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MICRO SILICON ELECTRONICS CO., LTD.

2025

Annual Report

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Website: http://mops.twse.com.tw
Company website: http://www.msec.com.tw

I. Name, title, contact number, and e-mail of the spokesperson and acting spokesperson

	Spokesperson	Acting Spokesperson
Name	Wang, Chih-Cheng	WU Pao-Hsien
Title	Vice President	Fiancial Dept Senior Manager
Contact number	(037)587-222	(037)587-222
E-mail	msec_spokesman@msec.com.tw	msec_spokesman@msec.com.tw

II. Address and Tel. of headquarters, branches and plants
Address of Headquarters Plant: No. 395, Yanhe Street, 8th Neighborhood, Jilin Village, Zhudong Township, Hsinchu County
Tel. of Headquarters Plant :(03)596-5770
Address of Zhudong Plant: No. 395, Yanhe Street, 8th Neighborhood, Jilin Village, Zhudong Township, Hsinchu County
Tel. of Zhudong Plant :(03)596-5770
Address of Zhunan Plant: No. 230, Youyi Road, 11th Neighborhood, Gongyi Village, Zhunan Township, Miaoli County
Tel. of Zhunan Plant:(037)587-222

III. Name, address, website and Tel. of stock transfer agency
Name: Stock Affairs Agency Service Department, Hua Nan Securities Co., Ltd.
Address: 4F, No. 54, Section 4, Minsheng East Road, Taipei City
Website: https://www.entrust.com.tw
Tel.:(02)2718-6425

IV. Name, firm, address, website, and Tel. of CPAs for the financial statements of the most recent year
CPA name: CPA Li, Tien-Yi and CPA Pai, Shu-Chien
CPA firm: PwC Taiwan
Address: 27F, No. 333, Keelung Road, Section 1, Xinyi District, Taipei City
Website:https://www.pwc.tw
Tel.:(03)578-0205

V. Name of any exchange where the Company's securities are traded overseas and the method by which to access information on the overseas securities: None.

VI. Company website: http://www.msec.com.tw

Micro Silicon Electronics Co., Ltd.
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One. Statement to Shareholders

Dear shareholders,

First of all, on behalf of the Micro Silicon Electronics Co., Ltd. and its employees, I would like to thank all the shareholders for their support of the Company.

The Company's business results in 2025 and the summary of the future business plans are reported as follows:

1. The 2025 business results

Driven primarily by AI chips and high-performance computing (HPC) in the global semiconductor market, the semiconductor industry's output value continues to grow significantly. Power management chips also play a crucial role in this wave, and market demand for chips is expected to continue to increase. Our experienced management team is committed to enhancing the company's competitiveness, cautiously expanding existing businesses, actively improving technological capabilities, and maintaining flexibility to meet customer needs.

With the support of all employees, shareholders, and customers, MicroSilicon Holdings Co., Ltd. achieved operating revenue of NT$1,274,773 thousand in fiscal year 2025, a 19.79% increase year-on-year. Operating profit was NT$126,380,000, with earnings per share of NT$1.57.

(1) Implementation achievements of the business plan

1. Operating income: The net operating income in 2025 was NT$1,274,773 thousand, representing a increase of NT$210,621 thousand from NT$1,064,152 thousand in 2024.
2. Operating gains: The 2025 operating gains were NT$126,380 thousand, representing a increase of NT$87,459 from an operating loss of NT$38,921 thousand in 2024.
3. Net profit after tax: The net gains after tax in 2025 was NT$107,541 thousand, representing a increase of NT$20,400 thousand from the net loss after tax of NT$87,141 in 2024.

Unit: NT$ thousand

Year / Item	2025	2024	Increase (decrease)	Increase/decrease ratio (%)
Operating income	1,274,773	1,064,152	210,621	19.79
Operating cost	953,584	851,787	101,797	11.95
Gross profit	321,189	212,365	108,824	51.24
Operating expenses	194,809	173,444	21,365	12.32
Operating (loss) gain	126,380	38,921	87,459	224.71
Non-operating income and expenses	3,623	54,817	(51,194)	(93.39)

Year Item	2025	2024	Increase (decrease)	Increase/decrease ratio (%)
(Net loss) net profit before tax	130,003	93,738	36,265	38.69
Income tax expenses (gains)	22,462	6,597	15,865	240.49
(Net loss) net profit after tax	107,541	87,141	20,400	23.41

(2) Budget execution status: The Company did not disclose its financial forecast for 2025; therefore, there is no budget execution status.

(3) Analysis of financial income and expenses and profitability

Analysis	Item	2025 (%)	2024 (%)
Financial structure	Debt to asset ratio	41.72	40.77
	Ratio of long-term capital to property, plant and equipment	121.22	121.29
Solvency	Current ratio	195.69	180.98
	Quick ratio	189.49	172.87
Profitability	Return on assets	4.73	4.04
	Return on equity	7.36	6.53
	Ratio of net profit before tax to paid-in capital	18.92	13.64
	Net profit margin	8.44	8.19
	Basic earnings per share (NT$)	1.57	1.28

(4) Research and development status

The Company's R&D Department I is dedicated to the improvement of semiconductor testing technology, testing quality, and testing efficiency, as well as assisting customers in effectively reducing testing costs to achieve a win-win situation for the Company and customers. In terms of future research and development, the Company will also continue to invest in the research and development of the third generation semiconductor testing technology and high-voltage, high-current, high-power, low-impedance power component testing technology and continue to maintain the Company's unique position in the field of semiconductor testing. Competitive advantage.

The Company's R&D Department II is committed to the improvement of process technologies such as wafer polishing, wafer metal coating, wafer dicing, and die sorting, and has also conducted in-depth research on the development of special production fixtures and mass production process technologies. By doing so, the Company assists customers in solving problems and provides integrated and consistent services to satisfy customers' needs for one-stop shopping and jointly grow with customers. In terms of future R&D, the Company will also continue to invest in the R&D of ultra-thin wafer thinning process technology, the third generation semiconductor wafer thinning process technology, wafer front metal coating technology, and thick metal WLCSP-DPS process technology, and constantly maintain its unique competitive advantages in the field of wafer thinning and wafer dicing.

2. Summary of the 2026 Business Plan

(1) Business policy

R&D strategy

- ➢ The third generation semi-conductor testing technology.
- ➢ High-voltage, high-current, high-power, low-impedance power components testing technology.
- ➢ Ultra-thin wafer thinning process technology.
- ➢ The third-generation semiconductor wafer thinning process technology.
- ➢ Wafer front metal coating technology.
- ➢ Thick metal WLC SP-DPS process technology.
- ➢ Entering the back-end process of silicon capacitors (Si-Cap)

(2) Expected sales and basis

The preparation of the Company’s annual business plan is based on historical sales data in the past years, industry forecasts made by professional research institutions, and market information collected from customers through visits by sales personnel. Despite many interfering factors for the global economy at this stage, with the initial results of the slowdown of inflation and the destocking of the semiconductor market, it is expected that the Company's operations will recover this year. Meanwhile, with the momentum brought by new processes, new products, and new customers, the sales volume and the operating income are expected to be positive.

(3) Important production and marketing policies

i. Production policy

Upgrade and introduce a new generation smart factory MES system.

Improve equipment automation level.

Establish dashboard management to improve production efficiency and quality.

Systematize the introduction process of automotive products.

ii. Sales policy

Increase the proportion of automotive customers.

Increase the proportion of foreign customers.

Increase the proportion of turnkey customers.

Construct a diversified testing platform to satisfy various market needs.

3. Future development strategies of the Company

(1) To make "energy conservation" the core business development.

(2) Focus on the power devices and PMICs that can improve the "energy conversion efficiency."

(3)Assist end customers in achieving energy conservation and carbon dioxide reduction through the provision of comprehensive, one-stop integrated services.

(4) Become the "Best Partner in the Energy Conservation Value Chain."

4. Impacts of the external competitive environment, regulatory environment and overall business environment

Following growth of over 20% in 2025, global semiconductor revenue is expected to continue its growth trend in 2026. The World Semiconductor Trade Statistics (WSTS) forecasts that semiconductor revenue will reach US$975 billion in 2026, reflecting the market's strong performance.

Regarding the regulatory environment, there have been no major changes in China's regulations in recent years. However, the increasingly stringent US bans on Chinese technology companies will impact the future development of China's semiconductor market.

With global inflation gradually slowing and semiconductor market inventory bottoming out, the semiconductor industry is in a growth cycle. Driven by various emerging applications, including AI, HPC, drones, robotics, low-Earth orbit satellites, automotive electronics, network communications, and industrial automation, demand for chips is expected to increase.

Looking ahead to this year, the company will continue to invest resources in talent development, technology research and development, mass production scale, and manufacturing management. In response to global ESG developments, the company will continue to implement energy conservation and carbon reduction measures, prioritize sustainable development, focus on enhancing added value, continuously strengthen its corporate structure, adapt to environmental changes, fully leverage its competitive advantages, maintain an optimistic outlook on business growth, prudently evaluate investment opportunities, and strive to achieve new highs in revenue and profit.

Chairman:CHANG BING TANG Manager: CHANG BING TANG Chief Accountant: WU Pao-Hsien

TWO. Corporate Governance Report

I. Directors, supervisors, President, Vice Presidents, Assistant Vice Presidents, and supervisors of various departments and branches

(I) Director

1. Information on Directors and Independent Directors

March 30, 2026; unit: share; %

Title	Name	Gender; age	Nationality or place of registration	Date initially elected	Date elected	Term of office	Shares held at the time of being elected		Number of shares held at present		Shares held by spouse and minors at present		Shares held in the name of others		Main experience (academic background)	Concurrent position in the Company and other companies	Other supervisors, Directors, or supervisors who are spouses or relatives within the second degree of kinship			Remarks
							shares	%	shares	%	shares	%	shares	%			Title	Name	Relationship	
Chairman	Da Ri Yue Investment Co., Ltd.	-	Republic of China	1999.5.31	2025.5.28	3 years	14,798,896	21.54	14,798,896	21.54	-	-	-	-	-	-	-	-	-	-
	Representative: Chang, Bing-Tang	Male 61~70	Republic of China	1987.7.25		3 years	5,462,182	7.95	5,532,182	8.05	1,415,758	2.06	2,090,495	3.04	National Taiwan University Master, International Business Administration Institute of Electronics, Industrial Technology Research Institute Head of Packaging and Testing Section Giant Electronics CorporationChairman.Synergy Circulation Technology Co., Ltd. Chairman	The Company President Da Ri Yue Investment Co., Ltd. Chairman Chen Qian Investment Co., Ltd. Representative	Director Representative	Chang, Chen	First degree of kinship	Note 1

