunities in accordance with the framework of the Task Force on Climate-related Financial Disclosures (TCFD)?				
	4.26	Has the Company formulated greenhouse gas reduction management policies, including reduction goals, promotion measures, and achievement status?				
	4.32	Has the Company formulated a personal data protection policy and disclosed its content and implementation status?				

(IV) If the Company has set up a Remuneration Committee, it should disclose its composition and operation

1. Composition of the Remuneration Committee

- (1) The Remuneration Committee consists of all independent directors serving as members, totaling 3 members.
- (2) The term of office of the 4th Remuneration Committee: May 27, 2024 to May 26, 2027.
- (3) Information on the members of the Remuneration Committee

December 31, 2025

Qualification Identity Name		Professional qualification and experience	Compliance of independence	Number of other public companies where the members are also the members of the remuneration committee of these companies.
Independent Director (Convener)	Shu, Yeh	Shu, Yeh is currently a director of the Company and he joined the Board on June 19, 2018. Mr. Yeh taught at National Taiwan University and was a professor of the department of accounting. He served as the CFO & SEVP of Chunghwa Telecom Co., Ltd. and possesses accounting and financial expertise. Mr. Yeh holds a Ph.D. in accounting from UCLA.	1. Not employed by the Company or any of its affiliated companies. 2. Not a director, supervisor of the Company or any of its affiliated companies. 3. Does not hold more than 1% of the Company's outstanding shares in his/her own name or under the name of spouse, underage children, or any other person; nor is any party listed herein one of the ten largest natural person shareholders of the Company.	None.
Independent Director Member	Wen-Chen, Huang	Wen-Chen, Huang is currently a director of the Company and he joined the Board on June 19, 2018. Mr. Huang was the Chairman of Heli Investment Co., Ltd., and has served as a director of many listed and emerging companies. Before that, he was the vice president of the CID Group Ltd., senior manager of CDIB & Partners Investment Holding Corporation, and assistant manager of China Development Financial Holding	4. A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under (1) or any of the persons stated in (2) and (3).	None.

Qualification		Professional qualification and experience	Compliance of independence	Number of other public companies where the members are also the members of the remuneration committee of these companies.
Identity	Name			
		Corp. He possesses business judgment, rich industry experience and is familiar with the international market. Mr. Huang holds a MBA degree from NCCU MBA Program.	5. Not a director, supervisor or employee of an institutional shareholder directly holding more than 5% of the outstanding shares issued by the Company, or a director, supervisor or employee of an institutional shareholder who is among the top 5 shareholders, or a representative of an institutional shareholders appointed as the director or supervisor of the Company according to Paragraph 1 or 2, Article 27 of the Company Act.	2
Independent Director Member	Chun-Chi, Yang	Chun-Chi, Yang is currently a director of the Company and she joined the Board on May 27, 2024. Ms. Yang serves as a Professor in the Department of Business Administration at Fu Jen Catholic University, previously as Director of the Center for Sustainable Development and Management. Specializes in strategic human resource management, corporate sustainable development, and organizational reforms and development. Holds a Ph.D. from the Institute of Business and Management, National Taiwan University. No circumstances listed under Article 30 of the Company Act.	6. Not a director, supervisor or employee of a company controlling over one half of the Company director seats or voting shares under one person. 7. Not a director, supervisor, or employee of a company or institution whose chairperson and president or equivalent role is same person or its spouse.	
Independent Director Member	Chi-Yu, Yang (Note)	Chi-Yu, Yang joined the Board on May 27, 2024. Current Director and CFO of LandMark Optoelectronics Corporation, with prior directorships at TWSE/TPEX-listed companies, specializing in accounting and finance. No circumstances listed under Article 30 of the Company Act. Mr. Yang holds a master's degree in Financial Management from National Chengchi University.	8. A director, supervisor, managerial officer, or shareholder holding 5% or more of the shares, of a specified company or institution that has a financial or business relationship with the	1

Qualification		Professional qualification and experience	Compliance of independence	Number of other public companies where the members are also the members of the remuneration committee of these companies.
Identity	Name			
			Company. 9. Not a professional or owner, partner, director, supervisor, managerial officer or the spouse of these roles of a sole proprietorship, partnership, company or institution that audits or provides related business, legal, financial, accounting services or consultation with service fees accumulating above NT\$500,000 over the last two years for the Company or its affiliates; except for members of the Remuneration Committee, public tender offer review committee or special committee for merger/consolidation and acquisition exercising powers according to the Securities and Exchange Act or the Business Mergers and Acquisitions Act or related laws or regulations. 10. No spouse or a relative within the second degree of kinship with other directors. 11. Does not meet any descriptions stated in Article 30 of the Company Act. 12. There is no government agency or a juristic	

Identity	Qualification	Professional qualification and experience	Compliance of independence	Number of other public companies where the members are also the members of the remuneration committee of these companies.
	Name			
			person acts as a shareholder of the Company elected stipulated in Article 27 of the Company Act.	

Note: Resigned on July 23, 2025, due to a heavy personal workload.

2. Responsibility of Remuneration Committee

The Remuneration Committee exercise the care of a good administrator in faithfully performing the official powers listed below, and shall submit its recommendations for deliberation by the Board of Directors:

- (1) Prescribe and periodically review the performance review and remuneration policy, system, standards, and structure for directors and managerial officers.
- (2) Periodically evaluate and prescribe the remuneration of directors, and managerial officers.

The Remuneration Committee shall be convened meeting at least twice a year, held at any time as needed.

3. Information on the operation of the Remuneration Committee:

The Remuneration Committee convened 2 meetings (A) in 2025 and the participation of the Remuneration Committee are shown below:

Title	Name	Actual attendance (B)	Proxy attendance	Actual attendance (%) (B/A) (Note 1)	Remark
Convener	Shu, Yeh	2	0	100%	
Member	Wen-Chen, Huang	2	0	100%	
Member	Chun-Chi, Yang	2	0	100%	
Member	Chi-Yu, Yang	2	0	100%	Note 2

Note 1: The actual attendance rate (%) is calculated based on the number of Remuneration Committee meetings and the number of actual attendance during the tenure.

Note 2: Resigned on July 23, 2025, due to a heavy personal workload.

4. 2025 Annual Remuneration Committee Meeting Proposals:

Meeting date (period)	Discussion	Resolution	Handling of the opinions of the Remuneration Committee
March 10, 2025 3rd meeting of the 4th Audit Committee	1. 2024 Director Compensation Distribution Proposal in accordance with Article 34.1 of Article of Association. 2. Proposal for managers' salary adjustment.	Approved with the entire committee members present voting in favor.	Proposed to the Board of Directors for approval by all directors present.
May 5, 2025 4th meeting of the 4th Audit Committee	1. Proposal for the 2024 Manager's Remuneration Distribution. 2. Proposal for the 2024 Directors' Remuneration Distribution.	Approved with the entire committee members present voting in favor.	Proposed to the Board of Directors for approval by all directors present.

5. Other required information

- (1) Where the board of directors does not adopt or amend the proposal(s) posed by the Remuneration Committee: The Company shall expressly elaborate on the date, term while the board of directors meeting was convened, contents of the issues, outcome of decisions resolved in the board of directors and the Company's response to the opinions posed by the Remuneration Committee (For instance, if the salary pay resolved by the board of directors is higher than that proposed by the Remuneration Committee, the Company should elaborate on the fact of differential gap and the cause thereof): None.
- (2) Where a decision resolved in the Remuneration Committee is found in contravention of rules or in qualified opinion as verified with records or documented declaration, the Company shall expressly elaborate on the date, terms of the meeting convened by the Remuneration Committee, contents of agenda, opinions of all members and acts taken in response to such opinions: None.

(V) Implementation of the promotion of sustainable development and the deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

Promotion items	Performance			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
I. Does the Company have a specific (or part-time) unit set up to promote the sustainable development governance framework, and the Board of Directors authorizing the management to handle matters and report the supervision results to the Board of Directors?	✓		(I) The Company's Secretariat of the Board of Directors is a part-time unit to promote sustainable development. The promotion unit is composed of GEM Electronics (Shanghai) and GEM Electronics (Hefei). The Board of Directors supervises and guides the sustainable development discussion on environment, social and corporate governance. The Company has established the "Sustainable Development Best Practice Principles," which has been approved by the Board of Directors as the highest principle for promoting sustainable development. With a top-down implementation strategy adopted, the Board of Directors serves as the highest decision-making body, regularly reviewing progress. The Board of Directors is the highest-level sustainability management organization within the Company. The Chairman serves as the top officer and directs the Office of Secretariat to regularly report the status and results of sustainability projects to the Board of Directors. The Office of Secretariat also assists in collecting international trends in sustainable development and understanding stakeholders' expectations to identify key topics, and then forwarding them to relevant responsible units for implementation. (II) Supervisory of the Board of Directors: The greenhouse gas inventory and verification work group regularly provides implementation status and plans to the secretariat of the Board of Directors. The Board of Directors'	No significant difference

Promotion items	Performance			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			Office of Secretariat regularly reports the results of greenhouse gas inventory and verification to the Board of Directors. Other promotion groups regularly provide relevant information such as implementation status or certifications obtained to the secretariat of the Board of Directors. Each promotion group is based on the division of labor and responsibilities, and is handled by each organizer in accordance with its authority. Key significant events communicated with the highest governance unit in 2025 included implementation of net-zero emissions tasks for sustainable development (quarterly), implementation status of the Procedures for Ethical Management and Guidelines for Conduct, results of the Board of Directors' performance evaluation, the independent directors' qualification review results, directors' and supervisors' liability insurance coverage status, sustainable development achievements, and implementation status of sustainable development goals (including stakeholder engagement), totaling 11 cases. (III) The secretariat of the Board of Directors is responsible for the following matters: 1. Status follow up on various promotional plans. 2. Collect the implementation results of each promotion plan. For the relevant governance on the promotion group members, please refer to page 115 of this annual report.	

Promotion items	Performance			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
II. Does the Company assess the risk of environmental, social, and governance (ESG) issues in relation to corporate operations based on the materiality principles and establish policies or strategies in relation to risk management?	✓		The Company has formulated the “Sustainable Development Best Practice Principles” to implement corporate governance, promote the sustainable environment development, and protect social welfare. The Company has also formulated the “Procedures for Handling Material Inside Information” and “Procedures for Ethical Management and Guidelines for Conduct” for the implementation of risk management policies. The risk assessment boundary is based on the Company, including existing bases in Taiwan and Mainland China. It is also based on the relevance to the operation of the industry and the degree of influence on significant matters where the subsidiaries GEM Electronics (Shanghai) Co., Ltd., GEM Electronics (Hefei) Co., Ltd., and GEM Tech Ltd., Taiwan Branch were included in the scope. For risk assessment on environment, social and corporate governance, please refer to pages 116-118 of this annual report.	No significant difference
III. Environmental issues (I) Does the Company have an appropriate environmental management system established in accordance with its industrial characteristics?	✓		(I) The Company upholds the spirit of corporate environmental protection, complies with all environmental laws and regulations (such as the Air Pollution Control Act, the Water Pollution Control Act, and the Waste Disposal Act), and has formulated relevant management measures. Each factory promotes the implementation of ISO 14001 activities. The environmental management systems implemented in 2025 mainly include the following aspects: Water Resource Management: Shanghai Factory executed "Water Saving/Water Recycling Reuse Plans". Wastewater generated from wafer cutting machines and electroplating hot	No significant difference

Promotion items	Performance			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(II) Is the Company committed to enhancing the power efficiency and using renewable materials that are with low impact on the environmental impacts?	✓		water rinsing was recycled via a water reclamation system. The recycling efficiency reached 25% in 2025, with a total annual reclaimed water volume of 32,361 tons. Hefei Factory executed approximately 20 water-saving measures, such as increasing the utilization rate of cooling tower return water, achieving a total annual water-saving performance of 52,821 tons in 2025. Waste management: We implemented waste classification and waste management to reduce the generation of waste softening liquid, sludge, and other waste. In 2025, the total volume of hazardous waste was reduced by over 20% compared to 2024. All factories of the Company have obtained ISO14001: 2015 environmental management system certification. The latest certificate of Shanghai factory is valid from August 17, 2023 to August 16, 2026. The latest certificate of Hefei factory is valid from March 11, 2024 to March 10, 2027. Since 2023, the Company has conducted greenhouse gas inventory in accordance with the ISO14064-1 standard, followed up on the emission reduction effect, and disclosed it accordingly.	
			(II) The Company continues to promote energy reduction and efficiency improvement measures. The energy management plan covers the selection of high-energy-efficiency equipment, process energy-saving improvements, the adoption of renewable energy, energy-saving performance evaluation, and employee training to raise	

Promotion items	Performance			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(III) Does the Company assess the present and future potential risks and opportunities of climate change on the	✓		awareness of energy efficiency, thereby reducing energy consumption in business operations and products and improving overall energy efficiency. By installing rooftop solar power generation systems and replacing energy-consuming equipment, the Company's renewable energy utilization rate increased from 1.21% in 2024 to 5.27% in 2025. The raw materials used by the Company are all in compliance with the European Union's RoHS Directive, and halogen-free restrictions. We have established an integrated system for resource recycling across different platforms on the local government website. It can track material recycling and reuse. It enables us to reduce the burden on the environment through production method optimization, waste reduction, raw material recycling and reuse, and packaging material recycling and sharing. In terms of green manufacturing, we reduce unnecessary waste of resources and seek to develop waste reduction and reuse technologies; in the upstream and downstream of the value chain, we work together to recycle and share packaging materials; in terms of products, we strive to test using recycled materials with low impact on the environment, maximizing circular economic benefits. Create circular value through process raw material recycling, waste reduction technology research and development, and the design and sale of circular products. (III) We have incorporated greenhouse gas reduction issues into our risk management process to continue to assess the potential risks and	

Promotion items	Performance			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
Company and take actions to related? (IV) Did the Company produce statistics on the GHG emissions, water consumption, and total waste in the last two years? Has the Company established policies for GHG reduction, water conservation, and waste management?	✓		opportunities from climate change for the Company, and proactively implement energy conservation and carbon reduction, greenhouse gas reduction, water saving, and other waste management projects. The Company has completed the greenhouse gas inventory in 2024 and 2025 in accordance with the ISO14064-1 standard, followed up on the emission reduction effect, and disclosed it accordingly. In 2025 and 2026, it will conduct a third-party verification. For information regarding the assessment of potential risks and opportunities posed by climate change to the Company's current and future operations, please refer to pages 119–128 of this annual report. (IV) The Company pays attention to the impact of climate change on our operating activities and has established an energy management unit to reduce the impact of our operating activities on climate change. GEM Electronics (Shanghai) Co., Ltd., GEM Electronics (Hefei) Co., Ltd., and GEM Tech Ltd., Taiwan Branch verified the greenhouse gases generated within their operational boundaries from January 1 to December 31, 2025. On March 12, 2026, the Greenhouse Gas Verification Opinion Declaration Certificate from DNV Business Assurance China was obtained, with certificate number 00006-2026-GHG-RGC.	

Promotion items	Performance			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies																																																												
	Yes	No	Summary description																																																													
			Group consolidation: Unit: tCO2 <table><tr><td>Greenhouse gases</td><td>2024</td><td>2025</td></tr><tr><td>Scope 1</td><td>309.7513</td><td>188.9967</td></tr><tr><td>Scope 2</td><td>32,442.9887</td><td>32,199.7303</td></tr><tr><td>Scope 3</td><td>3,019.3510</td><td>4,260.4738</td></tr><tr><td>Unit product emissions / NT\$ million revenue</td><td>7.6591</td><td>6.8813</td></tr></table> Shanghai factory: Unit: tCO2 <table><tr><td>Greenhouse gases</td><td>2024</td><td>2025</td></tr><tr><td>Scope 1</td><td>157.0312</td><td>140.7910</td></tr><tr><td>Scope 2</td><td>20,253.8237</td><td>19,875.7559</td></tr><tr><td>Scope 3</td><td>1,094.9542</td><td>1,787.2824</td></tr></table> Hefei factory: Unit: tCO2 <table><tr><td>Greenhouse gases</td><td>2024</td><td>2025</td></tr><tr><td>Scope 1</td><td>149.3061</td><td>43.9346</td></tr><tr><td>Scope 2</td><td>12,189.1650</td><td>12,323.9744</td></tr><tr><td>Scope 3</td><td>1,892.7469</td><td>2,454.7579</td></tr></table> Taiwan Branch: Unit: tCO2 <table><tr><td>Greenhouse gases</td><td>2024</td><td>2025</td></tr><tr><td>Scope 1</td><td>3.4139</td><td>4.2711</td></tr><tr><td>Scope 2</td><td>0</td><td>0</td></tr><tr><td>Scope 3</td><td>31.6499</td><td>18.4335</td></tr></table> Group consolidation: Unit: Metric ton <table><tr><td>Water consumption</td><td>2024</td><td>2025</td></tr><tr><td>Total water consumption (Shanghai factory)</td><td>121,562</td><td>142,655</td></tr><tr><td>Total water consumption (Hefei factory)</td><td>124,176</td><td>117,022</td></tr></table>	Greenhouse gases	2024	2025	Scope 1	309.7513	188.9967	Scope 2	32,442.9887	32,199.7303	Scope 3	3,019.3510	4,260.4738	Unit product emissions / NT\$ million revenue	7.6591	6.8813	Greenhouse gases	2024	2025	Scope 1	157.0312	140.7910	Scope 2	20,253.8237	19,875.7559	Scope 3	1,094.9542	1,787.2824	Greenhouse gases	2024	2025	Scope 1	149.3061	43.9346	Scope 2	12,189.1650	12,323.9744	Scope 3	1,892.7469	2,454.7579	Greenhouse gases	2024	2025	Scope 1	3.4139	4.2711	Scope 2	0	0	Scope 3	31.6499	18.4335	Water consumption	2024	2025	Total water consumption (Shanghai factory)	121,562	142,655	Total water consumption (Hefei factory)	124,176	117,022	
Greenhouse gases	2024	2025																																																														
Scope 1	309.7513	188.9967																																																														
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Scope 1	3.4139	4.2711																																																														
Scope 2	0	0																																																														
Scope 3	31.6499	18.4335																																																														
Water consumption	2024	2025																																																														
Total water consumption (Shanghai factory)	121,562	142,655																																																														
Total water consumption (Hefei factory)	124,176	117,022																																																														

Promotion items	Performance			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies																									
	Yes	No	Summary description																										
			<table><tr><td>Total water consumption</td><td>245,738</td><td>259,677</td></tr><tr><td>Water use intensity</td><td>52.6145</td><td>48.7573</td></tr></table> Water intensity = Total water consumption / NT\$ million revenue Unit: Metric ton <table><tr><td>Waste</td><td>2024</td><td>2025</td></tr><tr><td>Hazardous waste (Shanghai factory)</td><td>84.450</td><td>91.042</td></tr><tr><td>Hazardous waste (Hefei factory)</td><td>144.693</td><td>86.275</td></tr><tr><td>Non-hazardous waste (Shanghai factory)</td><td>975.083</td><td>1,037.0845</td></tr><tr><td>Non-hazardous waste (Hefei factory)</td><td>517.637</td><td>739.2497</td></tr><tr><td>Waste intensity</td><td>0.369</td><td>0.367</td></tr></table> Waste intensity = Hazardous waste volume / NT\$ million revenue As shown above, the Company's unit product carbon emissions, water use intensity, and waste intensity decreased in 2025 compared to 2024. The Company will continue to take relevant measures and be committed to energy conservation, carbon reduction, and waste reduction, including: Greenhouse gas emissions: Major emission reduction measures include investing in various energy-saving projects, such as photovoltaic power generation and waste heat recovery; implementing a product lifecycle concept in material design and selection, sourcing from local suppliers, and the 4R strategy; and	Total water consumption	245,738	259,677	Water use intensity	52.6145	48.7573	Waste	2024	2025	Hazardous waste (Shanghai factory)	84.450	91.042	Hazardous waste (Hefei factory)	144.693	86.275	Non-hazardous waste (Shanghai factory)	975.083	1,037.0845	Non-hazardous waste (Hefei factory)	517.637	739.2497	Waste intensity	0.369	0.367		
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Promotion items	Performance			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			promoting energy-saving production and green transportation. Water conservation plan: Starting with the comprehensive implementation of water conservation in daily lives, maximizing the efficiency of usable water resources, and investing in various improvement measures, including introducing a reclaimed water system for wastewater, using recycled water for process water, and fully adopting water-saving equipment to increase water production. Waste management: “Zero waste” is the ultimate goal of waste management. Our strategies are focused on reducing total waste and promoting waste resource recovery. Through source management measures, such as process technology improvements and raw material reduction, waste output is minimized, achieving waste reduction and enhancing utilization rates.	
IV. Social issues (I) Does the Company have the relevant management policies and procedures stipulated in accordance with the relevant laws and regulations and international conventions on human rights?	✓		(I) The Company complies with relevant laws and regulations such as the Labor Standards Act, Labor Contract Law, Employment Service Act and Act of Gender Equality in Employment, and recognizes and follows the “United Nations Universal Declaration of Human Rights”, “United Nations Guiding Principles on Business and Human Rights”, “United Nations International Labor Organization ” and other recognized international human rights principles, as well as respects the protection stipulated in international human rights bills. We have established the RBA-2001RBA System Control Program in accordance with the Responsible Business Alliance (RBA) Code of Conduct. We	No significant difference

Promotion items	Performance			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(II) Has the Company established and implemented reasonable employee welfare measures (including remuneration, leave, and other benefits) and appropriately reflected business performance and achievements in the remuneration for employees?	✓		strive to raise employees' awareness of the Company's internal rules and provide complaint channels to protect their rights and interest as we firmly believe that every and each member of the Company should be treated fairly and respected. There has never been any child labor or forced labor and human rights violations. (II) Employee remuneration: The employee remuneration policy is determined based on personal ability, contribution to the Company, performance, professional competitiveness and consideration of the Company's operation results. Article 34.1 of the Articles of Association stipulates that if the Company makes profits in the fiscal year, it shall distribute employee compensation at 5% to 10% of the profit in the fiscal year. Employee compensation will be distributed in stock or cash in accordance with the employee incentive plan stipulated in Article 11.1 of the Articles of Association. The recipients of employee remuneration may include employees of affiliated companies who meet certain conditions. Employee benefits: The Company's Shanghai and Hefei factories have employee canteens, transportation vehicles and employee dormitories. The Company provides various high-quality benefits for employees, such as allowances for production line employees who have obtained professional certificates, housing allowances for non-local employees, regular employee meal subsidies, birthday gift certificates, marriage allowances, maternity allowances,	

Promotion items	Performance			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			funeral allowances, and regular health checks. The Shanghai factory and the Hefei factory's employees are entitled to annual paid leave according to law. Besides a fixed five-day work week, the employees of the Taiwan company receive four days of paid leave every year who have worked for one year (those who have not completed one year will be given pro rata leave) in addition to the special leave given according to the seniority stipulated in the Labor Standards Act. Achieving equal pay for equal work for both genders, with business performance reflected in employee compensation: The Company adjusts the salary every year according to the market salary level and individual performance to maintain the salary competitiveness. The average salary adjustment in 2025 was 2.98%. [Workplace diversity and equality] The Company is committed to providing employees with a dignified and safe work environment. We ensure diversity in employment, fairness in compensation and promotion opportunities, and make sure that employees are not subject to discrimination, harassment, or unequal treatment based on race, gender, sexual orientation, religion, age, political affiliation, place of origin, disability, or any other status protected by applicable laws. We develop job openings suitable for individuals with disabilities. As of the end of 2025 and 2024, we employed 16 individuals with disabilities and provided individualized reasonable	

Promotion items	Performance			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies																				
	Yes	No	Summary description																					
(III) Does the Company provide employees with a safe and healthy work environment, and provide safety and health education to employees regularly?	✓		accommodations, such as adjusting working hours and job content, to eliminate work barriers and assist them in stable employment. [Female diversity indicators] <table><tr><th>Indicator</th><th>%</th></tr><tr><td>Female employees as % of total</td><td>47.87</td></tr></table> [Other diversity indicators] <table><tr><th colspan="2">Category</th><th>% of all employees</th></tr><tr><td colspan="2">Persons with disabilities</td><td>0.88</td></tr><tr><td rowspan="2">All employees</td><td>< 30 years old</td><td>18.93</td></tr><tr><td>Age 30-50</td><td>74.62</td></tr><tr><td>Age group</td><td>>50 years old</td><td>6.45</td></tr><tr><td colspan="2">Total</td><td>100.00</td></tr></table> (III) The Company’s safety management policy follows the following safety management guidelines: Safety first: establish a safe and harmonious working environment to protect the physical and mental health of employees; prevention first: comply with the laws and regulations, eliminate violations, and prevent injuries and health damages; participate in consultation: safe is the responsibility for everyone in production and it is ensured with civilized , smooth and good internal and external communication mechanism; continuous improvement: improve the work environment and attitude, and continuously enhance the corporate culture. In 2025, 5 occupational accidents occurred, accounting for 0.27% of the total number of employees at the end of the year: 2 at the Shanghai Factory and 3 at the Hefei Factory. These mainly occurred during walking, climbing stairs, equipment adjustment,	Indicator	%	Female employees as % of total	47.87	Category		% of all employees	Persons with disabilities		0.88	All employees	< 30 years old	18.93	Age 30-50	74.62	Age group	>50 years old	6.45	Total		100.00
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Promotion items	Performance			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies						
	Yes	No	Summary description							
			and cart operation, resulting in minor injuries such as fractures due to falls, slips, or equipment operation obstructions. The affected personnel were promptly sent to hospitals for treatment. The Company is committed to ensuring the safety and health of employees, and is striving to achieve zero work-related injuries. After a thorough review of the improvement measures, the Company immediately upgraded the equipment software, installed anti-collision strips on equipment, and reiterated the Company's safety and protection of life clauses to ensure the safety of our employees at work. To protect workers from harmful substances in the workplace and provide them with a healthy and comfortable work environment, the Company performs monitoring tests of the work environment once per year to gradually understand workers' exposure to relevant risks. Occupational safety auditing: The Company's EHS Department is responsible for implementing an occupational safety work plan. The task force performs audits as planned and prepares an improvement report on issues identified for each unit to make improvements, and reviews the defects at relevant meetings based on the improvement suggestions. The Shanghai factory's occupational safety auditing: <table><tr><td>Standardized safety combined inspection</td><td>At least once per year</td></tr><tr><td>Professional safety inspection</td><td>At least once per quarter</td></tr><tr><td>Management monthly inspection</td><td>At least once per month</td></tr></table>	Standardized safety combined inspection	At least once per year	Professional safety inspection	At least once per quarter	Management monthly inspection	At least once per month	
Standardized safety combined inspection	At least once per year									
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Management monthly inspection	At least once per month									

Promotion items	Performance			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(IV) Does the Company have an effective career capacity development training program established for the employees?	✓		Team inspection	3 times per shift (before, during, after shift)
			Security Team's patrol	3 times per shift
			Unscheduled or construction site inspection	Depending on risks and construction situation
			The Hefei factory's occupational safety auditing:	
			Safety and Environment Team	Once per week
			Joint patrol by safety management personnel of each department	Once per month
			Patrol team led by management	Twice per week
			Security team's patrol	Fixed-point patrol four times per day
			Inspection led by factory director	Total of 4 times per year, once per quarter on average
			Unscheduled or construction site inspection	Depending on risks and construction situation
			The Company's verification status: The Company's Shanghai factory and Hefei factory have passed ISO45001 verification and the local government's safety production verification. The latest certificate of Shanghai factory is valid from July 21, 2023 to July 20, 2026. The latest certificate of Hefei factory is valid from April 3, 2024 to April 2, 2027. In 2025, there were no fires or casualties in the Company's Shanghai and Hefei factories.	
			(IV) The Company establishes education and training plans every year according to the needs of the employees in each department, including new employee training and professional continuous	

Promotion items	Performance			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies						
	Yes	No	Summary description							
			education (annual continuous education for auditors, accountants and safety production administrators, etc.) where employees can enhance their professional functions by participating in internal and external education and training courses. In 2025, the Company’s total training hours reached 47,646 hours. Based on the 1,828 employees in service as of the end of 2025, the average training time per employee was 26.06 hours. The education and training program for 2025 is outlined below: <table><tr><th>Trainee</th><th>Course Content</th></tr><tr><td>New employees</td><td> - New employee orientation (including ESD) - Fire safety knowledge, fire equipment usage training </td></tr><tr><td>All factory personnel</td><td> - Quality and tech management: - APQP/PPAP & CP/MSA & SPC core tool training - Reliability basics/PMC logistics management - Annual periodic re-certification and assessment for ESD, RoHS, SPC, and SPEC qualifications - Environmental, safety, and health - Fire/Earthquake/Plant collapse escape drills - Fire safety knowledge re-training; fire prevention management - Production safety accident warning training session - Quarterly occupational safety and health promotion meetings </td></tr></table>	Trainee	Course Content	New employees	- New employee orientation (including ESD) - Fire safety knowledge, fire equipment usage training	All factory personnel	- Quality and tech management: - APQP/PPAP & CP/MSA & SPC core tool training - Reliability basics/PMC logistics management - Annual periodic re-certification and assessment for ESD, RoHS, SPC, and SPEC qualifications - Environmental, safety, and health - Fire/Earthquake/Plant collapse escape drills - Fire safety knowledge re-training; fire prevention management - Production safety accident warning training session - Quarterly occupational safety and health promotion meetings	
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Promotion items	Performance			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
				- Legal, compliance, and general competencies - All-staff production safety responsibility system and relevant provisions of the Work Safety Law - Anti-fraud knowledge training - Environmental laws and regulations training (QC080000) - Accountant education and training
			Relevant operators and exposed personnel across all departments	- Professional operation safety training - Forklift, radiation safety, special equipment safety (pressure vessel/pipeline operations) - Hazardous chemicals/hazardous waste - Rented factory fire safety training - Production safety accident warning training - Emergency drills - Forklift, X-RAY safety, machine accidents, electric shock training - Confined space emergency drills - Water/power outage emergency drills - Hydrogen leak emergency drills - Epidemics emergency drills - Emergency drills for hazardous chemicals,

Promotion items	Performance			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies						
	Yes	No	Summary description							
(V) Does the Company comply with the related laws and regulations and international standards regarding the customer health and safety, customer privacy, marking	✓									
			waste leaks, and general chemicals • Fire safety and emergency medical services 1. Fire control room operation 2. Safety & health training for Red Cross first-aid responders and first aiders 3. AED & CPR training 4. Occupational health basics; mental health and on-site first-aid							
			<table><tr><th>Training Course Name</th><th>Description</th></tr><tr><td>QC080000 Internal Auditor Training</td><td>A total of 84 employees obtained certification, with a total of 1,344 training hours.</td></tr><tr><td>Continuing professional education courses required for IIA-related professional certifications, handled in accordance with the IIA's "Annual Certification Renewal Policy".</td><td>A total of 1 employees obtained certification, with a total of 40 training hours.</td></tr></table>	Training Course Name	Description	QC080000 Internal Auditor Training	A total of 84 employees obtained certification, with a total of 1,344 training hours.	Continuing professional education courses required for IIA-related professional certifications, handled in accordance with the IIA's "Annual Certification Renewal Policy".	A total of 1 employees obtained certification, with a total of 40 training hours.	
Training Course Name	Description									
QC080000 Internal Auditor Training	A total of 84 employees obtained certification, with a total of 1,344 training hours.									
Continuing professional education courses required for IIA-related professional certifications, handled in accordance with the IIA's "Annual Certification Renewal Policy".	A total of 1 employees obtained certification, with a total of 40 training hours.									
			(V) During the R&D process, the Company considers product safety, develops safe products, and provides customers with material safety data sheets (MSDS) and hazardous substance testing reports to ensure							

Promotion items	Performance			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
communication, and labeling of its products and services and establish policies to protect the rights and interests of customers and procedures for grievances?			their health and safety; We sign non-disclosure agreements with customers to protect their privacy. The Company is an original equipment manufacturer (OEM) and abides by the customer identification principle. The Company abides by applicable laws and regulations, formulates customer complaint handling procedures and rules, and relevant departments communicate with customers and solve their complaints in real time, to safeguard their rights and interest. The Company has established a Customer Service Department. It proactively conducts customer satisfaction surveys per year to confirm the implementation of various customer policies, accept and handle customer complaints, and assist front-line business colleagues to handle customer complaint cases and do a good job in protecting customer rights and interests.	
(VI) Has the Company established policies for management to request suppliers to comply with the relevant laws and regulations of environmental protection, occupational safety and health, and labor human rights? Does the Company keep track on the implementation of such policies?	✓		(VI) The Company has established the supplier management procedures to request suppliers to abide by applicable rules of environmental protection, occupational safety and health, and workers' human rights and signed a contract with them, specifying the provision that in the case of a breach of contract, the Company may terminate or revoke the contract at any time. The Company adopts the Supplier Social Responsibility Assessment Form to evaluate each supplier's implementation of measures for environmental protection, occupational safety and health, and workers' human rights. If any problem is discovered, a given supplier should correct it immediately and make	

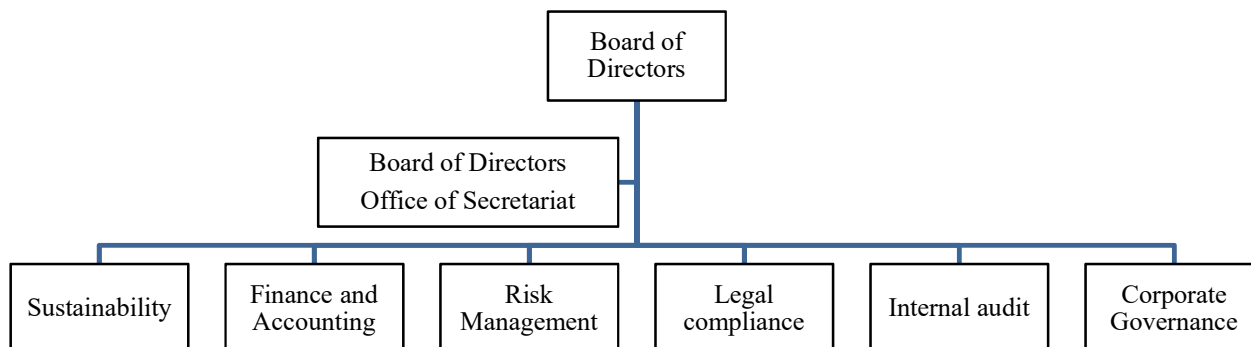
Promotion items	Performance			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			continuous improvement. Implementation status: Environmental protection, occupational safety and health, and labor human rights requirements for suppliers are defined in <RBA-2001 >. These requirements, along with new supplier/new material evaluation process and supplier management specifications, are conveyed to suppliers. Suppliers are required to complete self-assessment questionnaires, and their compliance is monitored through regular on-site audits. In accordance with the Company's product applications, suppliers are required to obtain ISO 9001, ISO 14001, and IATF 16949 certifications. In addition, due diligence on conflict minerals has been completed for all suppliers. The Company is committed to strengthening supply chain resilience and regularly performs comprehensive performance evaluations and risk identification for existing suppliers. The evaluation mechanism is executed at least once a year, covering key indicators such as quality stability, delivery fulfillment rate, service response, cost structure, and corporate responsibility. Based on the evaluation results, suppliers are classified into three categories: A (excellent), B (qualified), and C (unqualified). For Level C suppliers, the Company adopts strict deadlines for improvement and tracking mechanisms; those who fail to meet the standards will have their qualified status revoked. If a supplier demonstrates poor performance in two consecutive evaluations, a replacement procedure will be initiated. Furthermore, the Company continues	

Promotion items	Performance			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			to increase the audit proportion and prioritizes on-site audits for suppliers of critical raw materials and important processes, while listing high-risk suppliers as key monitoring targets. In 2025, the Company completed on-site audits for 16 suppliers and documentary audits for 11 suppliers, with the on-site audit proportion reaching 35.56%. Through diverse evaluation methods, the Company ensures the long-term stability of the supply system. The current percentage of suppliers to whom anti-corruption policies have been conveyed has reached 81%. In 2025, the Company conducted environmental and social impact assessments on 45 suppliers. The results showed that all 45 suppliers complied with environmental regulations, with no issues of improper waste disposal or excessive air emissions. In addition, all suppliers complied with legal requirements regarding employee safety, working hours, and wage payments, with no non-compliance found. Therefore, in 2025, there were no instances where suppliers were required to make improvements or had their contracts terminated due to environmental or social impacts. GEM will continue to promote improvements in environmental and social responsibility among its suppliers and provide support to high-performing suppliers to ensure the long-term maintenance of good cooperative relationships.	