Title	Name	Gender; age	Nationality or place of registration	Date initially elected	Date elected	Term of office	Shares held at the time of being elected		Number of shares held at present		Shares held by spouse and minors at present		Shares held in the name of others		Main experience (academic background)	Concurrent position in the Company and other companies	Other supervisors, Directors, or supervisors who are spouses or relatives within the second degree of kinship			Remarks
							shares	%	shares	%	shares	%	shares	%			Title	Name	Relationship	
Director	Chen Zhen Investment Co., Ltd.	-	Republic of China	2022.8.2	2025.5.28	3 years	1,225,000	1.78	1,225,000	1.78	-	-	-	-	-	-	-	-	-	
	Representative:Chang, Chen	Male 31~40	Republic of China	2018.6.27		3 years	880,148	1.28	920,148	1.33	-	-	-	-	Boston University Master, Institute of International Trade National Tsing Hua University Bachelor,Engineering Science	The Company R&D supervisor Chen Zhen Investment Co.,Ltd.Responsible person	Chairman	Chang, Bing-Tang	First degree of kinship	
Director	Peng, Ying-Kuang	Male 71~80	Republic of China	1999.5.31	2025.5.28	3 years	1,185,090	1.72	1,185,090	1.72	1,493,323	2.17	-	-	ChungYuan Christian UniversityBachelor, Department of Industrial and Engineering Institute of Electronics,Industrial Technology Research Institute Head of the Quality Control Section Taiwan Semiconductor Manufacturing Company Limited Deputy director of the Quality Control Division Micro Silicon Electronics Co., Ltd. Vice President	Qian Chen Property Co., Ltd. Responsible person Hsinchu Golf Club Co., Ltd. Director	-	-	-	-

Title	Name	Gender; age	Nationality or place of registration	Date initially elected	Date elected	Term of office	Shares held at the time of being elected		Number of shares held at present		Shares held by spouse and minors at present		Shares held in the name of others		Main experience (academic background)	Concurrent position in the Company and other companies	Other supervisors, Directors, or supervisors who are spouses or relatives within the second degree of kinship			Remarks
							shares	%	shares	%	shares	%	shares	%			Title	Name	Relationship	
Director	Chang, Wei-Cheng (Note 2)	Male 61~70	Republic of China	2022.8.2	2025.5.28	3 years	-	-	-	-	-	-	-	-	Bachelor, Department of Accounting, National Chengchi University Partner, Toppest CPAs & Co.	Toppest CPAs & Co., Partner accountant Lien Hwa Foods Corporation Independent Director	-	-	-	-
Director	Yang,Shih-Lan	female 71~80	Republic of China	2023.6.29	2025.5.28	3 years									National Chung Hsing University Enterprise Research Institute National Taiwan University Institute of Finance and Economics .Deputy General Manager of Dachang Securities Co., Ltd.	-				
Independent Director	Chang, Chu-Hsing	Male 71~80	Republic of China	2022.8.2	2025.5.28	3 years	-	-	-	-	-	-	-	-	National Taiwan University Master, Graduate Institute of Finance CTBC Bank Vice President CTBC Bills Finance Corporation Vice President	-	-	-	-	-

Title	Name	Gender; age	Nationality or place of registration	Date initially elected	Date elected	Term of office	Shares held at the time of being elected		Number of shares held at present		Shares held by spouse and minors at present		Shares held in the name of others		Main experience (academic background)	Concurrent position in the Company and other companies	Other supervisors, Directors, or supervisors who are spouses or relatives within the second degree of kinship			Remarks
							shares	%	shares	%	shares	%	shares	%			Title	Name	Relationship	
Independent Director	Wen, Wan-Shou	Male 71~80	Republic of China	2022.8.2	2025.5.28	3 years	-	-	-	-	-	-	-	-	Bachelor, Department of Electrophysics, National Chiao Tung University National Aerospace Fasteners Corp. Independent Director Winbond Electronics Corporation Executive Vice President Hannstar Display Corporation CEO	National Aerospace Fasteners Corp. Independent Director	-	-	-	-
Independent Director	Tan Chung-Min	Male 51-60	Republic of China	2023.6.29	2025.5.28	3 years	-	-	-	-	-	-	-	-	Master of Business Studies, National Taiwan University Director of Shicheng Technology Co., Ltd. Supervisor of Zhiren Technology Development Co., Ltd. Special Assistant of Powerchip Technology Co., Ltd. Deputy General Manager of Powerchip Technology Co., Ltd. Deputy General Manager of Powerchip Electronics Manufacturing Co., Ltd.	Note 3	-	-	-	-

Title	Name	Gender; age	Nationality or place of registration	Date initially elected	Date elected	Term of office	Shares held at the time of being elected		Number of shares held at present		Shares held by spouse and minors at present		Shares held in the name of others		Main experience (academic background)	Concurrent position in the Company and other companies	Other supervisors, Directors, or supervisors who are spouses or relatives within the second degree of kinship			Remarks
							shares	%	shares	%	shares	%	shares	%			Title	Name	Relationship	
Independent Director	Sha, Sheng-Chun	Male 31-40	Republic of China	2025.5.28	2025.5.28	3 years	-	-	-	-	-	-	-	-	University of Pennsylvania Ph.D Massachusetts Institute of Technology Post Doctoral Research Fellow GlaxoSmithKline Senior Scientist ORGCEHM Special Assistant to the Chairman	Note 4				

Note 1: The Chairman of the Company concurrently serves as the President, considering that he possesses work experiences in the fields of industry knowledge, operational judgment and corporate management and that he is able to implement operation supervision and management, improve decision-making ability, and strengthen corporate operations, which has significant benefits to the Company. With his expertise, when exercising the duties of the Chairman, he can provide timely supervision and professional advice to the Board. The Company currently has three Independent Directors to strengthen the functions of Independent Directors. Also, an Audit Committee has been established to strengthen corporate governance.

Note 2：Due to his busy schedule, Chang, Wei-Cheng resigned from his position as a director of the company on October 31, 2025

Note 3: Deputy General Manager of Powerchip Electronics Manufacturing Co., Ltd., Director of Shicheng Technology Co., Ltd., Supervisor of Zhiren Technology Development Co., Ltd., Director of Tanya Investment Co., Ltd.

Note 4: Orgomaterial CEO Youjun tech Corporation Representativekang Jun investments Co., Ltd. RepresentativeCofit Healthcare Inc. Supervisor

2. Major shareholders of corporate shareholders

Mar 30, 2026

Name of corporate shareholder	Major shareholders of corporate shareholders (top 10 shareholding)
Da Ri Yue Investment Co., Ltd.	Chen Zhen Investment Co., Ltd.(66.66%)
	Chang, Bing-Tang(32.00%)
	Chang, Chen(0.67%)
	Chang, Ke-Jen(0.67%)
Chen Zhen Investment Co., Ltd.	Chang, Bing-Tang(20.00%)
	Chang, Chen(40.00%)
	Chang, Chang-shao(40.00%)
CHEN-JEN Investment Co., Ltd.	Chang, Chen(100.00%)

3. If a major shareholder of a corporate shareholder is a corporation, its major shareholder

Mar 30, 2026

Name of corporation	Major shareholders of corporations (top 10 shareholding ratio)
Chen Zhen Investment Co., Ltd.	Chang, Bing-Tang(20.00%)
	Chang, Chen(40.00%)
	Chang, Chang-shao(40.00%)

4. Professional knowledge and independence of Directors

Mar 30,2026

Condition / Name	Professional qualifications and experience	Independence criteria	Number of other public companies in which the Independent Director is also an independent director
Representative of Da Ri Yue Investment Co., Ltd.: Chang, Bing-Tang	1.At present, he is the Chairman and President of Micro Silicon Electronics Co., Ltd. He was formerly the chairman of Giant Electronics Corporation and Synergy Circulation Technology Co., Ltd. and head of the Packaging and Testing Section of the Industrial Technology Research Institute. He possesses business management capacity and over 30 years of experience in the semiconductor industry. 2. None of the circumstances in subparagraphs under Article 30 of the Company Act occurred.	Not an Independent Director, not applicable.	-
Chen Zhen Investment Co., Ltd. Representative: Chang, Chen	1. Graduated from the Institute of International Trade of Boston University. At present, he is the head of R&D at Micro Silicon Technology Co., Ltd., and he possesses semi-conductor technology application practical experience and financial management ability. 2. None of the circumstances in subparagraphs under Article 30 of the Company Act occurred.	Not an Independent Director, not applicable.	-
Peng, Ying-Kuang	1. He was the head of the Quality Control Section of the Industrial Technology Research Institute, deputy director of the Quality Control Division of Taiwan Semiconductor Manufacturing Company Limited, and Vice President of Micro Silicon Electronics Co., Ltd.. He possesses business management capacity and over 30 years of in-depth industrial technology and practical experience. 2. None of the circumstances in subparagraphs under Article 30 of the Company Act occurred.	Not an Independent Director, not applicable.	-

Condition Name	Professional qualifications and experience	Independence criteria	Number of other public companies in which the Independent Director is also an independent director
Chang, Wei-Cheng (Note)	1. At present, he is a partner of Toppest CPAs & Co., and he possesses professional CPA qualifications and years of work experience in finance and accounting. 2. None of the circumstances in subparagraphs under Article 30 of the Company Act occurred.	Not an Independent Director, not applicable.	1
Yang, Shih-Lan	1. At present, She is the vice president of DAH CHANG SECURITIES CO., LTD and years of work experience in finance 2.None of the circumstances in subparagraphs under Article 30 of the Company Act occurred.	Not an Independent Director, not applicable.	-
Chang, Chu-Hsing	1. He was the former vice president of CTBC Bank and the vice president of CTCB Bills Finance Corporation, and he possesses years of work experience in finance. 2. None of the circumstances in subparagraphs under Article 30 of the Company Act occurred.	1. Not an employee or Director of the Company or its affiliates 2. Not a natural person shareholder who holds 1% or more of the Company's total issued shares or a natural person shareholder with top 10 shareholdings for himself/herself, his/her spouse, minors, or in the name of others. 3. Not a spouse or relative within the second degree of kinship to another Director. 4. Not having the circumstances specified in paragraph 3 and	-
Wen, Wan-Shou	1. At present, he is the independent director of National Aerospace Fasteners Corp.; he formerly served as the executive vice president of Winbond Electronics Co., Ltd. and the CEO of Hannstar Display Corporation. He possesses years of work experience in the technology industry. 2. None of the circumstances in subparagraphs under Article 30 of the Company Act occurred.		1
Tan,Chung-Min	1. At present, he is the vice president of Powerchip Semiconductor Manufacturing Corporation, and he possesses years of work experience in finance. 2. None of the circumstances in subparagraphs under Article 30 of the Company Act occurred.		-

Condition / Name	Professional qualifications and experience	Independence criteria	Number of other public companies in which the Independent Director is also an independent director
Sha, Sheng-Chun	1. Currently serving as the General Manager of Youcheng Precision Materials, possessing business management capabilities and many years of industry experience. 2. None of the circumstances in subparagraphs under Article 30 of the Company Act occurred.	paragraph 4 of Article 26-3 of the Securities and Exchange Act. 5. None of the government, corporate,or other representatives stated in Article 27 of the Company Act was elected.	