Promotion items	Performance			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
V. Did the Company, following internationally recognized guidelines, prepare and publish reports such as its sustainable environment report to disclose non-financial information of the Company? Did the Company apply for assurance or guarantee of such reports to a third-party certification body?	✓		The Company prepares its sustainability report with reference to internationally recognized reporting standards or guidelines. The aforementioned report has obtained an assurance opinion from a third-party verification institution.	No significant difference
VI. If the Company has established the corporate social responsibility principles based on “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies,” please describe any discrepancy between the principles and their implementation: The Company has formulated a Sustainable Development Best Practice Principles, and operates in accordance with the norms of the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”.				
VII. Other important information for the implementation of sustainable development: The Company implements various environmental protection policies, strives to raise the awareness of environmental protection and social responsibility of all employees, and ensures that the products comply with environmental protection regulations.				

The Company's promotion of sustainable development:

I. Framework for promoting sustainable development:



II. Promoting sustainable development governance:

1. Secretariat Office of the Board of Directors: Promote the functions of the Board of Directors and implement compliance with laws and regulations in line with the trend of corporate governance.
2. Sustainability Task Force: Identification of sustainability issues; formulation of sustainability (including climate) indicators, targets, and management mechanisms; and establishment of collection and calculation methods for sustainability (including climate) data.
3. Financial Accounting Task Force: Assessment of financial impacts of sustainability issues (including climate); establishment of financial models to quantify the potential impact of sustainability risks and opportunities on the Company's future financial statements (such as revenue and asset impairment).
4. Risk Management Task Force: Establishment of risk matrices and monitoring indicators to be incorporated into corporate risk reports; definition of operational impact assessment methods for sustainability (including climate) risks; and establishment of risk control plans.
5. Legal Compliance Task Force: Tracking IFRS sustainability disclosure requirements and domestic/international ESG regulatory changes; performing regulatory gap analysis; and assisting various units in establishing policies, procedures, and internal standards that comply with sustainability disclosure rules.
6. Internal Audit: Planning the audit scope and testing procedures for sustainability (including climate) data; establishing annual audit plans; proposing suggestions for internal control system improvements and tracking implementation effectiveness; and coordinating with external assurance operations to provide data evidence and documents.

7. Corporate Governance: Assisting the Board of Directors in understanding IFRS sustainability disclosure requirements; coordinating relevant briefing materials, education, training, and decision-making support.

III. Promote sustainable development risk assessment:

Issues	Risk assessment	Risk management strategies and measures
Environment	Environmental protection Climate change	1. The Company strives to save energy and reduce carbon emissions, and regularly conducts greenhouse gas inventory every year, with the goal to reduce carbon dioxide emissions per each production unit year by year. By implementing a standardized safety management cycle, we can effectively reduce pollution emissions and address environmental problems. 2. The Company's main markets are the United States, the European Union, and Asia; such regions require products to be in compliance with environmental protection regulations. Thus, the Company's factories have obtained ISO14001 environmental system management certification. 3. The Company has adopted the ISO14064 standard since 2023 and conducted inventories of greenhouse gas emissions according to the ISO14064-1 standard to monitor the impact facing the Company's operations. We will continue to implement

Issues	Risk assessment	Risk management strategies and measures
		carbon reduction measures according to the carbon inventory results. At present, two factories sites have partially adopted photovoltaic power to reduce carbon emissions. 4. We will draw up an annual internal audit plan to audit the Company's compliance with the applicable environmental laws and regulations and audit each operating process to see if it is in compliance with the regulations.
Society	Workplace safety Employee recruitment and training	1. All factories of the Company passed the ISO45001 occupational health and safety management system verification. 2. We regularly hold firefighting exercises and offer occupational safety training per year to train employees' ability to respond to emergencies and manage their own safety.
	Product safety	All the Company's products are in compliance with various laws and regulations promulgated by the government and the EU RoHS Directive without containing any hazardous substances. Meanwhile, to ensure the quality of our customer service, we have set up a customer service hotline and website and regularly conduct customer service satisfaction

Issues	Risk assessment	Risk management strategies and measures
		surveys per year to enhance the partnerships with our customers. To transfer commodity liability risks, reduce property losses, and improve product safety, the Company has purchased product liability insurance.
Corporate governance	Socioeconomic and legal compliance	Through the establishment of a governance organization and the implementation of an internal control mechanism, the Company ensures that all personnel and operating procedures comply with relevant laws and regulations.
	Strengthen the functions of directors	Plan relevant training and provide the latest regulations for directors. In addition, director liability insurance is provided for directors to protect them from lawsuits or claims.
	Stakeholder communication	Establish various communication channels, communicate, and reduce opposition and misunderstanding. Establish an investor mailbox, which will be handled and responded to by the spokesperson.

Climate-related information for TWSE/TPEX listed companies:

1. Implementation of climate-related information

Item	Performance		
1. Describe the board’s and management’s oversight and governance of climate-related risks and opportunities.	The Board of Directors is the top governance unit on climate change issues and responsible for supervising and deciding on the Company's climate change governance work. The Board of Directors is responsible for reviewing the Company’s risk management policies and framework and examines major risk events and their response measures. The Chairman and the President ensure that climate-related issues are reported to the Board for discussion and decision-making in a timely manner. For the specific responsibilities of each task force, please refer to page 115 of this annual report.		
2. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	The Company defines time scales as short-term (within 3 years), medium-term (3–5 years), and long-term (over 5 years) to serve as a reference for judging the degree of operational impact.		
	Climate Risk / Opportunity	Impact Dimension	Response strategies
	Transition risk - regulatory compliance costs for carbon policies	To comply with carbon fee collection and mandatory carbon inventory regulations, investment in compliance manpower and systems must increase. If carbon reduction progress fails to meet targets, the Company may face carbon fee premiums or regulatory fines, resulting in extra expenditures.	- Establish a comprehensive greenhouse gas emissions inventory and verification system for manufacturing sites around the world, conduct annual greenhouse gas inventories and pass external third-party verification, and continuously take greenhouse gas reduction actions. - Closely monitor carbon-related regulations and policies, as well as relevant requirements from customers.
	Transition risk - increased customer sustainability awareness and change in preferences	Failure to achieve supply chain carbon reduction targets may lead to customers shifting orders or the loss of preferred supplier status,	- Continue to monitor market and customer demands. - Stay focused on new technologies and processes to reduce impacts on the climate and environment.

Item	Performance		
		resulting in decreased revenue and reduced market competitiveness.	
	Transition risk - low-carbon technology transition costs	To develop low-energy consumption packaging technology and replace old high-energy consumption equipment, significant R&D funds and the purchase of low-carbon equipment are required. While beneficial for long-term competitiveness, this will raise capital expenditures and amortization costs in the short term.	• Implement solar power generation projects and actively use green electricity. • Launch waste heat recovery projects to reduce power consumption. • Actively promote energy-saving and emission-reduction projects to improve energy efficiency and lower carbon emissions.
	Physical risk - rainstorms, typhoons, floods, droughts, earthquakes, power surges/outages	Extreme weather may lead to factory damage or unstable power supply, causing production line shutdowns and equipment repair costs. Furthermore, logistics disruptions lead to delivery delays, thus increasing extra operating costs and lowering capacity utilization.	• Establish disaster emergency response plans and set up emergency supplies and resources. • Establishing a sustainable supply chain management mechanism
	Opportunity - increase renewable energy usage	Increasing renewable energy usage helps the Company reduce the impact of carbon-related policies and regulations and	• Solar power supply contracts have been signed. Choose renewable energy suppliers to reduce fossil fuel dependence and promote clean energy.

Item	Performance		
		enhances the market competitiveness of products through energy transition.	Both the Shanghai and Hefei Factories have adopted rooftop distributed solar power generation plans.
	Opportunity - promote automation technology and improve energy management efficiency	Improving energy management efficiency through process optimization can reduce carbon emissions and operating costs while responding to market preferences for green products.	- The Shanghai Factory has phased out two sets of high-energy-consuming, obsolete motor equipment and replaced them with energy-saving equipment. - The Shanghai Factory educates employees on the use of energy-saving equipment during training sessions and has signed the "Energy Conservation and Consumption Reduction Target Responsibility Statements". - The Hefei Factory implemented heat recovery for air compressors. - Adopted robots in the electroplating process to replace manual loading to improve production efficiency. - Adopted post-wire bonding (WB) AOI to replace manual inspection to improve inspection efficiency. - Adopted an automated management system for PMC ovens.
	Opportunity - shift in stakeholder	By introducing low-carbon packaging technology,	The Company attaches great importance to low-carbon and

Item	Performance		
	expectations and preferences	energy-saving testing processes, and green supply chain management, the Company can precisely align with the strong demand from major international manufacturers for low-carbon supply chains. This not only strengthens customer loyalty but also drives revenue growth through the differentiated advantages of green products. Furthermore, an excellent sustainability reputation helps attract and retain top talent and increase employee engagement, which in turn optimizes operational efficiency and reduces recruitment costs.	sustainable development strategies, actively responds to customer and market requirements, and continuously conducts greenhouse gas inventories and performs carbon footprint assessments for major products.
3. Describe the financial impact of extreme climate events and transitions.	Please refer to the "Impact Dimension" in the table under Item 2 above.		
4. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the company's overall risk management.	Based on the principle of materiality, the Company assesses the risk of environmental, social, and governance (ESG) issues related to its operations. It has established a risk management policy that incorporates climate-related issues, and gradually raises climate awareness across responsible departments to implement climate governance. Through a risk management process of identification, analysis, evaluation, response, and monitoring, the Company identifies various risks, formulates response measures and management targets, and ensures that responsible units report regularly to the Board of Directors.		

Item	Performance													
	The Company's risk management process is as follows:													
	Management process	Content												
	Risk identification	Identify and list potential risks based on past experience and external information.												
	Risk analysis	Analyze the frequency and extent of losses for the identified risk factors through practical experience and scenario simulation analysis.												
	Risk evaluation and response	Classify the loss frequency and extent analyzed for risks and determine the level of risk. Countermeasures against risks include risk retention and risk transfer.												
	Risk monitoring	Each responsible unit is responsible for risk management and reports the status to the Board of Directors regularly.												
5. Description of the scenario analysis used to assess resilience to climate change risks, including the critical input parameters, assumptions and considerations, analytical choices, and major financial impact.	The Company performs scenario analyses for major physical and transition risks. The evaluation scenarios and results are as follows: Physical risk scenario analysis: Extreme precipitation events (operational sites) <table><tr><th>Item</th><th>Description</th></tr><tr><td>Scenarios used</td><td>IPCC SSP1-2.6, IPCC SSP5-8.5</td></tr><tr><td>Parameters / Factors</td><td>Assessment scope: Taipei Office, Shanghai Factory, Hefei Factory Assessment indicators: Water depth indicators, historical disaster records, regional geographic characteristics</td></tr><tr><td>Assumptions</td><td>The "Aqueduct Floods" tool developed by WRI is used to simulate flood disaster risks for 2030</td></tr><tr><td>Main financial impact</td><td>Under the SSP5-8.5 scenario, the Shanghai Factory was identified as a high-risk site. Without planned adaptation measures, the potential financial impact of asset damage and operational disruption is estimated to reach approximately NT\$12,767 thousand.</td></tr><tr><td>Response strategies</td><td>Strengthen flood prevention facilities and production line machinery protection at the plants, establish Emergency Response SOPs, and build a diversified supply chain mechanism.</td></tr></table>		Item	Description	Scenarios used	IPCC SSP1-2.6, IPCC SSP5-8.5	Parameters / Factors	Assessment scope: Taipei Office, Shanghai Factory, Hefei Factory Assessment indicators: Water depth indicators, historical disaster records, regional geographic characteristics	Assumptions	The "Aqueduct Floods" tool developed by WRI is used to simulate flood disaster risks for 2030	Main financial impact	Under the SSP5-8.5 scenario, the Shanghai Factory was identified as a high-risk site. Without planned adaptation measures, the potential financial impact of asset damage and operational disruption is estimated to reach approximately NT\$12,767 thousand.	Response strategies	Strengthen flood prevention facilities and production line machinery protection at the plants, establish Emergency Response SOPs, and build a diversified supply chain mechanism.
Item	Description													
Scenarios used	IPCC SSP1-2.6, IPCC SSP5-8.5													
Parameters / Factors	Assessment scope: Taipei Office, Shanghai Factory, Hefei Factory Assessment indicators: Water depth indicators, historical disaster records, regional geographic characteristics													
Assumptions	The "Aqueduct Floods" tool developed by WRI is used to simulate flood disaster risks for 2030													
Main financial impact	Under the SSP5-8.5 scenario, the Shanghai Factory was identified as a high-risk site. Without planned adaptation measures, the potential financial impact of asset damage and operational disruption is estimated to reach approximately NT\$12,767 thousand.													
Response strategies	Strengthen flood prevention facilities and production line machinery protection at the plants, establish Emergency Response SOPs, and build a diversified supply chain mechanism.													

Item	Performance	
	Transition risk scenario analysis: Carbon price impact of carbon regulations	
	Item	Description
	Scenarios used	Adopting the "Announced Pledges Scenario" (APS) and the "Net Zero Emissions by 2050 Scenario" (NZE) with reference to the World Energy Outlook 2025 published by the International Energy Agency (IEA).
	Parameters / Factors	Assessment scope: Shanghai Factory, Hefei Factory APS scenario carbon price: US\$22 in 2035; US\$34 in 2050. NZE scenario carbon price: US\$125 in 2035; US\$200 in 2050.
	Assumptions	Estimating the potential financial impact under a business as usual (BAU) state without greenhouse gas reduction measures based on the 2025 Scope 1 and Scope 2 total greenhouse gas emissions.
	Main financial impact	APS scenario: Estimated carbon costs of NT\$3,117.89 thousand in 2035 and NT\$35,338.04 thousand in 2050. NZE scenario: Estimated carbon costs of NT\$64,229.57 thousand in 2035 and NT\$207,870.85 thousand in 2050.
	Response strategies	Actively implement greenhouse gas reduction targets by replacing high-energy-consuming equipment and installing solar power systems to increase the proportion of renewable energy.
6. Describe the content, and the indicators and goals used to identify and manage physical risk and transition risk for any transition plan for managing climate-related risks.		
	Climate Risk / Opportunity	Management objectives
	Transition risk — regulatory compliance costs for carbon policies	Short-term: Improve energy efficiency by reducing power consumption per unit of output by 1% annually; waste recovery rate of no less than 90%. Medium-term: Supplier carbon inventory coverage of no less than 65%; low-carbon material usage ratio of no less than 50%. Long-term: Renewable energy usage ratio of no less than 40%; achieve carbon neutrality by 2060.

Item	Performance	
	Transition risk — increased customer sustainability awareness and change in preferences	Short-term: Recycled material usage ratio of no less than 30%; ESG disclosure completeness 100% compliant with GRI/TCFD frameworks. Medium-term: At least 2 collaborative carbon reduction projects with customers per year. Long-term: Carbon-neutral products account for no less than 50% of total products.
	Transition risk — low-carbon technology transition costs	Short-term: Comprehensive inventory of high-energy-consuming or near-end-of-life electrical equipment, with gradual replacement. Medium-term: No less than 2 supply chain cooperation projects per year. Long-term: Continuous decrease in carbon emission intensity, with carbon emissions per unit of product reduced by no less than 30%.
	Physical risk — rainstorms, typhoons, floods, droughts, earthquakes, power surges/outages	Short-term: Conduct at least one disaster response drill annually; backup power supply coverage for critical production lines no less than 70%. Medium-term: Shorten disaster-related downtime by reducing average downtime by no less than 30%. Long-term: Renewable energy usage ratio of no less than 60%.
	Opportunity — increase renewable energy usage	Short-term: Renewable energy procurement no less than 5% of total power consumption; publish one energy usage transparency report per year. Medium-term: Renewable energy generation accounts for no less than 25% of total power consumption. Long-term: Continuous improvement in energy efficiency by no less than 2% per year.
	Opportunity — promote automation technology and improve energy management efficiency	Short-term: Automated production line coverage of no less than 10%. Medium-term: Smart manufacturing adoption rate of no less than 20%. Long-term: Automation rate of no less than 40%.

Item	Performance	
	Opportunity — shift in stakeholder expectations and preferences	Short-term: At least 1 stakeholder communication event per year; ESG disclosure completeness 100% compliant with international frameworks; stakeholder satisfaction score no less than 80. Medium-term: Sustainable products account for no less than 30%. Long-term: Carbon-neutral products account for no less than 50% of total products.
7. If internal carbon pricing is used as a planning tool, the pricing basis should be stated.	The Company has not yet adopted an internal carbon pricing mechanism.	
8. For any climate-related goals set, the scope of activities, scope of greenhouse gas emissions, planning schedule, annual progress and other information should be stated; if carbon offsets or renewable energy certificates (RECs) are used for the relevant goals, the source and quantity of carbon reduction credits or the quantity of RECs should be stated.	Shanghai Factory: Short-term target: Reduce Scope 2 greenhouse gas emissions by 600 metric tons of CO₂e in 2026 (compared to the previous year). Long-term target: Achieve carbon neutrality by 2060. Hefei Factory: Short-term target: Reduce carbon emissions per thousand units of product by 5% in 2026 compared to the previous year. Long-term target: Achieve carbon neutrality by 2060. The Company actively pursues greenhouse gas reduction targets by increasing the proportion of renewable energy use at its plants and continuously investing in energy-saving projects such as high-energy-consuming equipment replacement and waste heat recovery.	
9. Greenhouse gas inventory and assurance as well as reduction targets, strategies, and specific action plans.	For details, please refer to Table 1-1, "Greenhouse Gas Inventory and Assurance Status for the Most Recent Two Years," and Table 1-2, "Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans".	

1-1 Greenhouse gas inventory and assurance in the most recent two years

1-1-1 Greenhouse gas inventory

Describe the greenhouse gas emissions (tCO₂e), intensity (tCO₂e/per million NTD in revenue), and data coverage for the most recent two years.

The organizational boundaries for the Company's 2024 and 2025 greenhouse gas inventories include the Company and all its subsidiaries.

Greenhouse gas emission intensity is calculated based on millions of NTD in revenue. Revenue for 2024 and 2025 was NT\$4,670.539 million and NT\$5,325.909 million, respectively.					
	Total emissions in 2024 (tCO ₂ e)	Intensity in 2024 (tCO ₂ e/ NT\$ million revenue)	Total emissions in 2025 (tCO ₂ e)	Intensity in 2025 (tCO ₂ e/ NT\$ million revenue)	
Scope 1	309.7513	0.0663	188.9967	0.0355	
Scope 2	32,442.9887	6.9463	32,199.7303	6.0459	
Scope 3	3,019.3510	0.6465	4,260.4738	0.8000	

1-1-2 Greenhouse gas assurance:

Describe the assurance status for the most recent two years up to the annual report publication date, including the scope of assurance, assurance body, assurance standards, and assurance opinion.
The verification scope for the Company's 2024 and 2025 greenhouse gas information includes GEM Electronics (Shanghai) Co., Ltd., GEM Electronics (Hefei) Co, Ltd., and GEM Tech Ltd., Taiwan Branch. Third-party verification was conducted by DNV Business Assurance China in accordance with ISO 14066:2023, ISO 14065:2020, and ISO 14064-3:2019 standards. The verification opinions were all unqualified assurance results.