Note : Due to his busy schedule, Chang, Wei-Cheng resigned from his position as a director of the company on October 31, 2025

The board of directors’ diversity and independence:

The board of directors’ diversity:

1. The Company’s “Corporate Governance Best-Practice Principles” has expressly defined the formation of the Board members and ability to be held by the members. The Company has also established the diversified policy for the Board members. The composition of the board of directors has been determined by taking diversity into consideration, and appropriate policy on diversity based on the Company's business operations, operating dynamics, and development has been formulated, as the following two general standards:
   (1). Basic requirements and values: Gender, age, nationality, and culture.
   (2). Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

   [Implementation status by 2025**]**

   (1).The Company currently has 8 directors (originally 9 directors, one director resigned on October 31, 2025, and it is proposed to elect a new director at the 2026 Annual General Meeting of Shareholders), including 4 independent directors, of which 4 are independent directors (accounting for 44.44%), 1 female director (accounting for 11.11%), and 2 directors with employee status (accounting for 22.22%). The proportion of female directors has not yet reached one-third of the total number of directors.

If the number of directors of the company's board of directors is less than one-third of the seats held by any gender, the company shall state the reasons and the measures planned to be taken to improve the gender diversity of the board of directors:
The Company attaches great importance to gender equality in the Board of Directors and will actively plan to increase the number of female directors in the future.The planning principle is that more than one-third of the seats on the board of directors of Beida are held.

The board members possess the work experience and expertise in operation and management, industrial knowledge, finance and strategic management; the implementation of the board members' diversity are as following table:

Core of diversification / Name of Director	Basic conditions and value									Industry experience and capability						Professional ability	
	Nationality	Gender	Concurrently an employee	Age				Seniority as an Independent Director		Ability to make business judgments	Accounting and financial analysis ability	Business management ability	Crisis management ability	International market perspective	Leadership and decision-making capacity	Semiconductor-related	Finance and law expertise
				31-40 years old	41-50 years old	51-60 years old	Over 60 years old	Less than 3 years	Over 3 years								
Representative of Da Ri Yue Investment Co., Ltd.: Chang, Bing-Tang	TW	Male	V				V			V	V	V	V	V	V	V	V
Chen Zhen Investment Co.,Ltd.Representative: Chang, Chen	TW	Male	V	V						V	V	V	V	V	V	V	V
Peng, Ying-Kuang	TW	Male					V			V		V	V	V	V	V	
Chang, Wei-Cheng	TW	Male					V		V	V	V	V	V	V	V		V
Yang, Shih-Lan	TW	feMale					V			V	V	V	V	V	V		V
Chang, Chu-Hsing	TW	Male					V		V	V	V	V	V	V	V		V
Wen, Wan-Shou	TW	Male					V		V	V		V	V	V	V	V	
Tan,Chung-Min	TW	Male				V		V		V	V	V	V	V	V	V	V
Sha, Sheng-Chun	TW	Male		V				V		V		V	V	V	V		V

Note: Director Zhang Weicheng resigned from his position as a director of the company on October 31, 2025.

(2) Independence of the Board of Directors:

The Company currently has eight directors (originally nine directors, one of whom resigned on October 31, 2025, and a replacement director is to be elected at the 2026 Annual General Meeting of Shareholders), including four independent directors. Among them, only Chairman Zhang Bingtang and Director Zhang Chen are father and son. None of the independent directors, their spouses, or relatives within two degrees of kinship (or using other people's names) hold any shares in the Company, nor do they serve as directors, supervisors, or employees of any company with a specific relationship to the Company. None of the independent directors, their spouses, or relatives within two degrees of kinship have provided the Company or its related enterprises with business, legal, financial, or accounting services in the past two years and received any remuneration. Furthermore, there are no circumstances among the directors as stipulated in Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act.

(II) President, Vice Presidents, Assistant Vice Presidents, and supervisors of various departments and branches

Mar 30, 2026; unit: share; %

Title	Name	Gender	Nationality	Date of inauguration	Shares held		Shares held by spouse and minors		Shares held in the name of others		Main experience (academic background)	Concurrent positions in other companies	Managers who are spouses or relatives within the second degree of kinship			Remarks
					shares	ratio	shares	ratio	shares	ratio			Title	Name	Relationship	
Chairman concurrently serves as the President	Chang, Bing-Tang	Male	TW	1987.08.19	5,532,182	8.05	1,415,758	2.06	2,090,495	3.04	National Taiwan University EMBA Institute of Electronics, Industrial Technology Research Institute Head of Packaging and Testing Section Giant Electronics Corporation Chairman Synergy Circulation Technology Co., Ltd. Chairman	Da Ri Yue Investment Co., Ltd. Chairman Chen Qian Investment Co., Ltd. Director	Special assistant	Chang, Chen	First degree of kinship	Note1
Vice President	Wang, Chih-Cheng	Male	TW	2004.03.01	410,000	0.60	-	-	-	-	National Taiwan University EMBA National Taiwan Ocean University Master, Institute of Electrical Engineering Synergy Circulation Technology Co., Ltd. Vice President	-	-	-	-	-
Vice President	Lin, Kun-Tien	Male	TW	2026.03.11	450,000	0.66	-	-	-	-	National Chin-Yi University of Technology Bachelor in Electronics Sinew Technology Co., Ltd. Sales engineer Yuanqiao Electronics Co., Ltd. Assistant engineer	-	-	-	-	Note2
Special assistant	Chang, Chen	Male	TW	2016.01.07	920,148	1.34	-	-	-	-	Boston University Master, Institute of International Trade National Tsing Hua University Bachelor, Department of Engineering Science	Responsible person of Chen Zhen Investment Co., Ltd.	President	Chang, Bing-Tang	First degree of kinship	-

Title	Name	Gender	Nationality	Date of inauguration	Shares held		Shares held by spouse and minors		Shares held in the name of others		Main experience (academic background)	Concurrent positions in other companies	Managers who are spouses or relatives within the second degree of kinship			Remarks
					shares	ratio	shares	ratio	shares	ratio			Title	Name	Relationship	
Manager	Kuan, Shu-Hui	Female	TW	1992.06.11	8.808	0.01	-	-	-	-	Southern Taiwan University of Science and Technology Bachelor in Industrial Engineering	-	-	-	-	
Manager	WU Pao-Hsieni	Female	TW	2024.08.08	-	-	-	-	-	-	Department of Finance, National Chung Hsing University Master Senior Manager of PwC Taiwan	-	-	-	-	Note3
Auditor	Shih-Bing Huang	Female	TW	2021.01.05	-	-	-	-	-	-	National United University College of Management. Master Apac Opto Electronics Inc. Chief auditor Lextar Electronics Corp. Auditor	-	-	-	-	

Note1: The Chairman of the Company concurrently serves as the President, considering that he possesses work experiences in the fields of industry knowledge, operational judgment and corporate management, and that he is able to implement operation supervision and management, improve decision-making ability, and strengthen corporate operations, which has significant benefits to the Company. With his expertise, when exercising the duties of the Chairman, he can provide timely supervision and professional advice to the Board. The Company currently has three Independent Directors to strengthen the functions of Independent Directors. Also, an Audit Committee is in place to strengthen corporate governance.

Note2：Lin, Kun-Tien the former deputy general manager, was promoted to deputy general manager on March 11, 2026.

Note3：Experience related to the current position. If you have worked in an auditing and certification accounting firm or related company during the above period, you should state the job title and responsibilities you held: Finance Senior Manager Wu Pak-Hsien worked for the company's audit and certification accounting firm from September 1, 2010 to July 31, 2024, and served as the assistant manager of the audit service department of PricewaterhouseCoopers CPA Limited, responsible for audit service operations.

II. Remuneration paid to Directors, supervisors, President, and Vice President in the most recent year

(I) Remuneration of general Directors and Independent Directors

December 31, 2025; unit: NT$ thousand; %

Title	Name	Remuneration of Directors								The sum of A, B, C, and D and the percentage to net profit after tax		Remuneration received as a concurrent employee								The sum of A, B, C, D, E, F and G and the percentage to net profit after tax		Whether receiving remuneration from investees other than subsidiaries or the parent company
		Compensation (A)		Severance pay and pension (B)		Remuneration of Directors (C)		Business execution expenses (D)				Salaries, bonuses and allowances (E)		Severance pay and pension (F)		Remuneration of employees (G)						
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
																Amount in cash	Amount in stock	Amount in cash	Amount in stock			
Chairman and President	Representative of Da Ri Yue Investment Co., Ltd.: Chang, Bing-Tang	0	0	0	0	2,025	2,025	135	135	2,160 :2.00%	2,160 :2.00%	9,735	9,735	106	106	290	0	290	0	12,291 :11.43%	12,291 :11.43%	0
Director	Representative of Chen Zhen Investment Co., Ltd.: Chang, Chen																					
Director	Peng, Ying-Kuang																					
Director	Yang, Shih-Lan																					
Director	Chang, Wei-Cheng (Note 1)																					
Independent Director	Chang, Chu-Hsing	1,261	1,261	0	0	771	771	120	120	2,152 :2.00%	2,152 :2.00%	0	0	0	0	0	0	0	0	2,152 :2.00%	2,152 :2.00%	0
Independent Director	Wen, Wan-Shou																					
Independent Director	Tan,Chung-Min																					
Independent Director	Sheng Chun Sha (Note 2)																					
Independent Director	Peng, Chun-Hao (Note 2)																					

1.Please describe the policy, system, standard and structure of the remuneration of Independent Directors, and the correlation between the amount of remuneration and the duties, risks, time invested and other factors:

(1) The Company has specifications for the remuneration of Directors in the “Articles of Incorporation.” The content of Article 22 and Article 25 of the “Articles of Incorporation” is summarized as follows:

Article 22: When the Directors of the Company execute their businesses, regardless of the Company's operating gains or losses, the Company shall pay their compensation, and the Board is authorized to determine the compensation in accordance with their level of participation in the Company's business with reference to the general standards within the industry. When the Company has a surplus, remuneration shall be distributed in accordance with Article 25.

Article 25: The Company shall allocate no more than 3% of the net profit before tax for the period and before the deduction of the remuneration of employees and remuneration of Directors of the year as remuneration of Directors and 5% to 12% as remuneration of employees. However, if the Company has accumulated losses, it shall preserve the amount in advance for compensation.

(2) In addition to the monthly fixed remuneration for independent directors and the transportation subsidies for attending the Board of Directors, the Company may consider the degree of participation and contribution of independent directors to the Company’s operations, and take into account the results of the director’s performance appraisal, to decide the distribution of director’s remuneration to the independent directors from the director’s remuneration appropriated from the annual profit, if any. The aforesaid remuneration allocated to the independent directors, shall be deliberated and approved by the Remuneration Committee, and submitted to the Board of Directors for approval..

2. Except for the disclosure in the table above, remunerations received by Directors of the Company for providing services (i.e., non-employee consultants) for all companies in the financial statements in the most recent year: None.

Note 1: Director Chang, Wei-Cheng resigned from his position as a director of the company on October 31, 2025.

Note 2: On May 28, 2025, a full re-election of the board of directors was held, with Director Peng, Chun-Hao resigning and Director Sheng Chun Sha taking office.