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

State the greenhouse gas reduction baseline year and the data thereof, reduction targets, strategies, specific action plans, and achievement of reduction targets.			
Location	Reduction targets	Reduction scope	Reduction strategy and annual implementation status
Shanghai factory	Short-term target: Reduce Scope 2 greenhouse gas emissions by 600 metric tons of CO ₂ e in 2026 (compared to the previous year). Long-term target: Achieve carbon neutrality by 2060.	Scope 2	Shanghai Factory Phase 2 Rooftop Solar Project: A total of approximately NT\$3,349 thousand was invested this year. Energy-Saving Retrofit for Air Conditioning and Refrigeration Systems: A total of approximately NT\$27,912 thousand was invested this year. The aforementioned reduction strategies were launched in the second half of 2025, saving approximately 3% in energy compared to 2024.
Hefei factory	Short-term target: Reduce carbon emissions per thousand dollars of output value by 5% in 2026 compared to the previous year.	Scope 2	Continuously implemented on-site solar power generation projects for self-consumption to reduce purchased electricity consumption,

	Long-term target: Achieve carbon neutrality by 2060.		achieving an annual emission reduction of approximately 1,001 tCO₂e. Without reducing illuminance, 18W standard lamps were replaced with 8W LED tubes, achieving an annual reduction of approximately 48 tCO₂e. High-energy compressed air from air compressors was previously used for the aeration tank of the wastewater station; following evaluation, the compressors were replaced with Roots blowers, achieving an annual reduction of approximately 60 tCO₂e. Continuously implemented waste heat recovery, energy consumption was reduced, achieving an annual emission reduction of approximately 660 tCO₂e. Implemented various energy-saving and consumption-reduction initiatives, including on-site solar power generation for self-consumption, the promotion of LED lighting, aeration tank blower optimization at wastewater treatment stations, and waste heat recovery, the carbon emissions per thousand dollars of output value in 2025 decreased by 11.52% compared to 2024.
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(Note) Greenhouse gas emissions from the Taiwan branch are categorized as Scope 3 (business travel or commuting expenses); as there is no purchased power and such travel is necessary, no reduction strategy has been formulated.

(VI) Performance in ethical corporate management inconsistency with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”

Assessment items	Actual governance			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
I. Business Integrity Policy and action plans				
(I) Has the Company established policies for ethical corporate management approved by the board of directors and stated such policies and practices in its regulations and external documents and in the commitment made by the board of directors and senior management to actively implement such policies?	✓		(I) The Company has formulated the “Ethical Corporate Management Best Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct”, and the Board of Directors and senior management shall follow these regulations. And it will be clearly stated on the Company’s website (http://www.gemservices.com) under Investors/Company Regulations and the MOPS.	Consistent with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”
(II) Has the Company established an assessment mechanism of risk from unethical behavior to regularly analyze and assess business activities with higher risk of involvement in unethical behavior and preventive programs for unethical behaviors containing at least the preventive measures stated in paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”?	✓		(II) The Company has formulated the “Procedures for Ethical Management and Guidelines for Conduct”, which are based on preventive measures in accordance with the subparagraph of Paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”. It requires implementations for all relevant units.	
(III) Has the Company established in the preventive programs the operating procedures for unethical behavior prevention, penalties and grievance	✓		(III) The Company has formulated the “Procedures for Ethical Management and Guidelines for Conduct” to define the plan to prevent unethical behaviors, including procedures, guidelines,	

Assessment items	Actual governance			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
systems of breaching the guidelines for conduct, and implemented and periodically review them?			punishment and complaint systems for violations. Take preventive measures for business activities with higher risks of ethical conducts.	
II. Proper enforcement of business integrity				
(I) Does the Company have the integrity of the trade counterparty assessed and with the code of integrity expressed in the contract signed?	✓		(I) The Company regularly evaluates the ethical record of the counterparty. It also requires compliance with ethical management to be included in the terms of the contract when it signs a contract with others to prevent unethical conduct.	Consistent with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”
(II) Has the Company established a dedicated (concurrent) unit to implement ethical corporate management under Board of Directors and report regularly (at least once a year) to BOD the status of implementation and supervision of ethical management policy and preventive programs of unethical behavior?	✓		(II) The Company has designated the Office of Secretariat as a full-time unit to promote corporate ethical management. This unit is responsible for promoting the Group's ethical management, anti-corruption, anti-bribery, and legal compliance matters, and reports its implementation status to the Board of Directors regularly (once a year). The most recent report to the board was on November 10, 2025. The establishment, amendment, or abolition of the Company's “Ethical Corporate Management Best Practice Principles” shall be approved by the Board of Directors and reported to the shareholders' meeting. The Company's Board of Directors exercises the duty of due care of a good administrator to oversee the Company's prevention of unethical conduct, ensuring the implementation of the ethical management policy. The implementation of ethical management in 2025 is as follows:	

Assessment items	Actual governance			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
(III) Does the Company have developed policies to prevent conflicts of interest, provided adequate channel for communication, and substantiated the policies?	✓		Supplier commitment ◆ 364 out of 465 suppliers (78.3%) signed the Integrity Letter. (as of the end of October) ◆ The Company promotes its ethical management policy to suppliers and requests their cooperation when placing purchase orders.	
			Orientation training 2,898 employees participated in annual ethical management education and training. (as of the end of October)	
			Commitment ◆ Employees sign the Employee Integrity Commitment Letter upon joining the Company (100%). ◆ Directors and senior managers sign the Statement of Ethical Management upon taking office.	
			Awareness-raising ◆ Continuous promotion of the ethical management policy to convey the importance of integrity. ◆ Whistleblowing system: Emails for reporting illegal and unethical conduct and grievances: No reports by whistleblowers were received in 2025.	
			(III) The Company's "Procedures for Ethical Management and Guidelines for Conduct" clearly requires that if any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the Company, the director may not	

Assessment items	Actual governance			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
(IV) Has the Company established an effective accounting system and an internal control system for the internal audit unit to establish related audit programs based on the results of risk assessment of involvement in unethical behavior to audit and prevent the compliance with the preventive programs of unethical behavior or hire a CPA to perform the audit? (V) Has the Company organized corporate management internal and external education and training programs on a regular basis?	✓ ✓		participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item; If any employee or the representative of juristic person have a conflict of interest, relevant matters must be reported to both the immediate supervisor and Secretariat of the Board of Directors, and the immediate supervisor should provide appropriate guidance. (IV) The Company has established an accounting system and internal control policies based on the implementation of ethical management, and the effectiveness of the operation is regularly reviewed by CPA and internal auditors. (V) In 2025, internal education and training sessions regarding ethical management were held, with a total of 2,898 participants.	
III. The operations of the Company's Report System (I) Does the Company have a specific report and reward system stipulated, a convenient report channel established and a responsible staff designated to handle the individual being reported?	✓		(I) The Company incorporates ethical management to employee performance evaluations and human resources policy, establishes clear and effective systems for rewards, penalties, and complaints, and provides legitimate reporting channels. If any personnel of the Company seriously violates ethical conduct,	Consistent with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies"

Assessment items	Actual governance			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
(II) Has the Company established standard operating procedures for investigating reported events, follow-up measures to be taken after the investigation was completed, and related confidentiality mechanisms?	✓		the Company shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of the Company. The Company has designated the Secretariat as the responsible unit and has announced the whistleblower mailbox on the Company's website. Whistleblowing channel information is as follows: 1. Whistleblowing hotline: (02)2248-0680 2. Whistleblowing email: Audit_Committee@gemservices.com (II) The Company has established standard investigation and handling procedures for reported matters, and properly keep and manage the reports confidentially during the investigation process. Acceptance principles: Whistleblowers should provide at least the following information: 1. The whistleblower's name (anonymous reports are also accepted), mailing address, phone number, and email. 2. The name of the accused or other information sufficient to identify the accused. 3. Specific evidence available for investigation. The Company's relevant personnel handling whistleblowing matters shall make a written statement to keep the whistleblower's identity and the report content confidential. The Company also undertakes to protect whistleblowers from	

Assessment items	Actual governance			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			improper treatment due to their whistleblowing. Investigation procedures and time limits: 1. Whistleblowing matters involving general employees shall be reported to the department head. Whistleblowing matters involving directors or senior management shall be reported to independent directors. 2. The responsible unit of the Company and the supervisor or personnel to whom the report is submitted in the preceding paragraph shall immediately investigate the relevant facts. If necessary, the legal compliance or other relevant departments shall provide assistance. 3. If it is confirmed that the accused has indeed violated relevant laws or the Company's ethical management policy and regulations, the accused shall be immediately required to cease the relevant conduct, while appropriate actions shall be taken. If necessary, the matter shall be reported to the competent authorities or referred to the judicial authorities for investigation, or legal proceedings shall be initiated to claim damages to protect the Company's reputation and rights. 4. Written records of report acceptance, the investigation process, and the investigation results shall be kept and	

Assessment items	Actual governance			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
(III) Has the Company taken proper measures to protect the whistle-blowers from suffering any consequence of reporting an incident?	✓		retained for five years, and such retention may be in electronic form. Before the expiration of the retention period, if litigation related to the report content occurs, the relevant information shall continue to be retained until the conclusion of the litigation. 5. If the matter reported is verified to be true, the relevant units of the Company shall be responsible for reviewing the relevant internal control systems and operating procedures and proposing improvement measures to prevent the recurrence of the same conduct. 6. The responsible unit of the Company shall report the matter reported, its handling method, and subsequent review and improvement measures to the Board of Directors. (III) The Company encourages employees to report unethical conducts and fulfill its duty of protecting the whistleblower that retaliation or victimisation of whistleblowers will not happen.	
IV. Enhanced information disclosure Does the Company have the contents of corporate management and its implementation disclosed on the website and MOPS?	✓		The “Procedures for Ethical Management and Guidelines for Conduct” have been announced and disclosed on the MOPS and Company website.	Consistent with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”
V. Where a Company has worked Ethical Corporate Management Guiding Principles in accordance with the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies”, please expressly elaborate on the differential gap between the substantial performance and the Practice Principle:				

Assessment items	Actual governance			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
The Company has formulated the “Procedures for Ethical Management and Guidelines for Conduct”, which are based on preventive measures in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”. There is no significant difference.				
VI.	Other vital information that helps to understand the practice of business integrity of the Company (e.g., the review and revision of the best-practice principles of the Company in business integrity) When the Company conduct business with suppliers, it upheld and advocate the ethical principle to suppliers. In addition, the Company will promote in relevant meetings or employee education and training from time to time to establish an ethical corporate culture. We have also established the “Ethical Corporate Management Best Practice Principles” for compliance and implement ethical management measures and a whistleblowing system. Thus, these operations were effectively implemented throughout the year, and no significant integrity violations or whistleblowing cases occurred.			

(VII) Any other material information that would afford a better understanding of the status of the Company's implementation of corporate governance

1. The Company has established "Procedures for Handling Material Inside Information" as the basis for the Company's internal material information handling and disclosure mechanism for directors, managers and all employees to follow.
2. We continue to invest resources to strengthen corporate governance operations. On the Company's website, a corporate governance section is set up to explain the Company's corporate governance situation, with relevant corporate governance regulations for inquiry and download, and promptly disclose material information and regularly hold investor conferences.
3. The Company regularly arranges senior executives to participate in corporate governance training courses, and the progress of the training is as follows:

Title	Name	Date	Organizer	Course name	Training hours
Senior Manager of Finance Department	Jui-Ping ,Wang	March 20, 2025	Taiwan Stock Exchange	Sustainability Disclosure Practice Workshop and Seminar	9 hours
Senior Manager of Finance Department	Jui-Ping ,Wang	May 16, 2025	Taiwan Stock Exchange	2025 Insider Trading Prevention Seminar	3 hours
Business Integration Department/ Senior Manager	Chun-Ching, Wu	May 16, 2025	Taiwan Stock Exchange	2025 Insider Trading Prevention Seminar	3 hours
Senior Manager of Finance Department	Jui-Ping ,Wang	July 25, 2025	Taiwan Stock Exchange	2025 Insider Equity Trading Legal Compliance Seminar	3 hours
Senior Manager of Finance Department	Jui-Ping ,Wang	September 30, 2025	Deloitte & Touche	"Linking Sustainability and Financial Information: Best Practices for Implementing IFRS Sustainability Disclosure Standards" Seminar	3 hours
Senior Manager of Finance Department	Jui-Ping ,Wang	October 27, 2025	Taiwan Stock Exchange	2025 IFRS Sustainability Disclosure Standards Seminar	3 hours

Title	Name	Date	Organizer	Course name	Training hours
Senior Manager of Finance Department	Jui-Ping ,Wang	October 30, 2025	Yuanta Securities Co., Ltd.	Special Seminar on Corporate Governance and Sustainability Disclosure	3 hours
Senior Manager of Finance Department	Jui-Ping ,Wang	December 15, 2025	Taiwan Stock Exchange	2026 ESG Evaluation Seminar	3 hours

(VIII) Hands-on performance in the internal control policies

1. Internal Control Statement

Please visit the MOPS.

Path: Market Observation Post System (MOPS) > Individual Company > Corporate Governance > Company Rules/Internal Control > Internal Control Project Review Report. Enter the fiscal year and company code to search for the announcement of the Internal Control Statement.

Website: <https://mops.twse.com.tw/mops/#/web/t06hsg20>

2. Audit of the internal control policies by CPA shall disclose the accountant's review report

Not Applicable.

(IX) In the latest year and up to the publication date of the annual report, board and the shareholders' meeting had resolved significant decisions

1. Important resolutions and implementation of the shareholders' meeting

Date	Term	Significant decisions resolved	Performance
May 26, 2025	General meeting of shareholders	1. Approved the 2024 Consolidated Business Report and Consolidated Financial Statements. 2. Approved the 2024 earnings distribution proposal.	1. The resolution was approved. 2. The resolution was approved that the Chairman was delegated to set June 2, 2025 as the ex-dividend record date and June 12, 2025 as the payout date in accordance with the Company's Articles of Incorporation. (Cash

Date	Term	Significant decisions resolved	Performance
			dividend of NT\$4.2 per share).

2. Significant decisions resolved in board meeting

Date (period)	Significant decisions resolved
March 10, 2025 5th meeting of the 6th Board of Directors	1. Proposal for the 2024 employee compensation provided in accordance with the Articles of Association. 2. [Proposal from Remuneration Committee] Appropriate the 2024 director compensation in accordance with Article 34.1 of Association. 3. The Company's 2024 CFC Financial Report. 4. [Proposal from Audit Committee] 2024 annual consolidated business report and consolidated financial report. 5. [Proposal from Audit Committee] The Company's 2024 earnings distribution with cash dividend. 6. [Proposal from Audit Committee] The Company's 2024 earnings distribution table. 7. [Proposal from Audit Committee] 2024 annual internal control policies effectiveness assessment and declaration of internal control policies. 8. Proposal for amendment of the "Articles of Association". 9. Proposal to convene the 2025 general meeting of shareholders. 10. [Proposal from Remuneration Committee] Salary adjustment proposal of the Company's managers.
May 5, 2025 6th meeting of the 6th Board of Directors	1. [Proposal from Audit Committee] The Company's consolidated financial report for the first quarter of 2025. 2. [Proposal from Remuneration Committee] Proposal for distribution of the 2024 manager compensation. 3. [Proposal from Remuneration Committee] Proposal for the 2024 Directors' Remuneration Distribution.
August 11, 2025 7th meeting of the 6th Board of Directors	1. [Proposal from Audit Committee] The Company's consolidated financial report for the second quarter of 2025. 2. Approved the 2024 Sustainability Report.
November 10, 2025 8th meeting of the 6th Board of Directors	1. [Proposal from Audit Committee] The Company's consolidated financial report for the third quarter of 2025. 2. [Proposal from Audit Committee] The Company regularly evaluates the audit quality indicators (AQIs) of CPAs. 3. [Proposal from Audit Committee] 2026 Remuneration Proposal for CPAs.

Date (period)	Significant decisions resolved
	4. [Proposal from Audit Committee] Proposal to amend the “Procedures for the Acquisition and Disposal of Assets”. 5. Proposal to formulate the 2026 internal audit plan of the Company and its subsidiaries. 6. Formulate the Company's 2026 operation plan. 7. Amendment of the “Parliamentary Procedure for the Shareholders Meeting”.
March 9, 2026 9th meeting of the 6th Board of Directors	1. Proposal for the 2025 employee compensation provided in accordance with the Articles of Association. 2. [Proposal from Remuneration Committee] Appropriate the 2025 director compensation in accordance with Article 34.1 of Association. 3. The Company's 2025 CFC Financial Report. 4. [Proposal from Audit Committee] 2025 annual consolidated business report and consolidated financial report. 5. [Proposal from Audit Committee] The Company’s 2025 earnings distribution with cash dividend. 6. [Proposal from Audit Committee] The Company’s 2025 earnings distribution table. 7. [Proposal from Audit Committee] 2025 annual internal control policies effectiveness assessment and declaration of internal control policies. 8. Proposal for the supplemental capital expenditure budget for 2026. 9. Proposal for amendment of the “Articles of Association”. 10. Proposal to amend the “Parliamentary Procedure for the Shareholders Meeting”. 11. Proposal to convene the 2026 general meeting of shareholders. 12. [Proposal from Remuneration Committee] Salary adjustment proposal of the Company’s managers.

(X) In the latest year and up to the publication date of the annual report, if directors or supervisors have different opinions on major resolutions approved by the Board of Directors with records or written statements, the main contents

None.

IV. Information in public fees of the Certified Public Accountant Association

(I) Information in public fees of the Certified Public Accountant Association

Unit: NT\$ thousand

Auditor's firm	Name of CPA	CPA auditing period	Audit remuneration	Non-audit remuneration	Total	Remark
Deloitte & Touche	Keng-Hsi, Chang	January 1, 2025 to December 31, 2025	5,350	3,104	8,454	None
	Meng-Kuei, Yu					

Please specify the content of non-audit fees: NT\$1,750 thousand for sustainability report preparation guidance and assurance fees, NT\$600 thousand for transfer pricing report, NT\$94 thousand for overseas company maintenance fees, and NT\$660 thousand for other advance payments, such as typing, printing, and transportation expenses.

(II) When changes its accounting firm and the audit fees paid for the financial year in which the change took place are lower than those paid for the financial year immediately preceding the change:

None.