Table of Range of Remuneration of Directors

Range of remuneration paid to Directors of the Company	Name of Director			
	Sum of A+B+C+D		Sum of A+B+C+D+E+F+G	
	The Company	All companies in the financial statements	The Company	All companies in the financial statements
Less than NT$1,000,000	Da Ri Yue Investment Co., Ltd.: Chang, Bing-Tang; Chen Qian Investment Co., Ltd.: Chang, Chen; Peng, Ying-Kuang; Yang, Shih-Lan; Chang, Wei-Cheng; Chang, Chu-Hsing; Wen, Wan-Shou; Tan,Chung-Min; Sheng Chun Sha; Peng, Chun-Hao	Da Ri Yue Investment Co., Ltd.: Chang, Bing-Tang; Chen Qian Investment Co., Ltd.: Chang, Chen; Peng, Ying-Kuang; Yang, Shih-Lan; Chang, Wei-Cheng; Chang, Chu-Hsing; Wen, Wan-Shou; Tan,Chung-Min; Sheng Chun Sha; Peng, Chun-Hao	Peng, Ying-Kuang; Yang, Shih-Lan; Chang, Wei-Cheng; Chang, Chu-Hsing; Wen, Wan-Shou; Tan,Chung-Min; Sheng Chun Sha; Peng, Chun-Hao	Peng, Ying-Kuang; Yang, Shih-Lan; Chang, Wei-Cheng; Chang, Chu-Hsing; Wen, Wan-Shou; Tan,Chung-Min; Sheng Chun Sha; Peng, Chun-Hao
NT$1,000,000 (inclusive) - NT$2,000,000 (exclusive)	-	-		
NT$2,000,000 (inclusive) - NT$3,500,000 (exclusive)			Chen Qian Investment Co., Ltd.: Chang, Chen;	Chen Qian Investment Co., Ltd.: Chang, Chen;
NT$3,500,000 (inclusive) - NT$5,000,000 (exclusive)				
NT$5,000,000 (inclusive) - NT$10,000,000 (exclusive)			Da Ri Yue Investment Co., Ltd.: Chang, Bing-Tang;	Da Ri Yue Investment Co., Ltd.: Chang, Bing-Tang;
NT$10,000,000 (inclusive) - NT$15,000,000 (exclusive)				
NT$15,000,000 (inclusive) - NT$30,000,000 (exclusive)				
NT$30,000,000 (inclusive) - NT$50,000,000 (exclusive)				
NT$50,000,000 (inclusive) - NT$100,000,000 (exclusive)				
Over NT$100,000,000				
Total	10 people	10 people	10 people	10 people

(II) Remuneration of supervisors: The Company has changed its Audit Committee, so there is no remuneration of supervisors.

(III) Remuneration of President and Vice Presidents

December 31, 2025; unit: NT$ thousand; %

Title	Name	Salary (A)		Severance pay and pension (B)		Bonuses and allowances (C)		Remuneration of employees (D)				The sum of A, B, C, and D and the percentage to net profit after tax (%)		Remuneration received from investees other than subsidiaries or the parent company
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
								Amount in cash (Note 1)	Amount in stock	Amount in cash (Note 1)	Amount in stock			
President	Chang,Bing-Tang	8,118	8,118	188	188	2,068	2,068	290	0	290	0	10,664	10,664	0
Vice President	Wang,Chih-Cheng													

Note 1: The employee compensation has been approved by the board of directors of our company on March 11, 2026

Table of Range of Remuneration of President and Vice Presidents

Range of remuneration paid to the President and Vice Presidents of the Company	Name of President and Vice Presidents	
	The Company	All companies in the financial statements
Less than NT$1,000,000		
NT$1,000,000 (inclusive)- NT$2,000,000 (exclusive)		
NT$2,000,000 (inclusive)- NT$3,500,000 (exclusive)	Vice President Wang, Chih-Cheng	Vice President Wang, Chih-Cheng
NT$3,500,000 (inclusive)- NT$5,000,000 (exclusive)		
NT$5,000,000 (inclusive)- NT$10,000,000 (exclusive)	President Chang, Bing-Tang	President Chang, Bing-Tang
NT$10,000,000 (inclusive) -NT$15,000,000 (exclusive)		
NT$15,000,000 (inclusive) -NT$30,000,000 (exclusive)		
NT$30,000,000 (inclusive) -NT$50,000,000 (exclusive)		
NT$50,000,000 (inclusive) -NT$100,000,000 (exclusive)		
Over NT$100,000,000		
Total	2 people	2 people

(IV) Names of managers assigned with the distribution of remuneration of employees and the distribution status:

2025; unit: NT$ thousand

	Title	Name	Amount in stock	Amount in cash	Total	Percentage of total to net profit after tax (%)
Manager	Chairman and President	Chang, Bing-Tang	0	720	720	0.67
	Vice President	Wang, Chih-Cheng				
	Vice President	Lin, Kun-Tien				
	Special assistant	Chang, Chen				
	Senior Manager	WU Pao-Hsieni				
	Manager	Kuan, Shu-Hui				

Note 1: Employee compensation has been approved by the board of directors of our company on March 11, 2026.

Note 2: Lin Kun-tian was originally the assistant manager of the semiconductor packaging and testing business unit, and was promoted to vice president on March 11, 2026.

(V) Compare and analyze the percentage of the total remuneration paid by the Company and all companies in the consolidated statements to its Directors, supervisors, President, and Vice Presidents to the net profit after tax in the most recent two years, and explain the policy, standard and portfolio of the remuneration paid, the procedure for determining the remuneration, and its linkage to operating performance and future risks

1. Total remuneration paid by the Company and all companies in the consolidated statements to Directors, supervisors, the President and Vice Presidents of the Company and the percentage to net profit after tax in the individual or individual financial statements in the most recent two years:

Unit: NT$ thousand; %

Title	Total remuneration and the percentage to net profit after tax in 2025 (%)		Total remuneration and the percentage to net profit after tax in 2026 (%)	
	The Company	All companies in the financial statements	The Company	All companies in the financial statements
Director	14,443； (13.43%)	14,443； (13.43%)	12,753； (14.63%)	12,753； (14.63%)
President and Vice Presidents	10,664； (9.92%)	10,664； (9.92%)	9,610； (11.03%)	9,610； (11.03%)

Note: Our company has established an audit committee to replace the authority of the supervisor.

2. The policy, standard and portfolio of the remuneration paid, the procedure for determining remuneration, and its linkage to operating performance and future risks:

a. The policies, standards, and portfolios for the payment of remuneration:

The Company's remuneration for Directors is handled in accordance with the Company's Articles of Incorporation and the allocation rules of Directors' remuneration, which can be divided into three categories: Directors' compensation, Directors' remuneration and operating expenses; and the remuneration for Presidents and Vice President of the Company can be divided into three categories: salary, bonus and car allotment, employee remuneration, which are authorized by the Board of Directors to be verified based on the relevant provisions of the Company's salary verification.

b. Procedures of Remuneration:

According to the Articles of Association of the Company, the Company shall set aside no more than 3% of its net profit before tax for the current period before deducting employee remuneration and director remuneration for the current period as director remuneration and 5% to 12% as employee remuneration. However, if the Company still has accumulated losses, it shall reserve the amount to make up for it in advance. The employee compensation referred to in the preceding paragraph may be in the form of stocks or cash, and the recipients thereof may include employees of affiliated companies who meet the conditions set by the board of directors. Business execution expenses are only paid for travel expenses for each attendance at the board of directors.

The procedure for determining directors' remuneration is based on the Company's board of directors' performance evaluation method, and reasonable compensation is given based on the degree of participation and contribution to the company's operations. In accordance with the provisions on employee remuneration payment in the company's articles of association, the Remuneration Committee of the Company will consider comprehensive considerations such as operating performance (50%), management functions (30%) and ESG performance (20%), and prepare distribution recommendations for distribution after approval by the Board of Directors.

Based on the above evaluation items, the directors' evaluation results for this year have improved compared to last year, mainly due to the increase in operating income and pre-tax net profit compared to the previous year and better operating performance. Therefore, the company has allocated 2% of directors' remuneration of NT$2,795,759, and in order to share the operating results with employees, 5% of employee remuneration has been allocated NT$6,989,397.

The Company has established a Remuneration Committee, which will regularly review the policies, systems, standards and structures for performance evaluation and remuneration of directors and managers and submit them to the Board of Directors for discussion.

c. Connection between operation performance and future risk:

The performance evaluation and remuneration of the Company's directors and managers are based on the usual industry standards and also take into account operating results, participation (including directors' attendance, suggestions provided, etc.) and manager performance, with reference to their contribution to the Company's performance (performance evaluation includes 50% operating performance, 30% management function, and 20% ESG performance).

Financial indicators such as revenue and profit achievement rate, as well as non-financial indicators such as compliance with laws and internal controls, ESG performance indicators, or special achievements, etc., and comprehensive consideration of matters such as the amount of salary and remuneration and the company's future risks, are highly correlated with the company's management responsibilities and overall performance.

In order to implement the company's commitment to sustainable development, non-financial performance aspects such as ESG (environment, society, and governance) are also included in the performance evaluation scope of the company's senior managers (including company managers). The ESG performance indicator items and weight ratios are as follows:

Items	Weight	Illustrate
Energy saving and carbon reduction goals achieved	10%	Achievement of energy conservation and carbon reduction targets set in the annual sustainability report
Compliance with laws and regulations and internal controls	5%	Comply with the required laws and regulations, no violations occurred
Major themes to be adjusted accordingly	5%	Related response and adaptation actions for major topics (such as customer relationship management, product quality management, talent training and development, water resource reduction promotion, economic performance

III. Corporate governance implementation

(I) Operation of the Board of Directors

The Board of Directors was held for 6 sessions in 2025. The Attendance of Directors was as follows:

Title	Name	Attendance (Note)	Attendance by proxy	Attendance rate (%)	Remarks
Chairman	Da Ri Yue Investment Co., Ltd Representative Chang, Bing-Tang	6	0	100%	Re-elected on May 28, 2025
Director	Chen Zhen Investment Co., Ltd.Representative Chang, Chen	6	0	100%	Re-elected on May 28, 2025
Director	Peng, Ying-Kuang	6	0	100%	Re-elected May 28, 2025
Director	Yang, Shih-Lan	6	0	100%	Re-elected o0 May 28, 2025
Director	Chang, Wei-Cheng	3	0	75%	Re-elected on May 28, 2025 Resigned on October 31, 2026
Independent Director	Chang, Chu-Hsing	6	0	100%	Re-elected on May 28, 2025
Independent Director	Wen, Wan-Shou	6	0	100%	Re-elected on May 28, 2025
Independent Director	Tan,Chung-Min	6	0	100%	Re-elected on May 28, 2025
Independent Director	Sheng Chun Sha (Note 2)	4	0	100%	Re-elected on May 28, 2025
Independent Director	Peng, Chun-Hao (Note 2)	2	0	100%	Resigned on May 28, 2025

Other disclosures

I. If the operation of the Board has any of the following circumstances, the date and session of the Board meeting, the contents of proposals, the opinions of all Independent Directors, and the measures adopted by the Company for the opinions of the Independent Directors shall be described

(I) Matters listed in Article 14-3 of the Securities and Exchange Act：Not applicable. The Company has set up an Audit Committee, which is governed by Article 14-5 of the Securities and Exchange Act.

(II) Except for the abovementioned matters, other motions of the Board meeting to which an Independent Director has a dissenting or qualified opinion that is recorded or stated in a written statement: None.

II. For the recusal of a Director from a proposal due to a conflict of interest, the name of the Director, the content of the proposal, the reason for the recusal, and the participation in voting shall be stated:

(I) Board Meeting Date: 2025/02/26

Directors' Names: Da Ri Yue Investment Co., Ltd Representative Chang, Bing-Tang、Chen Zhen Investment Co., Ltd.Representative Chang, Chen、Peng, Ying-Kuang、Yang, Shih-Lan、Chang, Wei-Cheng、Chang, Chu-Hsing、Wen, Wan-Shou、Tan,Chung-Min、Peng, Chun-Hao

Proposal Content: 2024 Directors' Remuneration Distribution Proposal.

Reason for Conflict of Interest Avoidance: Related parties in this case.

Voting Result: Except for the directors present who abstained from voting, the proposal was passed without objection by the remaining directors.

(2) Board Meeting Date: 2025/02/26

Directors' Names: Da Ri Yue Investment Co., Ltd Representative Chang, Bing-Tang、Chen Zhen Investment Co., Ltd.Representative Chang

Proposal Content: The Company’s 2024 Compensation Distribution Plan for Managers..

Reason for Conflict of Interest Avoidance: Related parties in this case.

Voting Result: With the exception of the directors who abstained from voting, the motion was passed without objection from the remaining directors present.

(3) Board Meeting Date: 2025/05/28

Directors' Names: Chang, Chu-Hsing、Wen, Wan-Shou、Tan,Chung-Min、Peng, Chun-Hao

Proposal Content: The proposal to appoint members of the Company's Second Salary And Compensation Committee.

Reason for Conflict of Interest Avoidance: Related parties in this case.

Voting Result: With the exception of the directors who abstained from voting, the motion was passed without objection from the remaining directors present.

III. A TWSE/TPEx listed company shall disclose the evaluation cycle and period, evaluation scope, method, and evaluation content of the Board's self-evaluation (or peer evaluation) and fill in the following table regarding the implementation of the Board evaluation：

(I)Implementation of the Board of Directors' Evaluation

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Every year	Jan 1,2025 To Dec 31 2025	Board of Directors	Self-asses Sment from the Board of Directors	There are five major aspects of board performance evaluation: the degree of participation in company operations, improving the quality of board decision-making, board composition and structure, director selection and continuing education, and internal control. After evaluation and statistical questionnaires, the achievement rate was 100% and the evaluation result was excellent.
Every year	Jan 1,2025 To Dec 31 2025	Board members	Self-evaluation of Directors	There are six major aspects of the performance evaluation of board members: understanding of company goals and tasks, awareness of director responsibilities, level of participation in company operations, internal relationship management and communication, director's professional and continuing education, and internal control. After evaluation and statistical questionnaires, the achievement rate was 100% and the evaluation result was excellent.
Every year	Jan 1,2025 To Dec 31 2025	Audit Committee	Audit Committee eSelf-Assessment	There are five major aspects of audit committee performance evaluation the degree of participation in company operations, awareness of audit committee responsibilities, improving the quality of audit committee decision-making, audit committee composition and member selection, and internal control. After evaluation and statistical questionnaires, the achievement rate was 100% and the evaluation result was excellent.
Every year	Jan 1,2025 To Dec 31 2025	Remuneration Committee	Remunera Tion Committee Self-Assessment	There are five major aspects of the performance evaluation of the remuneration committee: the degree of participation in the company's operations, the awareness of the responsibilities of the remuneration committee, improving the quality of the remuneration committee's decision-making, the composition of the remuneration committee and the selection of members, and internal control. After evaluation and statistical questionnaires, the achievement rate was 100% and the evaluation result was excellent.

(II) The above performance evaluation results have been submitted to the Board of Directors on March 11, 2026. The evaluation results are as follows:

Evaluation scope	Evaluation results
Board of Directors	The average score was 4.94 out of 5 points, and the assessment result was "excellent", indicating that the overall board of directors operated well and met the corporate governance requirements.

Board members	He average score was 4.91 out of 5 points, and the evaluation result was "excellent", indicating that all directors had positive comments on the efficiency and effectiveness of the operation of various assessment indicators.
Audit Committee	The average score was 4.95 out of 5 points, and the assessment result was"excellent", indicating that the overall operation of the Audit Committee was sound, in line with corporate governance requirements, and could effectively enhance the functions of the Audit Committee.
Remuneration Committee	The average score was 4.95 out of 5 points, and the evaluation result was "excellent", indicating that the overall operation of the Remuneration Committee was sound, in line with the requirements of corporate governance, and could effectively increase Improve the functions of the Remuneration Committee.

(IIV) Functional objectives (e.g. setting up Audit Committee, improving information transparency, etc.) and implementation evaluation:

Strengthen functional objectives of the Board of Directors	Implementation evaluation
Establish the Remuneration Committee	Improve the nomination system of the Company's Directors and senior managers.
Establish the Audit Committee	Exercise the functions and powers stipulated in the Securities and Exchange Law, Company Law and other relevant laws. The attendance rate of the Audit Committee in 2025 reached 100%.
Improve information transparency and establish communication with stakeholders	The company has a dedicated person responsible for disclosing company information and updating the company's website information. It also has an investor mailbox to handle shareholder suggestions or disputes.
Strengthen professional knowledge	Organize professional courses for directors an encourage board members to participate, so as to strengthen their professional knowledge and comply with the legal requirements for hours of further study.
Appointment of a Corporate Governance Officer	In order to implement corporate governance and enhance the effectiveness of the board of directors, on October 18, 2013, the board of directors approved the establishment of a corporate governance director to assist directors in performing their duties with relevan information and other necessary assistance.

(II) Operation of the Audit Committee or the participation of supervisors in the operation of the Board

1. Operation of the Audit Committee

A total of 5 Audit Committee meetings were held in 2025. The attendance of the Independent Directors was as follows:

Title	Name	Attendance (Note)	Attendance by proxy	Attendance rate (%)	Remarks
Independent Director	Chang, Chu-Hsing	5	0	100%	Convener, elected on May 28, 2025
Independent Director	Wen, Wan-Shou	5	0	100%	Re-elected on May 28, 2025
Independent Director	Tan, Chung-Min	5	0	100%	Re-elected on May 28, 2025
Independent Director	Sheng, Chun Sha	3	0	100%	Re-elected on May 28, 2025
Independent Director	Peng, Chun-Hao	2	0	80%	Resigned on May 28, 2025

For the professional qualifications and experience of members of the Audit Committee, please refer to the relevant content of this annual report “II. Corporate Governance Report / I. Directors’ Information/ 4. Directors’ Professional Qualifications and Information Disclosure of Independent Directors’ Independence”.

Formation and operations of Audit Committee: The Company’s Audit Committee consists of three independent directors, and operates primarily in order to supervise the following matter

I. The fair expression of the Company's financial statements

II. Selection (dismissal) of certification accountants and their capability, credentials, independence and performance.

III. Effective implementation of the Company's internal control

IV. Company compliance with laws and regulations.

V. Control and management of the company’s potential or existing risks.

Other disclosures:

Other mentionable items

I. If the operation of the Audit Committee has any of the following circumstances, the date and session of the Board meeting, the contents of proposals, resolutions made by the Audit Committee, and the measures adopted by the Company for the opinions of the Audit Committee shall be described

(I) Matters listed in Article 14-5 of the Securities and Exchange Act

The motions of 2025 were approved by all the members present in the Audit Committee and all the directors present in the Board of Directors. The operation of the Audit Committee in 2025 was as follows：

Board of Directors	Audit Committee	proposal	Resolution results	The Company's Response to the Audit Committee's Opinions
2025.02.26		1.The Company’s 2024 Profit Distribution Proposal	Approved by all members present attheAudit Committee: cash dividend of 1.0 yuan per share is planned to be distributed in 2024	The board of directors passed the resolution and submitted the 2025 shareholders'meeting report andapproval
		2.The company’s 2024 business report and financial report case	Approved by all members present at the Audit Committee	Board of Directors Resolution passed
		3.Assessment of the effectiveness of the internal control system and the issuance of the company’s 2024 internal control system statement		
		4.Revise the company's "Internal Control System"		
2025.05.07		1.The company’s financial report for the first quarter of 2025.		
2025.08.06		1.The Company's Q2 2025 financial statements		
		2.Amendment to the "Decision-making Authority Management Regulations"		
		3.Discuss the company's securities investments.		
2025.11.05		1.The Company's Q3 2024 f inancial statements	Approved by all members present at the Audit Committee	Board of Directors Resolution passed
2025.12.17		1. The company’s operating plan and budget for the 2026 year of the Republic of China		
		2. The 2026 internal audit plan		
		3. Revise the company's "Internal Control System"		
		4. Evaluation of CPA independence and competence and CPA appointment.		

(II)Other than the abovementioned matters, other proposals obtaining the consent from over two-thirds of Directors without being approved by the Audit Committee: None.

II. For the recusal of an Independent Director from a proposal due to the conflict of interest, the name of the Independent Director, the content of the proposal, the reason for the recusal, and the participation in voting shall be stated: None.

III. Communication between Independent Directors and chief internal auditor and CPAs (including major matters, methods and results of communication on the Company's financial and business positions)

(I)Other than regularly participating the meetings of the Audit Committee to report the execution the internal audits, the internal audit officer communicates and discusses with the independent directors in person, via phone or emails; every year at least one communication meeting is held with the Audit Committee without the general directors and management.

(II)Other than communicating with the independent directors via the communication meetings with independent directors only, the CPAs also participate the quarterly meetings of the Audit Committee and the board of directors, to communicate with the independent directors regarding the audit or review results of financial statements, advices to the internal controls, and other matters required to be communicated by related laws and regulations.

The summary of the communication between independent directors and internal auditing officers in 2025

Date	Focus of communication	Recommendations and results
2025.02.26 Audit Committee	1. The company's 2024 business report and financial report case 2. Assessment of the effectiveness of the internal control system and the issuance of the company's 2024 internal control system statement 3. Revise the company's "Internal Control System"	No opinion
2025.05.07 Audit Committee	The Company's Q1 2025 financial statements	No opinion
2025.08.06 Audit Committee	The Company's Q2 2025 financial statements	No opinion
2025.08.06 Independent directors and CPAs	Discuss the review of the company's second quarter financial report for 2025	No opinion
2025.11.05 Audit Committee	The Company's Q3 2025 financial statements	No opinion
2025.11.05 Independent directors and internal auditing officers	1.The Company's Q3 2025 financial statements 2.Discuss and revise the internal control provisions for the payroll cycle. 3.Discuss the 2026 annual internal audit plan.	No opinion
2025.12.17 Audit Committee	1. The company's operating plan and budget for the 2026 year of the Republic of China 2. Proposal to amend the company's internal control-related measures 3. The 2026 internal audit plan. 4. Evaluation of CPA independence and competence and CPA appointment..	No opinion

IV. Summarization of the annual major tasks of Audit Committee

The 2025 Audit Committee met five times, and the main matters reviewed included:

(I)The fair expression of the Company's financial statements Review on the 2024 financial statements, and Q1 to Q3 financial statements of 2025

(II)Selection (dismissal) of CPAs and their competence, independence, performance and professional fees Review the suitability, independence and performance of CPAs.