(III) When the audit fees paid for the current financial year are lower than those paid for the immediately preceding financial year by 10 percent or more:

None.

V. Changes in CPA

(I) Regarding the former CPA

Replacement date	April 1, 2025		
Replacement reasons and explanations	Internal organizational restructuring of the audit firm		
Client's termination of or CPA's refusal to the appointment	Participants		
	Situation	CPA	Client
	Termination of the appointment	Not applicable	Not applicable
	Refusal to the (continuous) appointment	Not applicable	Not applicable
The opinion of the audit report other than the unqualified opinion issued within the latest two years and the reasons	The independent auditors have issued unqualified opinions on all financial reports, with the exception of the second-quarter report. For that period, a qualified opinion was issued because the financial statements of certain associates accounted for using the equity method were not audited by independent auditors. Consequently, the "investments accounted for using the equity method" and the related share of profit or loss were recognized based on the unaudited financial statements of said associates.		
Different opinions from the issuer's	Yes		Accounting principles or practices
			Disclosures in financial statements
			Auditing scope or steps
			Other
	None	V	
	Description: None		
Other disclosures (Those that shall be disclosed from Item 1-4 to Item 1-7, Paragraph 6, Article 10 of this Code)	None		

(II) Regarding the successor CPA

CPA firm	Deloitte & Touche
Name of CPA	CPA Keng-Hsi, Chang CPA Meng-Kuei, Yu
Date of appointment	April 1, 2025

Consultation regarding accounting treatment methods or accounting principles for specific transactions and possible opinions issued for financial statements and results before appointment	None
Succeeding CPA's written opinion of disagreement toward the former CPA	Not applicable

(III) Reply from the former CPA on matters Item 1 and 2-3, Paragraph 6, Article 10 of this Code:

Not Applicable.

VI. Where the Company's chairperson, president or any managerial officer in charge of finance or accounting matters has in the latest year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held

None.

VII. In the latest year and up to the publication date of the annual report, the fact regarding transfer or pledge stock equity by the Company's directors, supervisors and managerial officers and key shareholders holding over 10% in shareholding

(I) Change in equity

Please visit the MOPS at <https://mops.twse.com.tw> > Summary Reports > Shareholding Changes / Securities Issuance > Directors, Supervisors, and Major Shareholders' Shareholdings/Pledges/Transfers > Summary Table of Shareholding Balances. Please select "TWSE-listed" for market category, "Semiconductor Industry" for industry category, and enter the desired year and month for the data query.

(II) Equity transfer information

None.

(III) Equity pledge information:

None.

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

March 28, 2026; Unit: shares

Name	Shares held in own name		Shareholdings of spouse and underage children		Shares held in the names of others		The name and relationship information, if among the 10 largest shareholders any one is a related party, or is the spouse or a relative within the second degree of kinship of another		Remark
	Quantity	Ratio of shareholding	Quantity	Ratio of shareholding	Quantity	Ratio of shareholding	Name	Relation	
Elite Advanced Laser Corporation	65,809,451	51.00%	0	0%	0	0%	-	-	—
Elite Advanced Laser Corporation Representative: Chu-Liang, Cheng	207,000	0.16%	240,990	0.19%	0	0%	Cheng Laura	Father and daughter	—
							Cheng Andrew	Father and son	
All Nippon Airways Trading Co., Ltd.	3,974,382	3.08%	0	0%	0	0%	-	-	—
All Nippon Airways Trading Co., Ltd. Representative: Junichiro MIYAGAWA	0	0%	0	0%	0	0%	-	-	—
Tzu-Chiang, Huang	1,510,009	1.17%	0	0%	0	0%	-	-	—
Cheng Laura	1,118,262	0.87%	0	0%	0	0%	Elite Advanced Laser Corporation Representative: Chu-Liang, Cheng	Father and daughter	—
Cheng Andrew	1,008,064	0.78%	0	0%	0	0%	Elite Advanced Laser Corporation Representative: Chu-Liang, Cheng	Father and son	—
Ming-Chieh, Hsu	980,000	0.76%	0	0%	0	0%	-	-	—
Yung-Shen, Hsieh	940,000	0.73%	0	0%	0	0%	-	-	—
UBS Europe SE	939,987	0.73%	0	0%	0	0%	-	-	—
Chu, Cheng	900,000	0.70%	0	0%	0	0%	-	-	—
Kun-Ming, Lin	834,000	0.65%	0	0%	0	0%	-	-	—

IX. Investments jointly held by the Company, the Company's directors, supervisors, managers, and enterprises directly or indirectly controlled by the Company. Calculate shareholding in

aggregate of the above parties

Investees (Note)	Invested by the Company		Investment held by directors, supervisors, managers, and directly or indirectly controlled enterprises		Aggregate investment	
	Quantity	Ratio of shareholding	Quantity	Ratio of shareholding	Quantity	Ratio of shareholding
Mitsubishi Electric GEM Power Device (Hefei) Co., Ltd.	-	20%	-	-	-	20%

Note: Investment accounted by equity method by the Company.

Chapter IV Funding Status

I. Share capital and shares

(I) Sources of share capital

1. Formation of capital

Unit: thousand shares; NT\$

Year	Price of issue (NT\$)	Authorized capital		Paid-up capital		Remark		
		Quantity	Amount	Quantity	Amount	Sources of share capital	Paid in properties other than cash	Par value per share (NT\$)
1998-1999	USD 0.010-0.600	400,000	400,000	5,559	5,559.19	Cash capital increase	—	USD 0.001
2000-2009	USD 0.325-2.220	1,800,000	1,800,000	6,464	6,464.46	Exercise of stock options	—	USD 0.001
2012	-	200,000	200,000	(114)	(114.17)	Purchased	—	USD 0.001
2012	USD 0.001	200,000	200,000	7,300	7,300.29	Exercise of stock options	—	USD 0.001
2013	USD 0.001	200,000	200,000	9,200	9,200.29	Exercise of stock options	—	USD 0.001
2014	USD 0.001	200,000	200,000	12,772	12,772.29	Exercise of stock options	—	USD 0.001
2014	USD 0.471	200,000	200,000	13,272	13,272.29	Exercise of stock options	—	USD 0.001
2014	USD 0.400	200,000	200,000	13,300	13,300.29	Exercise of stock options	—	USD 0.001
2015	USD 0.600	200,000	200,000	14,959	14,959.29	Exercise of stock options	—	USD 0.001
Series A~H Preferred stock								
1998-2007	USD 0.500-3.250	500,000	500,000	28,447	28,447.62	Issued Series A~H Preferred stock	—	USD 0.001
Series I Preferred stock								
2012	USD 0.235	100,000	100,000	78,847	78,847.62	Issued Series I Preferred stock	—	USD 0.001
Par value changed to NT\$10								
Year / month	Price of issue (NT\$)	Authorized capital		Paid-up capital		Remark		
		Quantity	Amount	Quantity	Amount	Sources of share capital	Paid in properties other than cash	Par value per share (NT\$)
2015.06	Change in par value	150,000	1,500,000,000	94,103	941,027,310	-	-	NT\$10
2016.04	NT\$48	150,000	1,500,000,000	106,651	1,066,507,310	Cash capital increase of NT\$125,480 thousand	-	NT\$10
2018.08	NT\$10	150,000	1,500,000,000	117,316	1,173,158,040	Capitalization of retained earnings of NT\$106,651 thousand (Note 3)	-	NT\$10

Year	Price of issue (NT\$)	Authorized capital		Paid-up capital		Remark		
		Quantity	Amount	Quantity	Amount	Sources of share capital	Paid in properties other than cash	Par value per share (NT\$)
2019.07	NT\$10	150,000	1,500,000,000	129,047	1,290,473,840	Capitalization of retained earnings of NT\$117,316 thousand (Note 4)	-	NT\$10

Note 1: The Company's preferred stock totaled 78,447,621 shares, all of which were converted into common shares on June 23, 2015. Preferred stock are converted into common shares according to the conversion ratios.

Note 2: The Company's changed the par value of each share from US\$0.001 to NT\$10 during the shareholder meeting on June 23, 2015. After the change, the original shareholder's shareholding ratio remained the same.

Note 3: 10,665,073 new shares were issued on August 7, 2018 with the TWSE approval on August 1, 2018.

Note 4: 11,731,580 new shares were issued on July 29, 2019 with the TWSE approval on July 22, 2019.

2. Share category

March 31, 2026; Unit: shares

Share category	Authorized capital			Remark
	Outstanding shares	Unissued shares	Total	
Ordinary shares	129,047,384	120,952,616	250,000,000	TWSE listed stock

3. Information on self-registration system: None.

(II) List of major shareholders

March 28, 2026; Unit: shares; %

Shareholding Name of major shareholders	Quantity of shareholding	Ratio of shareholding
Elite Advanced Laser Corporation	65,809,451	51.00%
All Nippon Airways Trading Co. Ltd.	3,974,382	3.08%
Tzu-Chiang, Huang	1,510,009	1.17%
Cheng Laura	1,118,262	0.87%
Cheng Andrew	1,008,064	0.78%
Ming-Chieh, Hsu	980,000	0.76%
Yung-Shen, Hsieh	947,000	0.73%
UBS Europe SE	939,987	0.73%
Chu, Cheng	900,000	0.70%
Kun-Ming, Lin	834,000	0.65%

(III) The Company's dividend policy and fact of implementation thereof.

1. The dividend policy stipulated in Article 34.2 of the Articles of Association:

As the Company is in the growing stage, the dividend distribution may take the form of a cash dividend and/or stock dividends and shall take into consideration the Company's capital expenditures, future expansion plans, and financial structure and funds requirement for sustainable development needs etc.

The Board of Directors shall formulate an earning distribution proposal in the following manner and sequence. In the case of share distribution, a resolution shall be submitted to the shareholders' meeting; in the case of cash distribution, the Board of Directors may be authorized to make a special resolution and report to the shareholders' meeting. The Board of Directors shall formulate the profit distribution plan in the following manner and order:

- (1) the Company shall set aside all taxes that legally required to be paid; and
- (2) offset its losses in previous years that have not been previously offset; then
- (3) set aside a Legal Reserve in accordance with the Applicable Public Company Rules, unless the accumulated amount of such Legal Reserve has reached the total paid-up capital of the Company; and
- (4) set aside a special capital reserve, if one is required, in accordance with the Applicable Public Company Rules or as requested by the authorities in charge;
- (5) Except otherwise stipulated by the applicable laws and the Applicable Public Company Rules, the Company may take into consideration the circumstances and development stage of the Company, in response to any future funding requirement and long term financial planning, while satisfying the shareholders expectation in respect of cashflow, propose profit distribution plan in connection with the retained earnings available for distribution (i.e. the net profit after the deduction of the items (1) to (4) above plus the previously cumulative undistributed retained earnings), for approval at the meetings of the shareholders; the distribution of retained earnings may proceed by way of cash dividend or by applying such sum in paying up in full unissued Shares for allotment and distribution credited as fully paid-up pro rate to the Members, and the total amount of Dividends shall not be lower than 10% of the net profit of the then current year after deducting the items (1) to (4) above, and provided the total amount of cash dividend to be distributed shall be no lower than 10% of the aggregate dividend distributed to shareholders and no more than 100% of the aggregate dividend distributed to shareholders.

2. Dividend distribution:

The Company's 2025 earnings distribution in cash dividend was approved by the Board of Directors on March 9, 2026. A cash dividend of NT\$645,236,920 was

allocated from the distributable earnings. Based on the current share capital of 129,047,384 shares, a cash dividend of NT\$5 per share was distributed.

- (IV) The impact of issuance of bonus shares proposed in the present shareholders' meeting upon the Company's business performance and earning per share

The Company distributed cash dividends in the year. Thus, it is not applicable.

- (V) Compensation to the employees, directors and supervisors

(The Company has set up an Audit Committee to replace the supervisor)

1. The percentage or scope of compensation for employees and directors as stated in Article 34.1 of the Articles of Association

If the Company makes profits in the year, it shall distribute 5% to 10% of the year's profit for the employee remuneration, and distribute 3% (inclusive) of the year's profit for the director's remuneration. However, when the Company still has accumulated losses, it should reserve the profit to make up for the loss.

2. The basis for estimating the amount of employee, directors, and supervisor remuneration, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual dividend amount and the estimated figure, for the current period

The basis for estimating the amount of employee and director remuneration, for calculating the number of shares to be distributed as employee remuneration, are as described above. If there is a discrepancy between the actual distribution amount and the estimated amount, it should be treated as current profit or loss according to the change in accounting estimate, and adjusted and recognized in the resolution of the shareholders' meeting of the year. If the shareholders' meeting decides to adopt share distribution as employee remuneration, the number of shares to be distributed is determined by the amount of resolution remuneration divided by the fair value of the stock which refers to the closing price on the day before the resolution of the shareholders' meeting (with considering of ex-rights and ex-dividends).

3. Remuneration to be distributed as resolved in the board of directors

- (1) Employee remuneration and director remuneration distributed in cash or shares:

Remuneration to Employees - Cash: NT\$99,000,000

Remuneration to Directors: NT\$30,000,000

There is no difference between the recognized estimated amount of the employees' and directors' compensation expenses this year and the distribution amount in the resolution of the Board of Directors.

- (2) The percentage of amount of compensation to employees to be distributed in stocks to the aggregate total of the net profit after tax as shown through the financial statements and the aggregate total of compensation to employees:

Not Applicable.

4. The distribution of compensation for employees, directors and supervisors in the previous year (the Company has set up an Audit Committee to replace supervisors):

Remuneration to Employees - Cash: NT\$90,000,000

Remuneration to Directors: NT\$26,000,000

There is no difference between the recognized estimated amount of the employees' and directors' compensation expenses in the last year and the distribution amount.

(VI) Repurchase of the Company's Stock

None.

II. Corporate bond application

None.

III. Disclosure relating to preferred stock

None.

IV. Disclosure relating to depository receipts

None.

V. Employee stock warrants

- (I) Up to the publication date of the annual report, handling of the Company's employee stock options that have not yet expired and their impact on shareholders' equity shall be disclosed

None.

- (II) The names of the top ten employees holding employee subscription warrants authorizing purchase of the most shares, along with the cumulative number of warrants exercised by these ten employees, as of the publication date of the annual report

None.

VI. The new shares from restricted employee stock option should include the following matters

- (I) The processing of new restricted employee shares have not fully met the vesting conditions as of the publication date of the annual report and the impact on shareholders' equity

None.

- (II) Names of managers who have acquired new restricted employee shares and the names of the top ten employees who have acquired shares up to the publication date of the annual report

None.

VII. Disclosure on new shares issued in exchange of other company shares

None.

VIII. Progress on the use of funds

For the period as of the quarter preceding the publication date of the annual report, the Company does not have the aforementioned uncompleted public issue or private placement of securities where such issues and placements that were completed in the latest 3 years but have not yet fully yielded the planned benefits.

Chapter V Business Performance

I. Content of business

(I) Scope of business operation

1. Major contents of the business operation undertaken:

The Company is a professional power semiconductor packaging and testing company for discrete component or modular product design, IC design and Integrated Device Manufacturers (IDM) to provide packaging and testing services for Power MOSFET, IGBT, Diodes, Power Management ICs, and modularized integrated products.

2. Proportion of sales of key products

The operating revenue of the Company and its subsidiaries is divided into two categories, packaging and testing income and other revenue. The proportion of operating revenue in the last two years is as follows:

Unit: NT\$ thousand; %

Key products	2024		2025	
	Amount	%	Amount	%
Packaging and testing	4,526,875	96.92	5,179,536	97.25
Other	143,664	3.08	146,374	2.75
Total	4,670,539	100.00	5,325,910	100.00

3. Current products (services)

The Company is a professional power semiconductor packaging and testing company, providing packaging and testing services for Power MOSFET, IGBT, Diodes, Power Management ICs, and modularized integrated products. The above products are mainly used in servers, white goods, remote control drones, automotive electronics, automotive charging piles, small industrial motors, green power conversion devices, electric locomotives, power supplies, lithium batteries, adapters, storage equipment and charging devices for consumer electronic products, terminal application products for displays, motherboards, laptops, desktops, and any home appliances and industrial equipment that require power systems for operation.

4. New products (services) under development

The Company will continue to invest in the development of new products and technologies, including high-efficiency, high-voltage applications, multi-die modular products, and new materials such as SiC (silicon carbide) and GaN (gallium nitride) with new power semiconductor material products and services. The Company will continue to make R&D breakthrough on process technology to develop higher efficiency, smaller, and structural performance-enhanced power management product structure requirements, further lead the industry and other high-performance application markets.

(II) Industrial profiles

1. The status quo and development of the industry

Semiconductor products mainly include four categories: integrated circuits (IC), discrete components, sensors, and optoelectronics. The research institute IDC expects the global semiconductor market to maintain double-digit growth in 2026, with an annual increase of 11%. This growth trend mainly stems from China's technical breakthroughs in local AI integrated circuit chips and high-end mobile phone processors, as well as the extensive strategic presence of numerous startups in the edge computing and IoT markets, driving related revenues to show exponential growth. Regarding the overall chip market conditions, demand for AI integrated circuit chips is expected to be strong, with the computing application field leading with an 18% annual growth rate. Specifically, the AI Server core chips are benefiting from the simultaneous explosion of cloud training and edge inference demands, with an expected growth of 32%.

Application classifications can traditionally be divided into six categories: information electronics, communication electronics, consumer electronics, automotive electronics, industrial electronics, and military and aerospace electronics.

Information electronic applications mainly include PCs, such as DT, NB, Ultrabook, iPad, and network equipment. Communication electronic applications are mainly mobile phones. Consumer electronics is applied extensively, such as white goods, digital cameras, DTV, MP3, DVD players, and STB.

IDC released a report stating that global PC shipments in 2025 increased by approximately 6.5% year-on-year; however, the U.S. market showed signs of slowing demand due to the pressure of import tariffs. As for market share, Lenovo ranked first (nearly 23.5%), followed by Hewlett-Packard Company (nearly 21%), and Dell Inc. (about 14%).

Regarding communication electronics applications, the market research firm IDC recently released the Q2 2025 global smartphone shipment analysis report, showing that total global shipments for the quarter reached 295.2 million units. Although the year-over-year growth rate was only 1%, nearly flat compared to the same period last year, overall, it has shown a positive growth trend for eight consecutive quarters, indicating a steady market recovery. In terms of brand rankings, Samsung secured the top global position with shipments of 58 million units, continuing its market leadership; Apple and Xiaomi ranked second and third, respectively.

In terms of industrial and automotive electronic applications, the industrial and automotive electronic chips have gradually become a competitive field for semiconductor companies since 2019. The demand for industrial automation is increasing. Due to the carbon emission reduction policy, the demand for programmable logic controllers, inverters, servo motors, green energy, low-voltage circuit breakers, and energy-saving auxiliary products has increased accordingly. The field of automotive electronics is benefiting from the trend of electric vehicles. As the body shell and the automotive entertainment system tend to be more complex, a considerable number of semiconductor chips are required.

Internet of Things (IoT) applications can be applied in all the six application categories, and these six independent application categories can be connected to each other and communicate with each other through the IoT technology or even through cloud computing, software platforms, and the provision of back-end services, thereby increasing much more business opportunities. The synergy of 5G platforms and WEB 3.0 can further facilitate the positive development of business opportunities and the relevant industries. The IoT, 5G, WEB 3.0, and AI will drive the future growth in demand for power semiconductors.

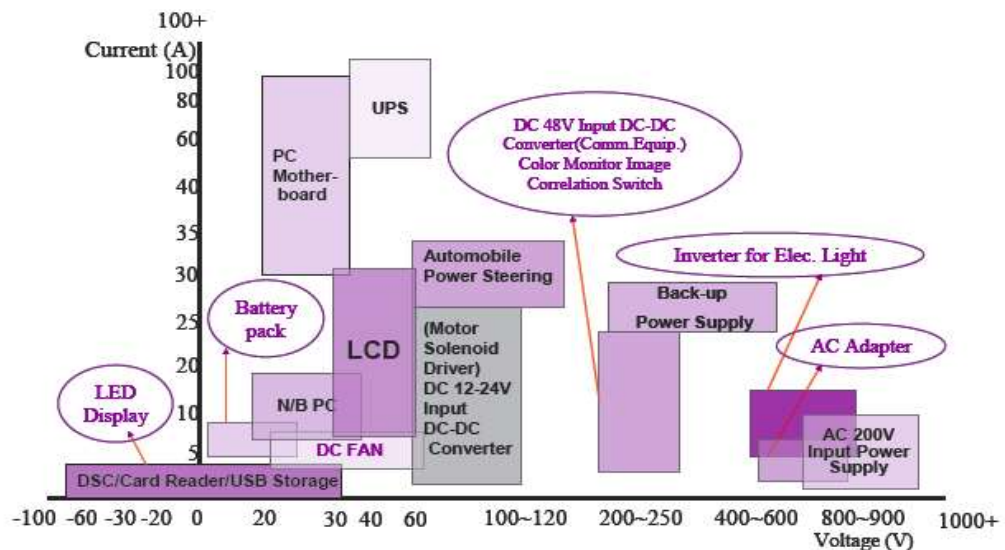
IHS iSuppli, an internationally renowned market surveying company, classifies semiconductor components related to power management as power management semiconductors, which can be roughly divided into two categories: power discrete components and power IC.

The Company's main packaging and testing products are power transistors. Power transistors have three terminals: base, collector, and emitter, which are used for current amplification or switching. When it is used for current amplification, it can change a small amount of current between the collector and the emitter. When it is used for switching, if the voltage passing through the base is higher than a certain value, conduction happens, and the maximum power will pass through. Although this type of power transistor is small in size with the market scale not as large as that of IC, it is indispensable.

Power transistors are applied in a wide range of applications, such as power supplies, transformers, automotive circuits, airbags, and daylight lighting and electronic ballasts. Moreover, due to the characteristics of its switching efficiency and low impedance (power efficiency) is suitable for thin packaging and particularly suitable for mobile electronic products, such as mobile phones, notebooks, or lithium batteries. In short, it can be applied to power conversion, power amplification, switch, protection, and rectify. Power transistors are widely used in oscillating circuits and switching circuits. Although some functions of power transistors can be integrated into ICs, they still play an indispensable role in high-power circuits, high-voltage circuits, low-noise circuits, and high-frequency circuits.

Power management components, such as power transistors, include power metal oxide semiconductor field effect transistors (MOSFET), bipolar power transistors, and insulated gate bipolar transistors (IGBT). According to the report on power MOSFET in an electronic information special issue in June 2014, with the increase of power demand and the rise of energy conservation awareness, more attention has been paid to power utilization efficiency related technologies. Home appliances and different equipment and tools used in daily lives and in various industries all include power systems to support the operations. Power transmission and use need to undergo power conversion between AC and DC (Ac to DC or Dc to AC), DC and DC, or AC and AC. Power electronic components are used in the DC-AC conversion and the control the stability of voltage spikes. Figure 1 shows the power, frequency, and application fields of different power electronic components during operation, and how to enable power conversion to be more efficient, reduce power loss during each conversion process, and save energy are the focus of the power electronic component research.

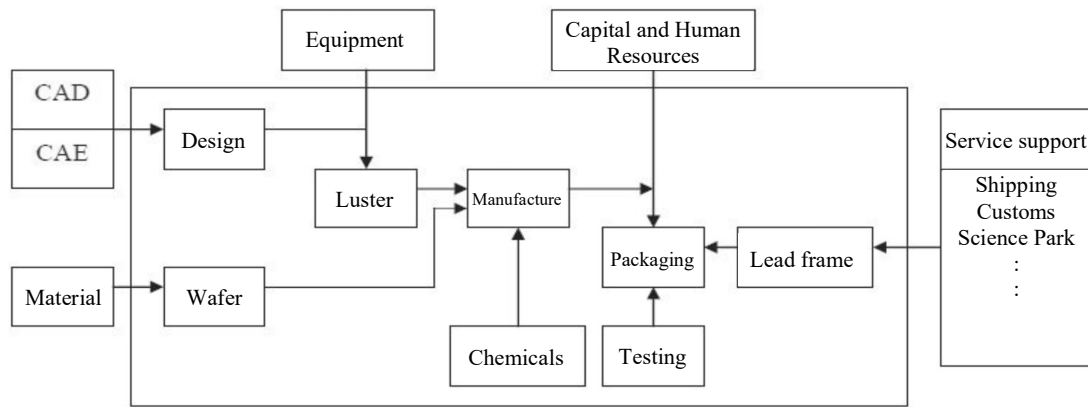
Power MOSFET is the power electronic component most commonly used in power conversion systems. Due to the unipolarity and voltage control characteristics of MOSFET, power MOSFET features high input impedance, low drive power, lower $R_{ds(ON)}$, higher switching speed, lower switching loss, and a wider range of safe operation. Due to the advantage in the switching speed, power MOSFET can meet the requirement of applications for a higher switching speed, and MOSFET, controlled by voltage, has led to a more simple design of control circuits. With the well-developed technology and due to the consideration for cost, power MOSFET are widely adopted and play the most important role of all discrete power components. The figure below shows its applications under various voltage and current ratings.



The power MOSFET is being developed toward low cost, high frequency, high withstand voltage, low resistance, high current, and low switching loss. Materials, such as silicon carbide (SiC) and gallium nitride (GaN) with a wide bandgap are much better than silicon components, but they still need to catch up in terms of substrate size and cost issues.

2. Association among the up-, mid- and down streams

With the evolution of the vertical integration on division of labor and of the overall semiconductor industry in Taiwan, the power semiconductor industry can be divided into upstream discrete components and IC Design, midstream discrete components and IC Manufacturing and Foundry and downstream discrete components and IC Assembly and Testing. In recent years, due to the vigorous development of the semiconductor industry and the professionalization of the division of labor system, many manufacturers have invested in individual production process and the vertical division of labor is clear where each has its own specialization, completing the structure of the upstream, midstream and downstream of the semiconductor industry in Taiwan. Association among the up-, mid- and down streams:



Source: ITIS Project of ERSO

3. Product development trends

(1) Improvement requirements for component integration and power conversion efficiency

Due to the constant development of microprocessors, the product demand to have smaller output voltage with extremely high current output drive capability, increased switching frequency, improved power conversion efficiency and reduced loss during low voltage output conversion. All variations of electronic products are aimed to be light, thin, and small with inevitable integration of components. The technology of component integration will enable multiple applications of products and improve product performance, and it is bound to become the mainstream of the market.

(2) Requirements for current and load regulation

Power semiconductors have developed towards two polarizations; products with high voltage currents such as electromechanical equipment requires high-power components with higher voltage tolerance for voltage regulation and rectification; and electronic information products require smaller and more precise power components for protection. With the increasing popularity of broadband networks and the demand for communication products, the demand for power components used in communication equipment is increasing, and as various electronic products are gradually built with compatible interfaces to communicate with each other, the importance for current and load regulation is more important is also increasing.

(3) Requirements for green environmental protection, energy saving and carbon reduction

The global awareness of environmental protection, energy saving and carbon reduction is on the rise, and the demand for renewable energy and clean

energy (or green energy) is extremely urgent. Solar power generation is one of the most important sources of renewable energy supply. Thus, the development of green energy with the idea of environmental protection such as solar power generation has become an urgent development issue for the government and enterprises. On the other hand, many countries are focusing on promoting the reduction of energy consumption, and encouraging the production and use of equipment with energy-saving capability and air pollution prevention. Thus, improving the efficiency of electronic products to save energy has become an important issue in power management.

- (4) The packaging and testing industry will lean towards an oligopoly where the market is shared by a small number of manufactures.

With the development trend of electronic terminal devices getting thinner and smaller, the price also continues to fall and indirectly suppresses the price and profit of the packaging and testing industry, which is more dependent on material costs. In the future, manufacturers without sufficient economic scale will face increasingly difficult cost management, and as major semiconductor manufacturers developed and moved on with higher-level manufacturing processes, the difficulty in the packaging technologies will also increase simultaneously with increase in the required capital expenditure. Thus, if small-scale packaging and testing factories cannot occupy a niche market, their competitiveness continue to decline in the future and resulting with an oligopoly where the market is shared by a small number of manufactures.

4. Competition status

The Company specializes in the packaging and testing services of power semiconductors and such service providers such as ATX, JCET Group Co., Ltd. (Jiangsu) and Tongfu Microelectronics Co., Ltd. (Jiangsu) still focus on microprocessors, memories, and general logic integrated circuits. The business of power semiconductor packaging and testing will inevitably have a crowding out effect in the total production capacity allocation and scheduling during the peak season. Thus, in comparison, the Company's focus on providing services for power semiconductor packaging and testing is an advantage.

In addition, the Company's customer base is not limited to IDM, but also includes IC design, and its application have expanded to consumer electronics, industrial products, home appliances, etc. No major fluctuations in the Company's operation performance will be caused by changes in the operations of an industry or a product.

(III) Technology & know-how and research & development in summary

1. R&D expenditure in the latest year and as of the publication date of the annual report

Unit: NT\$ thousand

Item \ Year	2025	As of March 31, 2026 (Note)
R&D expenditure	46,777	9,930
Consolidated net revenue	5,325,910	1,357,265
Proportion in consolidated net revenue (%)	0.88%	0.73%

(Note) The consolidated financial report for the first quarter of 2026 has not yet been reviewed by CPA.

2. Technologies or products developed in the past five years
- (1) High power mosfet TO247 series with single or stack die options.
 - (2) High power mosfet T2PAK SMD leads.
 - (3) High power mosfet TO263 series 7-pin products.
 - (4) R&D of GEMPACK5060 copper sheet welding and bilateral cooling structure technology.
 - (5) R&D of GEM3333 copper sheet welding and bilateral cooling structure technology.
 - (6) DFN and QFN Swan-type series products
 - (7) DIP25 multi-chip modular products.

(IV) Long- and short-term business development programs

1. Short-term development strategy and plan
- (1) R&D strategy and plan
 - A. Continuously update the design process, improve production efficiency, and foresee market trend and customer demand to further increase market share.
 - B. Utilize the Company's accumulated technology and knowledge related to manufacturing processes and materials to develop customers with new applications and improve market positioning.
 - (2) Marketing strategy
 - A. Continue to develop Chinese, European and American markets.
 - B. Continue to further develop and maintain the Taiwan market.

- C. Collaborate with Japanese distributors to develop new customers and obtain orders from existing customers.
 - (3) Production strategy
 - A. Utilize the division of labor between GEM Electronics (Shanghai) and GEM Electronics (Hefei) to meet the demand of customers for comprehensiveness and different delivery dates.
 - B. Utilize collective bargaining to place orders to lower the procurement price.
 - (4) Operation and financial strategies
 - A. Strengthen employee education and training to stimulate employee potential, and improve management performance.
 - B. Focus on the employee benefit policy and implement the bonus and performance bonus system to improve employee morale and synergy.
- 2. Long-term development strategy and plan
 - (1) R&D strategy and plan
 - A. Combine the application demand of customers, expand the product line in 3C general-purpose products, 4G and 5G communication networks, and electric automotive, machines and other high-voltage and current products and conduct development at the same time to diversify products as a Total Solution for customer demand.
 - B. Continue to develop key technologies and required manufacturing processes, and develop new-generation products in response to industry trends to maintain the lead in the discrete component industry.
 - (2) Marketing strategy
 - A. Active collaboration with customers to strengthen services. Seek to establish strategic partnerships with customers.
 - B. Through continuous product improvement, the product has been improved to a leading position in the general and even modularized power semiconductor packaging and testing market with a brand image of global technology leader established.
 - (3) Production strategy
 - A. Maintain long-term partnership with automation equipment manufacturers, and become strategic partners to develop specialized production processes, reduce production costs, and develop high-quality, multi-functional and competitive products.
 - B. Continue to strengthen the planning and management of production capacity and quality to achieve the best service to customers.
 - (4) Operation and financial strategies

- A. Promote internationalization, strengthen the operation and management capabilities of international enterprises, cultivate international talents, and become a global enterprise.
- B. Strengthen risk management and ensure stable construction, high efficiency and good flexibility.

II. Markets, production and marketing in summary

(I) Market analyses

1. Sales (supply) regions of the Company's main products (services)

Unit: NT\$ thousand; %

Year		2025	
Region		Amount	Proportion
Domestic sales		3,693,758	69.36
Export	Asia	1,417,471	26.61
	Europe and US	214,681	4.03
Total		5,325,910	100.00

Note: Domestic or export sales are categorized according to where the subsidiaries and the sales are located.

2. Market share

According to WSTS forecast data, the global semiconductor market sales in 2025 would be US\$728 billion, with discrete semiconductors expected to account for 4%. Among these, logic components grew by 37% and memory by 20%, serving as the main growth drivers. The Company's 2025 revenue was approximately NT\$5.3 billion, which is less than 1% of the global discrete semiconductor market. However, as the Company focuses on the back-end packaging and testing process, and its revenue accounts for a relatively small portion of the total revenue in the entire industry chain, the market share data is for reference only.

3. The future market supply and demand and growth potential

With the increase of power demand and the rise of energy conservation awareness, more attention has been paid to power utilization efficiency related technologies. According to IHS Power Supply Intelligence Service research on power semiconductor competition tools, the demand for power semiconductors in 5G, AI, automotive and industrial terminal markets is particularly strong, whether it is 5G communication facilities, data centers, automotive power systems, entertainment systems, ADAS and other automotive applications will increase the demand for power semiconductors.

Home control, automation, energy generation and distribution are the fastest growing applications in the industrial market, and the power generation and distribution, automation market also have a good forecast. In addition, some of best growth in the industrial market in the short term are LED, IP Camera, digital video surveillance products, Smart Grid solutions, and the Internet of Things (including smart factories, industry 4.0, smart city, smart retail and smart home.) embedded systems.

In the automotive industry, the trend of complete electronicization vehicles will continue. Connected vehicles, ADAS, car charging systems, and entertainment systems are all applications that are expected to result in an increase in the number of semiconductors in each vehicle, and will increase the revenue share of power semiconductors in the automotive industry (MOSFETs account for more than 15% of automotive electronics applications).

4. Competitive niche

(1) Industry-experienced management and technology R&D team

Since its establishment in 1998, the Company has invested in technology development and research related to power semiconductor packaging and testing. With an international professional management team and R&D personnel and management personnel with more than 20 years of experience in the power semiconductor industry. The Company has accumulated abundant experience in packaging and testing related fields. The Company is equipped with insight into the packaging and testing industry trend and can foresee the market demand. The Company can develop key technologies in a timely manner to meet customer needs, which can be translated to customer orders.

(2) Independent R&D capabilities

The Company has 61 patents for packaging and testing of advanced power semiconductors (49 in the United States, 2 in Japan, and 10 in Mainland China), all of which are self-developed. The patents are the key steps to obtaining key technologies for products, speeding up the development of new products, and ensuring the Company's resiliency to market fluctuations. In addition, the turnover rate of the Company's R&D personnel is low where the team can integrate its own technical expertise for each newly developed product and increase the product's competitiveness.

(3) Customers are stable and moderately dispersed, and most of them are international leading IDM manufacturers and semiconductor design companies

The business comes from international leading IDM manufacturers and power semiconductor design companies in Europe, America, Japan, Taiwan and South Korea. In recent years, only slight changes occurs for the top ten customers, which means that the relationship with customers is stable and the products are at advantages in terms of price and quality. The total revenue to the top ten customers accounts for about 70% of the overall revenue and the sales to the European, American, Japanese, Taiwan and Korean markets do not individually exceed 40%; in summary, the Company does not have the risk of business concentration in a single region or a single customer.

(4) Focus on power semiconductor packaging and testing

The Company is a professional power semiconductor packaging and testing company, providing power semiconductor packaging and testing services for discrete component or modular product design companies, IC design companies and IDM.

5. Advantages and disadvantages of development and countermeasures

(5) Favorable factors affecting the future development of the Company

A. The domestic semiconductor industry has a complete division of labor

Taiwan's semiconductor professional division of labor has been developed for many years and it has the advantages of a complete upstream and downstream industrial chain, a high degree of cooperation in professional division of labor, a significant benefit of industrial clustering, and comprehensive supporting industries. Moreover, the wafer foundries and packaging and testing factories have economic scale and specialization with the manufacturing capacity, flexible production scheduling, world-class service quality and rapid adaptability can meet the needs of industry trends, and provide high-quality and global competitive products which will be a major niche for future development.

B. IDM manufacturers' acceleration on outsourcing is beneficial to the packaging and testing industry

With the impact of the epidemic and Sino-US trade frictions, international IDM are more cautious about the establishment of packaging and testing capacity, reducing investment in packaging and testing capacity to expand production, but increasing the production capacity of wafer fabs. At the same time, IDM revise their operating models (i.e. Fabless or Fab-Lite) and conduct structural restructuring, focusing on market development and R&D, improving business

efficiency and production efficiency of the fabs, concentrating resources and reducing production costs so that IDM continue to increase the proportion of outsourcing. The Company focuses on the packaging and testing of power semiconductors, provides high-quality and cost-effective processing services, and maintains close and friendly relationships with many internationally renowned manufacturers for the long-term development of the Company.