(III) Effective implementation of the Company's internal control Review of internal audit report, 2024 Statement of Internal Control System, and revision of internal control system.

Note: The method of expression is the attendance (presence)/mandatory attendance (presence) during the term of office.

2. Participation of supervisors in the operation of the Board

The Company established its Audit Committee to replace the functions of supervisors on August 2, 2022; therefore, this is not applicable.

(III) The implementation of corporate governance and the deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor

Evaluation item	Implementation status			Deviation and causes of Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
I. Has the Company established and disclosed its corporate governance best-practice principles according to the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies”?	√		The Company has established a corporate governance code of practice in accordance with the "Corporate Governance Code for Listed Companies" to implement the responsibilities of corporate managers, protect the legitimate rights and interests of shareholders, and take into account the interests of other stakeholders. The company's website also has an ESG area for investors to inquire about corporate governance regulations.	No significant difference
II. Equity structure of the Company and shareholders' interest				
(I) Has the Company established internal operating procedures to handle shareholders' suggestions, doubts, disputes, and litigations? Has the Company implemented such procedures?	√		The Company has a spokesperson, deputy spokesperson And corporate governance director who can effectively Handle shareholder suggestions or disputes and other related issues; and has entrusted professional stock affairs agencies to handle stock affairs, and established an investor area on the company's website to provide shareholder-related information and a shareholder	No significant difference

Evaluation item	Implementation status			Deviation and causes of Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
			contact window and investor contact mailbox for shareholders and investors to raise suggestions or questions. If legal issues are involved, we will ask legal affairs and professional lawyers to assist in handling them.	
(II)Does the Company have a list of the Company's major shareholders and the ultimate controllers of such major shareholders who actually control the Company?	√		The Company has information on the shareholdings of Actual directors, managers and major shareholders holding more than 5% of the shares, and the Company reports relevant information to the Public Information Observation Station on a monthly basis.	No significant difference
(III) Has the Company established and implemented risk control and firewall mechanisms between it and its affiliates?	√		The company has established "Operational Standards for Financial Transactions between Related Parties".	No significant difference
(IV)Has the Company established internal regulations to prohibit insiders from trading securities by using undisclosed information in the market?	√		When an insider takes office, the Company requires the Insider to understand the relevant regulations that he or she should follow, such as insider trading regulations, and provides insiders with "Prevention of Insider Trading" promotional	No significant difference

Evaluation item	Implementation status			Deviation and causes of Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
			materials from time to time. In addition, the company's "Procedures for Preventing Insider Trading and Handling Important Internal Information" clearly stipulates that company insiders "shall not trade their stocks during the closed period of thirty days before the announcement of the annual financial report and fifteen days before the announcement of each quarterly financial report." The company also notifies insiders by email before the quarterly board of directors convenes to approve the financial report to strengthen the prevention of insider trading.	
III. Composition and duties of the Board				
(I) Has the Board established a diversification policy, set specific management goals, and implemented them accordingly?	√		The Company's "Corporate Governance Code of Practice" has already regulated the composition and overall management of the Board of Directors. The ability to have, and to establish a policy for the diversity of board members, each director's academic experience, professional.For relevant information on the company's	No significant difference

Evaluation item	Implementation status			Deviation and causes of Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
			professional qualifications, independence and diversification please refer to "II. Governance Report / 1. Directors' Information", the above information is also disclosed on the company's website.	
(II)In addition to the establishment of the Remuneration Committee and the Audit Committee as required by law, has the Company established other functional committees voluntarily?	√		The company established a Sustainable Development Committee in 2025, composed of the chairman and management team, which reports on the implementation status and results to the board of directors annually.	No significant difference
(III) Has the Company established Regulations for Performance Evaluation of the Board and its evaluation method? Is the performance evaluation conducted annually andregularly, and are the results of the performance evaluation reported to the Board and used as a reference for individual	√		The company's board of directors has approved the "Board of Directors and Functional Committee Performance Evaluation Methods".Conduct performance evaluation of the Board of Directors and functional committees at least once a year and submit the evaluation results to the Board of Directors. The results will be reported to the board of directors. The evaluation procedure is carried out by the governance unit at the end of each year and coordination, using internal questionnaires, through internal self-assessment,	No significant difference

Evaluation item	Implementation status			Deviation and causes of Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
Directors' remuneration and nomination for re-appointment?			self-assessment by board members and functional committee members The review process includes the entire Board, individual directors and functional committees. Performance evaluation. The performance evaluation criteria of the Company’s Board of Directors and functional committees mainly include the participation, improve the quality of decision-making of the board and functional committees, The composition and structure of the committee, the Selection and continuous training of directors and functional committeemembers, and internal The evaluation results shall be submitted to the Board of Directors. The company has completed the 2025 annual performance evaluation. The evaluation results of all aspects have met the targets, indicating that the overall operation of the Board of Directors and the Committee is in good condition. The performance evaluation results have been submitted to the Board of Directors on March 11, 2026.	

Evaluation item	Implementation status			Deviation and causes of Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
(IV) Does the Company regularly assess the independence of the CPAs?	√		The Company evaluates the independence, competence And performance of the certified public accountants every year (at least once a year). In addition to obtaining an independent statement from the accountant every year, the audit quality index the AQIs are included in the evaluation reference, and the evaluation results are submitted to the Audit Committee and the Board of Directors for approval. The 2025 annual assessment of the independence and competence of accountants has been carried out this year.Approved by the Audit Committee and the Board of Directors on December 17, 2025. Visa Accountant for more information on the independence assessment process, please refer to page 45 of this annual report.	No significant difference
IV.Has the TWSE/TPEx listed competent and appropriate number of corporate governance personnel and appointed a corporate governance officer to be responsible for corporate	√		To implement corporate governance and strengthen the Functions of the board of directors, our company has appointed a Chief Corporate Governance Officer, who is responsible for matters related to corporate governance. The main responsibilities of the Chief Corporate Governance Officer include providing directors with the	No significant difference

Evaluation item	Implementation status			Deviation and causes of Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
governance-related affairs (including but not limited to providing Directors and supervisors with the information required for business execution, assisting Directors and supervisors in complying with laws and regulations, handling matters related to the Board meetings and shareholders' meetings in accordance with the law, and preparing minutes of the Board meetings and shareholders'meetings)?			information needed to perform their duties, assisting directors in complying with laws and regulations, assisting directors in their appointment and continuing education, handling matters related to board meetings and shareholders' meetings, and preparing meeting minutes. The implementation of corporate governance affairs in 2025 is as follows: 1. 2025, there will be 6 board meetings and 5 audit committee meetings. All directors will be notified of their attendance at least 7 days in advance and provided with sufficient meeting materials. The minutes of the board meetings will be sent out within 20 days after the meetings. 2. Convene the 2025 Annual General Meeting of Shareholders and complete the full re-election of the 15th Board of Directors. 3. Report to the Board of Directors on the results of its review of the qualifications of independent directors at the time of nomination, election, and during their term of office, ensuring they comply with relevant laws and	

Evaluation item	Implementation status			Deviation and causes of Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
			regulations. 4. Board members complete 6 hours of continuing education courses (12 hours for newly appointed directors). 5. The Chief Governance Officer completes 12 hours of continuing education courses. 6. Purchase liability insurance for directors and managers and submit the results to the Board of Directors. 7. Conduct the 2025 self-performance evaluation of the Board of Directors and all functional committees. The self-evaluation results are all rated as excellent. The evaluation results have been submitted to the Board of Directors' report dated March 11, 2026. 8. Hold one meeting each for independent directors, the accountant, and the head of internal audit.	
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and	√		The company website has a stakeholder area with investors, customers, suppliers and employees. Welfare relations contact mailbox, all stakeholders can communicate with each other via email when necessary Communicate with each other. In addition, the ESG	No significant difference

Evaluation item	Implementation status			Deviation and causes of Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
suppliers), set up a stakeholder section on the Company's website, and Responded appropriately to important corporate social responsibility issues of concern to stakeholders?			Section also discloses stakeholders’ concerns, communication methods and he frequency of communication with stakeholders and other information will be reported to the board of directors. The date of the report is August 6, 2025.	
VI.Has the Company appointed a professional stock affairs agency to handle shareholders' meeting affairs?	√		The Company engaged the Stock Affairs Agency Service Department of Hua Nan Securities Co., Ltd. for handling Such matters.	No significant difference
VII. Information disclosure				
(I) Has the Company set up a website to disclose financial, business and corporate governance information?	√		The Company's financial, business and corporate Governance information can be obtained by making inquiries on the MOPS.The part of our corporate website that discloses financial, business and corporate governance information is under construction.	No significant difference

Evaluation item	Implementation status			Deviation and causes of Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
(II) Has the Company adopted other means of information disclosure (e.g., setting up an English website, appointing dedicated personnel to collect and disclose information on the Company, implementing a spokesperson system, and posting the process of investor conferences on the Company's website)?	√		The Company has set up an English website and assigned an appropriate person to handle information collection and disclosure, as well as webcasting investor conferences to fully disclose company	No significant difference
(III)Has the Company announced and filed its annual financial statements within two months after the end of the fiscal year, and announced and filed the financial statements for Q1, Q2, and Q3 and the operating status of each month before the prescribed deadline?	√		To enhance the transparency and timeliness of the company's information disclosure, although the company's 2025 financial report was not published within two months after the end of the year, it was still filed before the statutory deadline, and the financial reports for the first, second and third quarters were published in advance.	No significant difference
VIII. Does the Company have other	√		(I) Employee rights: The Company has established the	No significant difference

Evaluation item	Implementation status			Deviation and causes of Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
important information that is helpful to understand the implementation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' rights, continuing education of Directors and supervisors, the implementation of risk management policies and risk measurement standards, the implementation of the purchase of liability insurance for Directors and supervisors)?			Employee Welfare Committee and the Labor-Capital Committee and stipulated relevant regulations to protect the rights and interests of employees. (II) Employee care: The Company has always attached great importance to the physical and mental health and learning and development of employees. I addition to the benefits such as regular health inspections and Company trips, the Company also organizes employee educational training. (III) Investor relations and stakeholders' rights: The Company implements information disclosure in accordance with laws and regulations in order to protect the rights and interests of investors and stakeholders and to fulfill its responsibilities to shareholders. (IV) Supplier relations: The Company maintains smooth communication channels with suppliers and protects their legal rights and interests. (V) Continuing education of Directors and supervisors: The Directors and Independent Directors of the Company receive continuing education courses on	

Evaluation item	Implementation status			Deviation and causes of Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
			securities regulations according to laws and regulations. (VI) Implementation of risk management policies and risk measurement standards: In addition to regular assessments of operational risks and countermeasures by relevant departments, the Company has established various standard operation implementation specifications to reduce possible risks. (VII) Implementation of customer policies: The Company has established a customer complaint handling mechanism; the dedicated department duly identifies the problems and clarifies the attribution of responsibility in response to customer complaints to protect the rights and interests of customers. (VIII) The purchase of liability insurance for Directors and supervisors by the Company: The Company has purchased liability insurance for Directors and Independent Directors.	
IX. Please explain the improvements made based on the results of the Corporate Governance Evaluation published by the Corporate				

Evaluation item	Implementation status			Deviation and causes of Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
Governance Center of Taiwan Stock Exchange Corporation in the most recent year, and propose improvement matters of priority and measures for those that have not yet been improved. (Not required for companies not included in the evaluation) : Our company was listed on the Innovation Board on March 7, 2024. We have not yet participated in the corporate governance assessment. Based on the various indicators of the "Governance Assessment," the company has made the following improvements: 1. In addition to referencing GRI standards, the company's sustainability report is also prepared with reference to SASB standards. 2. We have planned to hold an annual shareholders' meeting before the end of May.				