- C. The industry to which the product belongs and the terminal application market will continue to grow in the future

According to IHS Power Supply Intelligence Service research on power semiconductor competition tools, the demand for power semiconductors in the automotive and industrial terminal markets is particularly strong in applications such as automotive power systems, entertainment systems, and ADAS, driving the growth in power semiconductors demand. In addition, home control, factory equipment automation, energy generation and distribution are the fastest growing applications in the industrial market. Also, with the upcoming industrial changes brought about by the Internet of Things (including smart factories, industry 4.0, smart cities, smart retail, and smart homes, etc.), the demand for power semiconductors will grow.

- D. The life cycle of power semiconductor products is long, and the impact of fluctuations in the industrial boom and bust cycle is relatively small

One of the characteristics of power semiconductor products is that the R&D results are cumulative, and the product life cycle is generally 8 to 10 years, which is longer than other IC products. Thus, manufacturers can have a longer time to recover R&D expenses and are less susceptible to economic fluctuations.

(6) Unfavorable factors affecting the future development of the Company

- E. Gradual increase in Capex

The Company is engaged in packaging and testing services with high cost for the packaging and testing machines, and with increasing IDM outsourcing orders which makes packaging and testing manufacturers to increase the purchase of the equipment, coupled with rapid changes in packaging and testing technology, major semiconductor manufacturers have gradually stepped into higher-level manufacturing processes. As the difficulty of such packaging technology has increased simultaneously, the required capital expenditures have become larger.

Thus, the increase in capital expenditures will increase the investment risk of the Company.

Countermeasures:

The Company has a R&D center to jointly develop packaging and testing technology with customers, and forecast market demand. With the trend of new packaging and testing technology in the future, it ensures that the product technology can meet the needs of the market and customers and is launched at the right and timely schedule. In addition, the Company prudently evaluates investment plans and plans for personnel, machines, funds, and technology, and adjusts equipment portfolio in a timely manner according to market demand. It adopts the minimum investment in equipment portfolio to meet diversified customer needs, reduce the investment amount and risks related to the development of new packaging and testing technologies, and pursue efficient use of free cash flow to maximize profits.

F. Quality and price competition with international IDM and competitors

The demand in the power semiconductor market is stable with large scale. The technology of international IDM is still improving, which are challenges in the quality and price of packaging and testing.

Countermeasures:

To maintain product competitive advantage, the Company continuously improve technology, maintain product quality and functions, and devote great efforts in generating output yield which is one of the best in the industry. As a result, the cost can be controlled at an advantageous level for an outstanding cost performance in the market.

G. Difficulties in training and recruiting professional power semiconductor packaging and testing talents

Professional and experienced R&D personnel have a long and challenging development. To establish the synergy of R&D personnel, the Company pays a higher labor cost, and the changes of R&D personnel will have an impact on the Company.

Countermeasures:

The Company spares no effort in cultivating and recruiting R&D personnel. In addition to providing excellent working environment and employee benefits, it provides comprehensive on-the-job training for

the development and training of professional R&D personnel and reducing the risk of R&D personnel turnover.

H. Increase in raw material costs

The key raw materials in the packaging and testing process are lead frame, epoxy resin, copper wire, aluminum wire, gold wire and other materials, accounting for more than 30% of the total material, so the price increase in raw materials will result in great impact on the power semiconductor packaging and testing industry. The impact will result in the Company facing greater challenges in the management of raw material costs and inventory.

Countermeasures:

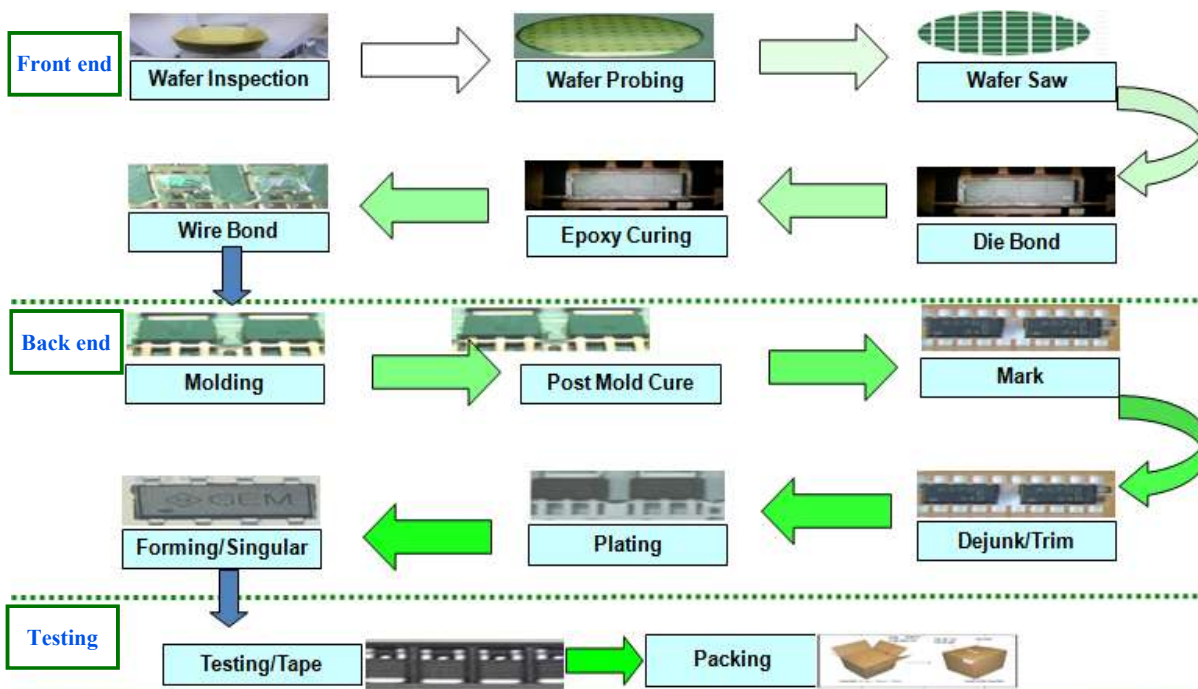
In addition to obtaining the information related to the change of raw materials and the trend, the Company improves product yield and reduces the impact of rising costs by solutions such as adopting raw material substitution, improving existing process technology, and carrying out advanced process technology R&D to ensure the Company to maintain a stable and profitable competitive advantage.

(II) Manufacturing process and key purposes of our principal products

1. Key purposes of our principal products

Key products	Main functions and uses
Power semiconductor packaging and testing	Power semiconductors are used for AC/DC, DC/DC switching rectification, converter, integrated monitors, voltage controllers, and voltage regulators for power supply.

2. Production process of key products



(III) Supply status of major raw materials

Major raw materials	Major suppliers	Supply status
Lead frame	Company AA	Excellent
Lead frame	Company AD	Excellent
Lead frame	Company AE	Excellent
Lead frame	Company AF	Excellent
Wires and solder paste	Company AG	Excellent

(IV) A list of any suppliers and clients accounting for 10 percent or more of the Company's total procurement (sales) amount in either of the 2 most recent fiscal years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each, and an explanation of the reason for increases or decreases in the above figures.

1. Customers accounting for 10% or more of total sales

Unit: NT\$ thousand

Item	2024				2025				First quarter of 2026			
	Name	Amount	Ratio to net sale in the whole year (%)	Relationship to the issuer	Name	Amount	Ratio to net sale in the whole year (%)	Relationship to the issuer	Name	Amount	Ratio to net sale in the whole year (%)	Relationship to the issuer
1	Company B	777,722	16.65	None	Company B	793,660	14.90	None	Company B	149,291	11.00	None
2	Other	3,892,817	83.35	—	Other	4,532,250	85.10	—	Other	1,207,974	89.00	—

Item	2024				2025				First quarter of 2026			
	Name	Amount	Ratio to net sale in the whole year (%)	Relationship to the issuer	Name	Amount	Ratio to net sale in the whole year (%)	Relationship to the issuer	Name	Amount	Ratio to net sale in the whole year (%)	Relationship to the issuer
	Net revenue	4,670,539	100.00	—	Net revenue	5,325,910	100.00	—	Net revenue	1,357,265	100.00	—

Reasons for increase or decrease: The business of the Company's major customers is stable, and there is no major change in major customers.

2. Suppliers accounting for 10% or more of total purchases:

Unit: NT\$ thousand

Item	2024				2025				First quarter of 2026			
	Name	Amount	Ratio to net purchases in the whole year (%)	Relationship to the issuer	Name	Amount	Ratio to net purchases in the whole year (%)	Relationship to the issuer	Name	Amount	Ratio to net purchases in the whole year (%)	Relationship to the issuer
1	Company AF	170,179	11.73	None	Company AE	239,440	13.28	None	Company AE	78,981	15.96	None
2	Company AA	157,363	10.85	None	Company AD	219,185	12.16	None	Company AD	78,598	15.88	None
3	Company AE	140,737	9.70	None	Company AA	154,554	8.57	None	Company AG	49,865	10.08	None
4	Company AD	117,285	8.09	None	Company AG	152,982	8.48	None	Company AA	38,447	7.77	None
5	Company AG	104,860	7.23	None	Company AF	115,552	6.41	None	Company AF	24,463	4.94	None
6	Other	759,820	52.40	-	Other	921,525	51.10	-	Other	224,557	45.37	-
	Total	1,450,244	100.00	-	Total	1,803,238	100.00	-	Total	494,911	100.00	-

Reasons for increase or decrease: The business of the Company's main suppliers is stable, so there is little change in the required raw materials.

III. The number of employees employed, average years of service, average age, and education levels for the 2 most recent fiscal years, and during the current fiscal year up to the publication date of the annual report

Unit: person; %

Year		2024	2025	April 10, 2026
Number of employees (person)	Administrative personnel	524	472	475
	R&D personnel	36	35	36
	Technical personnel	523	553	555
	Operator	901	993	1,036
	Total	1,984	2,053	2,102
Average age		36.74	36.98	36.44
Average years of service (year)		8.08	8.16	8.00
Academic qualification (%)	Doctoral Degree	0.10	0.10	0.10
	Master's Degree	0.30	0.44	0.43
	Bachelor's Degree	37.91	38.67	38.48

Year		2024	2025	April 10, 2026
Item				
	High school	42.74	41.98	41.96
	Below high school	18.95	18.81	19.03

IV. Environmental spending

Any losses suffered by the Company in the latest year and up to the publication date of the annual report due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken: None.

V. Employee-employer relationship:

- (I) Employee benefits, continuing education, training, retirement systems, and the status of their implementation, as well as the status of agreements between labor and management, and all measures aimed at preserving the rights and interest of employees

1. Employee benefits, continuous education and training

(1) Employee benefits

The Company's subsidiaries in mainland China (GEM Electronics (Shanghai) and GEM Electronics (Hefei)) have employee cafeterias, shuttle buses, and dedicated parking lots. GEM Electronics (Hefei) also provides free dormitories for new employees and subsidizes dormitory utility costs, and the factory is equipped with facilities, such as basketball courts and vending machines, for all employees. In addition, parental care leave is provided. If an employee's parents aged 60 or above are hospitalized due to illness and require care, employees can take 7-20 days of leave as needed to provide care for their parents.

The Company's subsidiaries in mainland China have established breastfeeding rooms for female employees and provide relevant leave and special attention during employees' pregnancy, maternity, and childcare periods:

Pregnancy	Maternity	Lactation	Childcare
Employees are provided with prenatal check-up	Maternity leave is 158 days, exceeding the	Breastfeeding rooms are provided. Within	Employees with children under the age of six

leave, and workload is reduced or shift arrangements are adjusted for older mothers and those with physical discomfort.	national statutory maternity leave of 60 days, and paternity leave is 30 days, exceeding the national statutory leave of 20 days.	one year of the baby's birth, employees are granted one hour of breastfeeding leave per day, which can be used in two separate instances or accumulated over multiple days.	are entitled to ten days of childcare leave per year.
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The childcare leave application status of the Company's subsidiaries in mainland China for the most recent two years:

Description	Male/Number	Female/Number	Total
Number of employees who should be reinstated after childcare leave in 2025 (A)	103	78	181
Number of employees who were actually reinstated after childcare leave in 2025 (B)	103	78	181
Number of employees who were actually reinstated after childcare leave in 2024 (C)	94	88	182
Number of employees who were reinstated after childcare leave in 2024 and worked for a full year (D)	77	73	150
Reinstatement rate % = B/A	100	100	100
Retention rate % = D/C	82	83	82

The subsidiary, GEM Electronics (Shanghai and Hefei), conducted an employee opinion survey in 2025 to understand the operation of the organization, entry-level employee management, compensation and benefits, training and development, and administrative support, and communicated on material issues and formulated improvement plans. The employee coverage

rate for this employee satisfaction survey was 72%, and the overall satisfaction rate reached 72.49%.

Subjects	All employees of GEM Electronics (Shanghai and Hefei)
Evaluation Indicator	Satisfaction survey on compensation, work environment, career development, corporate culture, and management communication
Number of respondents	1,344 persons (a total of 1,308 valid questionnaires).
Coverage rate	72%
Responsible survey unit	HR
Survey frequency	Once every year
Survey period	January 1, 2025 to December 31, 2025
Overall satisfaction	72.49%
Survey results	According to the survey, most employees are relatively satisfied with the Company's current operations.
Improvement initiatives	Based on the survey results, the content of continuous improvements and improvement projects for 2026 are as follows: 1. The production line implemented an incentive program to improve efficiency, by using a multi-machine, multi-product approach to motivate employees and increase their enthusiasm at work. 2. Employee retention rates were improved by evaluating new employees, providing tiered incentives, and adjusting salaries.

(2) Comprehensive labor insurance, health insurance, group insurance and other social insurance

Employees of the Company in Taiwan will have labor insurance, national health insurance and other related benefits on the date of employment; the Company also purchases group insurance for employees' medical security; at the same time, it is available for immediate family members to participate at their own expense to ensure a comprehensive protection.

Starting in 2025, our company's subsidiaries in mainland China (GEM Electronics (Shanghai) and GEM Electronics (Hefei)) will jointly fund commercial insurance, including life insurance, accident insurance, and hospitalization insurance, for employees with the labor union, to address employees' medical security needs.

(3) Employee salary adjustment and bonus system

The Company uses performance as the standard for evaluating salary adjustments and considers the CPI fluctuations for appropriate salary adjustments.

The Company also distributes year-end bonuses for a fixed number of months for the livelihood of employees.

(4) Employee profit sharing and stock ownership

The Company has an employee stock option system and an employee remuneration system to allow employees to participate in the Company's operations, share in the growth and profits, and operating risks to increase employees' synergy and develop team spirit.

(5) Employee activity

A. Leisure

The Company regularly organizes leisure activities such as tourism and dinner parties to develop team bonding and team spirit.

B. Festivals

To show the Company's gratitude towards the employees and celebrate the festivals, the Company has allowances for Labor Day, three Chinese festivals (Spring Festival, Dragon Boat Festival, and Mid-Autumn Festival), weddings and funerals, and employee birthdays; the Company also hold year-end lottery dinners to show appreciation to employees.

(6) Health examination

In addition to the statutory health examination items, the Company provides a number of free health examination items to meet the needs of employees.

(7) Employee continuous education and training

The new employees must first pass the pre-employment training course on their first day. During their tenure, they will receive professional and technical training according to different functions and business needs to strengthen the functions of employees and effectively improve the business performance and competitiveness of the Company.

The Company spent NT\$1,067 thousand on employee education and training in 2025, and the total number of trainees was 59,842.

2. Retirement system

The Company's subsidiaries located in Mainland China (GEM Electronics (Shanghai) and GEM Electronics (Hefei)), allocate a certain percentage of the total monthly salary of employees for the Ministry of Human Resources and Social Security's five insurance premiums including endowment insurance according to the relevant laws and regulations of Mainland China. The special account is deposited in the independent account of each employee. The recognized pension expense for 2025 was RMB29,868 thousand.

In accordance with the regulations on the retirement management of subsidiaries in Mainland China (GEM Electronics (Shanghai) and GEM Electronics (Hefei)), the current statutory retirement age in China is 63 years for male workers. Women in managerial positions have a retirement age of 55, while blue-collar female workers can retire at 58. Those who meet the requirements can go through the retirement procedures to apply for pensions, and the Ministry of Human Resources and Social Security is responsible for the verification of retirement. The human resource management will initiate retirement procedures for retirement approval on the government website in the month an employee retires. At the end of the month when the retirement age is reached, retiring employees should go to the human resource management to go through the relevant retirement procedures and can also apply for an electronic retirement certificate online through the "One-Stop Service Platform".

In addition, male employees born before December 1976 and female employees born before December 1984 at or below Grade 7, or female employees born before December 1981 at Grade 8 can follow a phase-by-phase retirement policy based on their wishes and submit an "Employee Flexible Retirement Application Form" to the human resource management for early retirement.

In July 2005, the "Labor Pension Act" (new system) came into effect. The Company's subsidiary, GEM Tech Ltd., Taiwan Branch, has completed the declaration process in accordance with the regulations, and 6% of the pension will be allocated to the personal pension account of the Bureau of Labor Insurance according to the employee's insurance level. If there is a voluntary contribution, it will be withheld from the employee's monthly salary to the Bureau of Labor Insurance's individual pension account according to the voluntary contribution rate. The recognized contribution to the new pension system in 2025 was NT\$415 thousand.

Employees who apply for retirement under the Labor Pension Act can apply to the Company for retirement benefits when they reach the age of 60. Those seniority exceeds 15 years may claim for a monthly pension or a lump-sum pension. However, workers whose seniority is less than fifteen years may only claim for a lump-sum pension.

3. Labor-management agreement and various employee rights and interests protection measures

Although the Company's subsidiaries in mainland China (GEM Electronics (Shanghai) and GEM Electronics (Hefei)) have established labor unions, no collective bargaining agreement has been signed because the unions have not yet submitted a request for collective bargaining to the Company.

The Company attaches great importance to employee relations. Besides strengthening the communication between the supervisors and subordinates of various departments, internal communication meetings are held frequently to enhance employees' corporate identity. Thus, labor-management relations are harmonious, and no major labor-management disputes have occurred.

- (II) List any losses suffered by the Company in the latest year and up to the publication date of the annual report due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided.

There have been no labor disputes that may cause losses to the Company.

VI. ICT security management

- (I) Describe the ICT security risk management framework, the ICT security policy, specific management plan and the resources invested in the ICT security management, etc.

1. ICT Security Risk Management Framework:

Currently, the information department of the Company is in charge of cyber security-related affairs. An information security center has been established, and a team in Shanghai and Hefei, respectively, reports to the center.

2. ICT security policy

A. Conduct ICT security publicity, and new recruits must receive cyber security training.

- B. Outsourced manufacturers must sign a confidentiality agreement to prevent unauthorized access, tampering, destruction or improper disclosure.
 - C. Significant information systems are backed up and disaster recovery drills are performed regularly to maintain the availability.
 - D. Both personal computers and servers are equipped with anti-virus software which automatically update the malicious code to against virus infection.
 - E. Conduct regular software inventory on the computer to ensure the compliance of the software.
 - F. Establish password complexity and validity period management and require personnel to change passwords regularly. Strictly control the use of removable storage devices.
 - G. Use firewalls to isolate production and office networks, and isolate the Company's internal network and external Internet to protect the internal network from attacks.
 - H. Ensure external computers are not allowed to enter the Company network. Computers that need to be connected to the Company's internal network must be confirmed by IT before accessing the internal network.
 - I. Conduct regular internal audits every year to ensure the effectiveness of information security and personal data protection management systems.
3. Specific concrete management programs and investments in resources for ICT security management.

Conduct an internal inspection once a year and submit the summary of the internal control inspection results to the Board of Directors for review according to the Company's internal control policies.

The implementation results of this year's efforts were reported to the Board of Directors on November 10, 2025, as listed in the table below:

Project	Project description	2025 implementation results
Information security training	Information security and regulations training was offered.	◆ Information security and regulations training was offered for new employees when joining the Company. ◆ An information security awareness-raising campaign was conducted for all employees once in 2025.
Establishment of a multi-level intrusion prevention and network management mechanism	◆ The Company's intranet and extranet are isolated and production workshops	No intrusion or virus infection incidents occurred in 2025.

Project	Project description	2025 implementation results
	are separated from offices using firewalls with intrusion prevention capabilities. ◆ An email gateway is used for email spam and virus filtering. ◆ Admission control equipment is used for USB storage device management and computer network admission control. ◆ Situation Awareness equipment is used to conduct network traffic detection, with the capability to automatically isolate abnormal endpoints upon the discovery of anomalies. ◆ Antivirus software is installed on all user computers, and it operates in linkage with Situation Awareness equipment to provide comprehensive endpoint protection.	
Daily patrolling and monitoring	◆ The data center is inspected daily to ensure the normal operation of hardware facilities, and any issues are handled in real-time. ◆ Hardware and antivirus software alerts are monitored daily and handled in real-time.	No information security incidents affecting operations occurred in 2025.
Disaster recovery drills	Backup and offsite recovery tests are regularly conducted for important systems.	One disaster recovery drill was conducted in 2025 to confirm that backups could be restored normally and that the system could be used normally after restoration.

- (II) List the losses, possible impacts, and countermeasures from major ICT security incidents in the latest year and up to the publication date of the annual report. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided.

In 2025 and as of the publication date of the annual report, the Company has not suffered any major ICT security incidents, and has no related losses and impacts.

VII. Important contract

Contract nature	Participants	Contract start and end dates	Main contents	Restrictive clauses
Supply/sales contract	Company B	Signed on April 1, 2015, with a period of 5 years, if Company B fails to terminate the agreement in writing to the Company 6 months before the expiration date, the agreement shall automatically renew and be extended from year to year upon the expiration.	Exclusive distribution agreement in Japan	None
Supply/sales contract	Company R	The agreement period is from January 1, 2019 to December 31, 2024 with a validity period of 5 years. If Company R fails to terminate the agreement in writing to the Company 3 months before the expiration date, the agreement shall automatically renew and be extended for one year.	Provide packaging and testing service contracts through GEM Electronics (Shanghai) Co., Ltd. or GEM Electronics (Hefei) Co., Ltd.	None
Supply/sales contract	Company A	The agreement is valid for 7 years.	Provide packaging and testing service contracts through GEM Electronics (Shanghai) Co., Ltd. or GEM Electronics (Hefei) Co., Ltd.	None
Supply/sales contract	Company I	The agreement is valid for 7 years.	Provide packaging and testing service contracts through GEM Electronics (Shanghai) Co., Ltd. or GEM Electronics (Hefei) Co., Ltd.	None
Supply/sales contract	Company J	The agreement is valid for 7 years.	Provide packaging and testing service contracts through GEM Electronics (Shanghai) Co., Ltd. or GEM Electronics (Hefei) Co., Ltd.	None
Supply/sales contract	Company J	The agreement is valid for 7 years.	Provide packaging and testing service	None

Contract nature	Participants	Contract start and end dates	Main contents	Restrictive clauses
			contracts through GEM Electronics (Shanghai) Co., Ltd. or GEM Electronics (Hefei) Co., Ltd.	
Supply/sales contract	Company K	The agreement period is from March 1, 2022 to June 30, 2025.	Provide packaging and testing service contracts through GEM Electronics (Shanghai) Co., Ltd. or GEM Electronics (Hefei) Co., Ltd.	None
Supply/sales contract	Company S	The agreement is valid for 5 years.	Provide packaging and testing service contract through GEM Electronics (Hefei) Co., Ltd.	None
Supply/sales contract	Company V	The agreement is valid for 6 years.	Provide packaging and testing service contracts through GEM Electronics (Shanghai) Co., Ltd. or GEM Electronics (Hefei) Co., Ltd.	None
Supply/sales contract	Company W	The agreement is valid for 7 years.	Provide packaging and testing service contract through GEM Electronics (Hefei) Co., Ltd.	None
Supply/sales contract	Company Y	The agreement is valid for 7 years.	Provide packaging and testing service contract through GEM Electronics (Hefei) Co., Ltd.	None
Supply/sales contract	Company O	The agreement is valid for 7 years.	Provide packaging and testing service contract through GEM Electronics (Shanghai) Co., Ltd.	None
Supply/sales contract	Company B	The agreement is valid for 5 years.	Provide packaging and testing service contracts through GEM Electronics (Shanghai) Co., Ltd. or GEM Electronics (Hefei) Co., Ltd.	None

Contract nature	Participants	Contract start and end dates	Main contents	Restrictive clauses
Lease agreement	Shanghai Jiading Industrial Zone Industry Yongfang Development Limited Company	January 1, 2025 to December 31, 2027.	GEM Electronics (Shanghai) Co., Ltd. factory lease agreement	
Joint venture contract	Mitsubishi Electric Corporation, Mitsubishi Electric Corporation (China)	Mitsubishi Electric GEM Power Device (Hefei) Co., Ltd. (MEGP) has been established for 30 years (signed date July 22, 2011).	Established MEGP as a joint venture	None
Lease agreement	MEGP	January 1, 2022 to December 31, 2026.	MEGP leases agreement with GEM (Hefei) Factory	None
Service agreement	MEGP	January 1, 2022 to December 31, 2026.	GEM Electronics (Hefei) Co., Ltd. service agreements to MEGP	None

er VI Financial Status and Performance Review Analysis and Risks

I. Analysis of financial status

Item \ Year	2024	2025	Difference	
			Amount	%
Current assets	3,734,968	4,129,242	394,274	10.56%
Investments accounted for using equity method	125,814	129,284	3,470	2.76%
Property, plant and equipment	2,476,339	2,206,456	(269,883)	(10.90%)
Intangible assets	3,246	10,906	7,660	235.98%
Other assets	280,559	345,670	65,111	23.21%
Total assets	6,620,926	6,821,558	200,632	3.03%
Current liabilities	1,566,854	1,691,538	124,684	7.96%
Non-current liabilities	531,979	435,404	(96,575)	(18.15%)
Total liabilities	2,098,833	2,126,942	28,109	1.34%
Capital stock	1,290,474	1,290,474	0	—
Capital surplus	624,536	624,536	0	—
Retained earnings	2,706,700	2,923,346	216,646	8.00%
Other equity	(99,617)	(143,740)	(44,123)	44.29%
Treasury stock	—	—	—	—
Total equity	4,522,093	4,694,616	172,523	3.82%
Description of major variations of accounting items: (increase/decrease in ratio reaches 20% or exceeds NT\$10 million):				
1. Other assets increased mainly due to the increase in prepayments for equipment.				
2. The decrease in other equity was due to exchange rate fluctuations, which reduced the exchange differences in the translation of financial statements of foreign operating institutions.				

II. Analysis of financial performance

(I) Comparative analysis of operation results

Unit: NT\$ thousand

Item \ Year	2024	2025	Increase/(Decrease)	Ratio (%)
Operating revenue	4,670,539	5,325,910	655,371	14.03%
Operating costs	3,611,569	3,905,632	294,063	8.14%
Gross profit	1,058,970	1,420,278	361,308	34.12%
Operating expenses	374,962	375,478	516	0.14%
Operating income	684,008	1,044,800	360,792	52.75%
Non-operating income and expenses	156,897	(27,199)	(184,096)	(117.34%)
Profit before income tax	840,905	1,017,601	176,696	21.01%
Tax expenses	176,708	258,956	82,248	46.54%
Net income	664,197	758,645	94,448	14.22%
Other comprehensive income (net amount after tax)	154,293	(44,123)	(198,416)	(128.60%)
Total comprehensive income	818,490	714,522	(103,968)	(12.70%)
Description of major variations of accounting items: (increase/decrease in ratio reaches 20% or exceeds NT\$10 million):				
1. Gross profit, operating income, and net income before tax increased mainly due to improved gross margins. 2. The decrease in non-operating income and expenses was mainly due to exchange losses from the appreciation of the NTD and RMB. 3. Income tax increase mainly due to the increase in profits. 4. The decrease in other comprehensive income (net amount after tax) was mainly due to exchange rate fluctuations in 2025, resulting from the decrease in the exchange difference when translating the currency of expression. 5. The decrease in the total comprehensive income for this period was mainly due to the increase in net income and the decrease in other comprehensive income (net of tax) for 2025.				

- (II) The expected sales volume and its basis, the possible impact on the Company's future financial business and the response plan

The estimated sales of the Company in 2026 is determined by the management team based on the latest sales performance, customer operation overview, market share, new product development progress and overall industry development assessment, with consideration of the sales target set by the Company's production capacity. The expected sales quantities in 2026 is as follows:

Unit: KPcs

Item	Sales quantities
Power semiconductor packaging and testing	6,464,648

III. Cash flow

- (I) Analysis on cash flow change in the latest year

1. Analysis on the cash flow change

Unit: NT\$ thousand

Opening cash balance	Net cash flow from operating activities in the year	Net cash flow from investing and financing activities in the year	Cash surplus (deficit)	Countermeasure for cash deficits	
				Investing plans	Financing plans
2,275,498	1,295,498	(1,702,746)	1,868,250	-	-
Analysis of change in cash flow in the current year:					
1. Operating activities: Cash inflow of NT\$1,295,498 thousand, mainly due to continuous and stable profits in 2025.					
2. Investing activities and financing activities: Cash outflow of NT\$1,702,746 thousand, mainly for capital expenditures, cash dividend payments, and placement of time deposits with maturities over three months.					

2. Improvement plan for illiquidity problems

There is no illiquidity problem.

3. Analyses on the cash liquidity in one year ahead

Not Applicable.

IV. The impact of the significant capital expenditure over the past year upon the financial performance

As the Company's operation and cash inflows from operating activities are stable, the source of funds for major capital expenditures in recent years is mostly from its own working capital, so there is no significant capital expenditure impact on the Company's finances.

V. The outward investment policies over the past year. The key reasons leading to the profit or loss, the corrective plans and the investment plan in one year ahead

(I) Investment policy

The Company focuses on its core business, and the investment policy is based on basic business-related investment targets. The relevant executive departments follow the "investment cycle" and "Procedures for Acquisition and Disposal of Assets" and other methods stipulated in the internal control policies. The above methods or procedures have been approved by the Board of Directors or shareholders.

(II) The reason and improvement plan for the profit or loss of investment in the latest year

Unit: NT\$ thousand

Investee	Ratio of shareholding (%)	Profit and/or loss recognized in 2025	Main reason for profit or loss	Improvement plan
GEM Tech Limited	100%	508,471	Engaged in the sales of electronic parts	—
GEM Electronics Company Limited	100%	367,782	Recognized as investment gains in GEM Electronics (Shanghai) Co., Ltd.	—
GEM Electronics (Shanghai) Co., Ltd.	100%	367,782	Engaged in the sales of electronic parts	—
GEM Electronics (Hefei) Co., Ltd.	100%	106,485	Engaged in the sales of electronic parts and leasing services	—
Mitsubishi Electric GEM Power Device (Hefei) Co., Ltd.	20%	9,892	The profit has been stable since the establishment in 2011.	—

(III) Investment plan for the coming year:

None.

VI. Risk events and assessments in the latest year up to the publication date of the annual report

Please refer to pages 6 to 42 of this annual report.

VII. Other important disclosures

None.

Chapter VII Special Disclosure

I. Relevant information of affiliated enterprises

(I) Affiliates enterprises organization chart

December 31, 2025



The shareholding ratio in the above figure is 100%.

(II) Information of affiliated enterprises

1. Direct investment

December 31, 2025; Unit: dollar

Name of enterprise	Establishment date	Address	Paid-in capital	Main business items
GEM Tech Limited	2012/6	Samoa	USD 606,091	Sales of electronic parts
GEM Electronics Company Limited	2000/11	British Virgin Islands	USD 100	Holding company business

2. Indirect investment

December 31, 2025; Unit: dollar

Name of enterprise	Establishment date	Address	Paid-in capital/working capital	Main business items
GEM Electronics (Shanghai) Co., Ltd.	1998/12	Mainland China	USD 69,000,000	Manufacture and sales of electronic parts
GEM Electronics (Hefei) Co., Ltd.	2006/9	Mainland China	RMB 436,510,473	Manufacture and sales of electronic parts, factory leasing
GEM Tech Ltd., Taiwan Branch	2012/9	Taiwan	NTD 18,000,000	Manufacture and sales of electronic parts

(III) Information on the shareholders presumed to have relationship of control and subordination: None.

(IV) The industries covered by the business operated by the affiliates overall

The main investment business items of the overall Company and affiliate companies include power management components, IC packaging and testing services, and plant leasing.

(V) Information and to data of directors and supervisors, presidents of affiliated enterprises:

Name of enterprise	Title	Name or the representative person	Shareholding	
			Quantity	Ratio of shareholding (%)
GEM Tech Limited	Chairman	Chu-Liang, Cheng	-	-
GEM Electronics Company Limited	Chairman	Chu-Liang, Cheng	-	-
GEM Electronics (Shanghai) Co., Ltd.	Chairman	Chu-Liang, Cheng	-	-
GEM Electronics (Hefei) Co., Ltd.	Chairman	Chu-Liang, Cheng	-	-

(VI) Business performances of affiliated enterprises

December 31, 2025; Unit: NT\$ thousand

Name of enterprise	Paid-in capital	Total assets	Total liabilities	Net value	Operating revenue	Profit (loss) from operation	Net Income (loss)	Earnings per share (NT\$)
GEM Tech Limited	18,202	2,664,149	1,386,460	1,277,689	3,570,160	641,850	508,471	Not applicable
GEM Electronics Company Limited	-	3,420,910	0	3,420,910	367,782	367,782	367,782	Not applicable

Name of enterprise	Paid-in capital	Total assets	Total liabilities	Net value	Operating revenue	Profit (loss) from operation	Net Income (loss)	Earnings per share (NT\$)
GEM Electronics (Shanghai) Co., Ltd.	2,168,670	4,381,441	960,531	3,420,910	2,693,014	332,932	367,782	Not applicable
GEM Electronics (Hefei) Co., Ltd.	1,951,904	1,880,617	444,401	1,436,216	1,612,086	141,296	106,485	Not applicable

Note: The amount of paid-in capital, total assets, total liabilities and net value listed by the Company are converted at the exchange rate at the end of 2025 and the operating revenue, profit (loss) from operation, net income (loss) and earnings per share are converted at the 2025 annual average exchange rate.

(VII) The Affiliate's Consolidated Financial Statements

With a query method similar to that for the consolidated financial report of the Company and its subsidiaries, please visit the MOPS., [Website <https://mops.twse.com.tw> > Single Company > Electronic Document Download > Financial Reports], enter the company code to query relevant financial report content.

(VIII) Information on endorsement/guarantees, loaning of funds, and derivative commodity transactions of affiliated enterprises

1. Endorsements/Guarantees of Affiliated Enterprises: None.
2. Lending funds of affiliated enterprises to others: None.
3. Affiliated enterprises trading in financial derivatives: None.

(IX) Information related to the company's affiliates: the consolidated business report, consolidated financial statement, and affiliation report for the most recent fiscal year, compiled in accordance with the FSC's Regulations Governing Preparation of Consolidated Business Reports Covering Affiliated Enterprises, Consolidated Financial Statements Covering Affiliated Enterprises, and Reports on Affiliations: Not applicable.

II. Where the Company has carried out a private placement of securities in the latest year and up to the publication date of the annual report

None.

III. Other supplementary information

The major differences between the Articles of Association and the regulations on the protection of shareholders' equity in the R.O.C. are summarized and explained as follows:

Checklist items for the protection of shareholder equity	Contents stipulated in the Articles of Association	Description
Thirty days before the Company is to convene a regular shareholders' meeting, or fifteen days before it convenes a special shareholders' meeting, the Company shall prepare a manual for shareholders' meeting proceedings and shall disclose such manual together with other information related to the said shareholders' meeting in a public notice to be published prior to the scheduled meeting date of that shareholders' meeting.	Amended Article 17.3 of the Company's Articles of Association: The Company shall, at least thirty days prior to any general meeting of shareholders or at least fifteen days prior to a special shareholders' meeting, make public announcement of the notice of such shareholders meeting, instrument of proxy, the proposals and their explanatory materials relating to ratification, discussions, matters for deliberation, and the election or dismissal of directors. The Company must also convert this information into electronic format and transmit it to the Market Observation Post System in accordance with the Applicable Public Company Rules. If the voting power in any general meeting will be exercised by way of a written ballot, the written ballot and the aforementioned information of such general meeting shall together be delivered to each Member. The Directors shall prepare a meeting handbook of relevant general meeting and supplemental materials in accordance with the Applicable Public Company Rules at least thirty days prior to any annual general meeting (or at least fifteen days prior to any extraordinary general meeting), send to or make it available for the Members and transmitted the same to the Market Observation Post System.	The amendment to the Articles of Association for the 2026 shareholders' meeting has been made in accordance with the "Checking List of Protecting Rights of Foreign Issuer's Shareholders in the Country of Registration," so there is no need to request a legal opinion from a lawyer.

**r VIII Matters that Have a Significant Impact on Shareholders’
Equity or Securities Prices**

None.

GEM Services, Inc.

Chairman: Chu-Liang, Cheng