Note: Assessment process of accountant independence:

1. Based on the 11 relevant review items of the “Certificate Accountant Review and Evaluation Form” and the statement of independence issued by the accountant, the assessment results show that the certificate accountants all meet the requirements of independence and competence.
2. The audit quality index (AQI) will be summarized by the certifying accountant and reported to the Audit Committee. The evaluation items include 13 indicators in five major aspects, namely professionalism, quality control, independence, supervision, and innovation ability. The evaluation results have been discussed and approved by the Audit Committee on December 17, 2025, and submitted to the Board of Directors for approval on December 17, 2025 to evaluate the independence and suitability of the accountants.

(IV) If the Company has a Remuneration Committee, its composition, duties and operation shall be disclosed

1. Members of the Remuneration Committee

April 20, 2026

Identity	Condition Name	Professional qualifications and experience	Independence (Note)	Number of other Publiccompanies in which the member is also a member of the remuneration committee
Independent Director Convener	Chang, Chu-Hsing	Please refer to Page 11 Professional qualifications of Directors and the professional knowledge and independence in the independence of Independent Directors	1. Not an employee or Director of the Company or its affiliates 2. Not a natural person shareholder who holds 1% or more of the Company's total issued shares or a natural person shareholder with top 10 shareholdings for himself/herself, his/her spouse, minors, or in the name of others. 3. Not a spouse or relative within the second degree of kinship to another Director. 4. Not having the circumstances specified in paragraph 3 and paragraph 4 of Article 26-3 of the Securities and Exchange Act. 5. None of the government, corporate, or other representatives stated in Article 27 of the Company Act was elected.	0
Independent Director	Wen, Wan-Shou			1
Independent Director	Tan, Chung-Min			0
Independent Director	Sheng, Chun Sha			0

2. Duties of Remuneration Committee:

The Committee shall perform the following duties loyally with due diligence as a good administrator, and submit its suggestions to the Board of Directors for discussion.

a. Periodically review the performance appraisal on the Company’s directors and managers, and remuneration policy, system, standard and structure.

b. Periodically evaluate and review the contents and amount of the Company’s remuneration to directors and managerial officers.

3. Operation of the Remuneration Committee

a.The Company's Remuneration Committee consists of 4 members and all Independent Directors.

b.Term of office of the current members: from May 28, 2025. In the most recent year (2025), the Remuneration Committee held meetings for 2 times

Title	Name	Attendance	Attendance by proxy	Attendance rate (%)	Remarks
Convener	Chang, Chu-Hsing	2	0	100	Elected on May 28 2025
Member	Wen, Wan-Shou	2	0	100	Elected on May 28 2025
Member	Tan, Chung-Min	2	0	100	Elected on May 28 2025
Member	Sheng, Chun Sha	1	0	100	Elected on May 28 2025
Member	Peng, Chun-Hao	1	0	100	Resigned on May 28, 2025

Other disclosures:

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

二.Resolutions of the Remuneration Committee objected to by members or subject to a qualified opinion and recorded or declared in writing, the date of the meeting, session, content of the motion, all members’ opinions and the response to members’ opinion should be specified: No such situation.

三.The topics discussed and the resolutions of the Company's 2025 Compensation and Remuneration Committee, and the Company's handling of members' opinions:

Board Meetings	Remuneration Committee	Motion Contents	Resolution of the Remuneration Committee	The Company’s response to the members' opinions
2025.02.26		1. Distribution of remuneration for the Company's directors and employees in 2024.	Approved by all committee memberspresent as proposed	Approved by the Board of Directors and submitted to the 2025 Annual Shareholders Meeting
		2. Distribution of Directors' Remuneration for 2024		Approved by all directors present as proposed
		3. Distribution of Managerial Remuneration for Employees for 2024		
2025.12.17		1. Policies, systems, standards and structures for the remuneration of directors and managers		

四Summary of the Remuneration Committee’s 2015 Annual Work Focus:

The Remuneration Committee held two meetings in 2015, and the main items reviewed included:

Regularly review the Compensation Committee’s organizational charter and the policies, systems, standards, and structures for performance evaluation and compensation of directors and managers.

A. Review procedures regularly to see if they need to be revised.

B. Revise the company's manager performance evaluation form, set annual performance targets for managers, and link them with the company's ESG goals.

(2) Regularly evaluate and review the content and amount of remuneration for directors and managers.

C.Information on the members and the operation of the Nomination Committee: Not applicable as the Company has not established its Nomination Committee.

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

Evaluation item	Implementation status			Deviation and causes of deviationfrom Corporate Social Responsibility Best Practice Principles forTWSE/TPEx Listed Companies
	Yes	No	Summary description	
I.Has the Company established a governance structure to promote sustainable development and set up a dedicated (concurrent) department to promote sustainable development? Has the Board authorized the senior management for handling, and does it provide supervision?	√		To implement its goals of environmental sustainability, social responsibility, and corporate governance, the company established the "Sustainability Development Committee" in 2025. Chaired by the Chairman and comprised of the management team, the committee regularly reports on its implementation and results to theBoard of Directors. Under the Sustainability Development Committee, the "Sustainability Management Team" serves as a cross-departmental communication platform for vertical integration and horizontal coordination. Chaired by the Vice President, the team forms task forces based on various sustainability issues, periodically reviewing and tracking the achievement of short-, medium-, and long-term ESG goals to gradually achieve the company's sustainability objectives and implement various plans in daily operations, thereby enhancing corporate value. The Sustainability Management Team is divided into	No significant difference

	√		five subgroups: Governance, Customer Care, Employee Care, Environmental Sustainability, and Social Responsibility. Each subgroup consists of a leader and several members, responsible for discussing major sustainability themes, developing corresponding action plans, risk identification, and management. The Sustainability Management Team shall report to the Board of Directors at least once a year on the key annual objectives and their implementation results, and shall also report to the Board on the progress of sustainability issues from time to time, including the selection of major themes and progress reports on report preparation. The most recent report to the Board was dated March 11, 2026. The Board of Directors oversees and reviews the implementation of sustainability development, and provides relevant suggestions and guidance based on the content of the Sustainability Development Committee's reports. The sustainability report, upon completion, shall be submitted to the Board of Directors for review and approval before being issued and announced.	
II. Has the Company conducted risk assessments on environmental, social and corporate governance	√		The company has established "Risk Management Policies and Procedures" as the highest guiding principle for risk management. The Board of Directors	No significant difference

<table>
<tr>
<td>issues related to corporate operations in accordance with the principle of materiality, and established relevant risk management policies or strategies?</td>
<td></td>
<td></td>
<td>is the highest authority responsible for risk management and authorizes the General Manager to implement risk management decisions and formulate "Operational Risk Management Procedures" to strengthen corporate governance and establish an effective risk management mechanism. The company integrates risk management measures Into its daily operations, regularly collects information on important internal and external issues, and each department conducts annual risk assessments of internal and external issues (including those at the Zhudong and Zhunan plants). Risk levels are assessed based on the frequency and severity of risks, and corresponding risk management strategies are implemented accordingly to promote the company's sound operation and sustainable development. management policies or strategies related to major topics:
<table>
<tr><th>Project</th><th>Risk Assessment</th><th>Strategy and Execution</th></tr>
</table>
</td>
<td></td>
</tr>
</table>

			E	Climate Change risks	1. Continuously maintain ISO 14001:2015 Environmental Management System certification. 2. Conduct annual greenhouse gas inventories and continuously implement carbon reduction measures based on the results. 3. Referencing TCFD Construction Company's climate risk identification process, and integrating internal operational experience and recommendations, ultimately identified 3 opportunities and 7 risks.		
			S	Occupational disaster risk	1. Continuously maintain ISO 45001:2018 Occupational Safety and Health System certification to ensure workplace safety and hygiene, and safeguard the lives, property, and environment of employees. 2. Conduct regular fire drills annually to cultivate employees' emergency response and self-safety management capabilities. 3. Care for employee health by providing monthly health consultations by a physician and annual health checkups for employees.		
			S	Product Quality.	1. Continuously pass third-party certifications such as "ISO 9001:2015 Quality Management System" and "IATF 16949:2016 Automotive Quality Management System". 2. Regularly conduct customer satisfaction surveys to collect customer feedback and opinions on product quality and safety.		
			G	Information and communication security risks	1. A "Computer Operation Cycle" has been established to regulate the company's information security environment, covering operations including internet and email usage, password setting, software downloads, storage media, and file backups. 2. An "Information and Communications Security Management Policy" has been formulated to actively monitor network traffic and immediately address any anomalies. Information and communications security training for employees is also conducted regularly to promote awareness of potential risks.		

III. Environmental issues				
(I) Has the Company established an appropriate environmental management system based on the characteristics of its industry?	√		1.The company collects relevant environmental safety and health regulations information from the Ministry of Recycling and Environment's global information network and national regulations database to obtain correct environmental regulations information, and properly preserves and manages it. 2. The company has obtained the ISO14001:2015 environmental management system certificate, the certificate is as follows: ISO 45001：2015 Expiry Date：2027-07-14 Certificate No.：EMS 77559	No significant difference
(II)Is the Company committed to improving the efficiency of resource utilization and using recycled materials with low impact on the environment?	√		Our company is actively committed to the recycling of packaging materials. After the products are put into storage, the cartons and boxes received will be all internal filling materials are recycled so that they can be reused first when shipping, reducing new packaging materialsand improve the recycling rate by optimizing the procurement management process. Also follow the country Energy laws and regulations, in line with the global trend of energy conservation and carbon reduction,actively promote energy management projects, including energy efficiency improvement and energy transformation. In accordance with the Ministry	No significant difference

<table>
<tr><td></td><td>√</td><td></td><td>of Economic Affairs' "Energy Users Set Energy Conservation Targets and Implementation plan regulations", continue to aim for 1%annual electricity saving rate, formulate various energy-saving measures the plan was to adjust the number of lighting fixtures in the two factory areas and replace old lamps, increase the output of ice machines, Water temperature, adjust air conditioning operation timeand temperature settings.</td><td></td></tr>
<tr><td>(III)Has the Company assessed the potential risks and opportunities posed by climate change at present and in the future, and has it taken countermeasures to deal with climate-related issues?</td><td>√</td><td></td><td>Refer to the TCFD framework to build the company's climate risk identification process and integrate internal units Operational experience and suggestions ultimately identified opportunities and 7 risks. Climate change phase the assessment of relevant risks and opportunities and the corresponding measures are listed in the “Implementation of climate-related information.</td><td>No significant difference</td></tr>
<tr><td>(IV)Has the Company kept statistics on its greenhouse gas (GHG) emissions, water consumption, and total weight of waste in the past two years, and established policies for energy conservation and carbon dioxide reduction, GHG</td><td>√</td><td></td><td>1.Greenhouse Gas Inventory Information:
(metric tons of CO2e)
<table>
<tr><td>year</td><td>2025</td><td>2024</td></tr>
<tr><td>Scope 1</td><td>202.66</td><td>198.91</td></tr>
<tr><td>Scope 2</td><td>13,551.64</td><td>12,665.89</td></tr>
<tr><td>sub</td><td>13,754.30</td><td>12,864.80</td></tr>
</table>
Note: The company’s greenhouse gas inventory follows the GHG Protocol and the inventory</td><td>No significant difference</td></tr>
</table>

<table>
<tr>
<td>reduction, reduction of water consumption, or other waste management?</td>
<td></td>
<td></td>
<td>
scope is based on operational control. The data covers the Zhunan and Zhudong plants of our company.
Note : The 2024 data has been confirmed by a limited confidence report issued by PricewaterhouseCoopers. The 2025 data has not yet been confirmed as of the date of publication of the annual report. Once confirmed, the data will be disclosed in the company's 2025 perpetual report.

2. Water consumption:
Unit: (ton)
<table>
<tr><td>year</td><td>2025</td><td>2024</td></tr>
<tr><td>Water intake</td><td>149</td><td>124</td></tr>
<tr><td>Displacement</td><td>72</td><td>67</td></tr>
<tr><td>Water Consumption</td><td>77</td><td>57</td></tr>
</table>
Note1 : Water consumption = total water intake – drainage.
Note 2: Data statistics include the Company’s Zhunan Plant and Zhudong Plant.
Note 3:The 2024 data has been confirmed by a limited confidence report issued by
</td>
<td></td>
</tr>
</table>

PricewaterhouseCoopers. The 2025 data has not yet been confirmed as of the date of publication of the annual report. Once confirmed, the data will be disclosed in the company's 2025 perpetual report.

3. Waste generation:

Unit: (ton)

year	2025	2024
Non-hazardous waste volume	444.81	357.41
Hazardous waste volume	183.36	199.92
Total waste volume	628.17	557.33

Note 1: Data statistics include our Zhunan Plant and Zhudong Plant.

Note 2: The 2024 data has been confirmed by a limited confidence report issued by PricewaterhouseCoopers. The 2025 data has not yet been confirmed as of the date of publication of the annual report. Once confirmed, the data will be disclosed in the company's 2025 perpetual report.

			In addition to energy conservation and carbon reduction, our company also focuses on other environmental improvements such as water conservation and waste reduction. Through the. implementation of the ISO 14001 environmental management system, we improve processes and product design to truly reduce the amount of raw materials used at the source. Regarding air and water pollution control, we also coordinate with the environmental management system to set annual targets for energy conservation, water conservation, waste reduction, and resource conservation, thereby reducing energy consumption and achieving the goal of reducing greenhouse gas emissions.	
IV. Social issues				
(I) Has the Company established management policies and procedures in accordance with relevant laws and the International Covenant on Civil and Political Rights?	√		The company adheres to the core concept ofrespecting employees, implementing people-oriented and maintaining and protecting we encourage our partners, including suppliers, work together to treat people with respect. pay attention to the issues and manage the related risks. Identify and support the Universal Declaration of Human Rights", "United Nations Global The Company has established its human rights policy based on the spirit and basic	No significant difference

principles of human rights protection set forth in international human rights conventions such as the United Nations Human Rights Convention and the International Labour Conventions, the responsibility to respect and protect human rights, and compliance with labor-related laws and regulations in the location where the Company is located.

The company's human rights policy and specific plans are summarized as follows:

Management Policy	Specific plan
Workplace human rights	1. The company has a clear policy prohibiting the employment of employees under the age of 15. 2. Employee-related labor conditions are clearly stated in the "Employee Work Rules", and attendance time and working hours are recorded according to the company's attendance and absence management system. 3. We promise to provide a workplace free of harassment

				and illegal discrimination. We provide a complaint hotline 037-581664, email: audit01@msec.com.tw and other channels. Cases will be handled by dedicated personnel to provide employees with an equal and safe workplace environment. 4. Strengthen the career development of employees and formulate the "Professional Skills Assessment Procedure for Employee Education and Training". The course categories include new employee education and training, general education and training, professional education and training, etc. In 2025, the average training hours per employee was 11.89 hours.		
			Providing asaft and health workplace	For details, please refer to "Work Environment for Employee Safety And Health" related instructions		
			Promoting	1.In 2025, in addition to holding		

			Harmonious Labor Relations	four labor-management meetings, the company conducted regular communication and interview meetings with employees. 2. Employee Feedback Survey: The company used an online questionnaire to comprehensively evaluate employees' work performance and suggestions. The survey covered four main aspects: salary and benefits, training and career development, job content and workload, and work environment and company culture. Based on the survey results, the overall employee satisfaction score in 2025 was 3.80 out of 5, with an employee coverage rate of 86%.		
			Personal Data Protection	1. The company complies with laws and regulations concerning the protection of personal data, ensuring that the collection,		

			processing, and use of personal data comply with legal requirements, and safeguarding and protecting the rights and interests of personal data users. 2.To establish correct concepts regarding personal data processing, an online awareness campaign is conducted annually. In 2025, the campaign achieved 100% coverage among employees, and no data breaches occurred in 2025.	
(II)Has the Company formulated and implemented reasonable employee welfare measures (including remuneration, leave and other welfare) and appropriately reflected the business performance or results in the employee remuneration?	√		In accordance with its articles of association, the Company stipulates that: "Of the Company's annual net profit before tax, excluding employee and director remuneration, no more than 3% shall be allocated to director remuneration and 5% to 12% to employee remuneration. However, if the Company has accumulated losses, a reserve shall be set aside to cover them. 20% of the aforementioned employee remuneration shall be allocated to junior employees." This aims to appropriately reflect operating performance or results in employee compensation. In addition to a fixed monthly salary, the Company has	No significant difference

			established an operating performance bonus to encourage outstanding employee performance and effectively improve the Company's operating performance. Employee Welfare Measures: The Company prioritizes employee health and well-being in its welfare program. Besides providing legally mandated regular employee leave, labor insurance, and national health insurance, the Company also provides performance bonuses, holiday bonuses, long-term contract renewal bonuses, and maternity leave benefits. The Company has also established an Employee Welfare Committee to plan and promote various welfare programs, such as employee travel subsidies and wedding/funeral/celebration subsidies. The company has not yet signed a collective bargaining agreement, but it holds quarterly labor-management meetings to ensure smooth communication between labor and management through a process and channels of mutual trust and by discussing agendas. Employee Compensation: On March 11, 2026, the company's board of directors resolved to set employee compensation at NT$6,989,397. In accordance with Article 25 of the company's articles of association, 20% of the	

			aforementioned employee compensation, NT$1,397,879, was allocated to lower-level employees. Employee Retirement System: To support employees' retirement, promote labor-management relations, and improve work efficiency, the company established a Labor Retirement Reserve Fund Oversight Committee in accordance with the law. This committee oversees the storage and disbursement Of the fund. As required, 4% of the total monthly salary is allocated to retirement reserves, which are held in a special account at Bank of Taiwan Co., Ltd. Since July 1, 2005, the company has implemented a new labor retirement system. Employees subject to the new system contribute 6% of their monthly salary to retirement funds, which are deposited in a special individual retirement fund account established by the Bureau of Labor Insurance. In 2025, the company's total retirement fund contributions amounted to NT$15.48 million.	
(III)Does the Company provide employees with a safe and healthy work environment and provide safety and health education to employees on a	√		1. The Company will fulfill its environmental, safety, and health responsibilities and pursue the goal of sustainable business operation. It is committed to implementing the following with a spirit of continuous improvement and prevention:	No significant difference

regular basis?			(1) Complying with domestic environmental, safety, and health regulations and other requirements in all treatments and controls (2) Providing regular education and training to ensure a safe and hygienic working environment for personnel. In addition to conducting ISO 45001 audits annually, the Company promotes occupational safety regulations and management matters through its website, email, and occupational safety information page. To enhance employees' awareness of occupational safety and health, two fire safety training sessions and new employee safety and health training sessions will be held in 2025. In accordance with regulations, refresher training will be conducted for Class 甲 occupational safety and health supervisors, Class 乙 occupational safety and health administrators, supervisors of specific chemical substances, and forklift operators, to understand how employees should control potential hazards under special operating conditions. Furthermore, the Company provides annual routine health checks for employees that exceed regulatory standards. For employees performing special operations, pre-employment	No significant difference

			checks for ionizing radiation work are provided. We adhere to the four major plans of the Occupational Safety and Health Administration of the Ministry of Labor to protect the Physical and mental health of our workers. These plans include the Human-Caused Hazard Prevention Plan, the Disease Prevention Plan Caused by Abnormal Workload, the Prevention Plan for Unlawful Harm During the Performance of Duties, and the Maternal Health Protection Plan. To further safeguard the health of our employees, we have signed an agreement with Wei-Kung Hospital for monthly on-site health consultations by doctors. 2.Our company has obtained ISO 45001:2018 certification to provide a safe and healthy working environment for employees. The certificate information is as follows: ISO 45001：2018 Expiry Date：2027-09-03 Certificate No.：OHS 589201 3. The frequency of disability injuries in the current year (2025) is 0; there are 0 occupational accidents. The company will continue to promote disaster reduction programs, including upgrading workplace safety equipment and strengthening employee training to	No significant difference

<table>
<tr><td></td><td></td><td></td><td>maintain zero occupational accidents and minimize occupational safety and health hazards and risks.
4. There are 0 fire incidents in the current year (2025). The company has established an "Emergency Response Procedure" to address fire-related improvement measures, and strengthens employees' crisis and safety awareness through semi-annual fire safety training in the event of a disaster or accident.</td><td></td></tr>
<tr><td>(IV)Has the Company established an effective career development training program for its employees?</td><td>√</td><td></td><td>The company is committed to assisting talent development and hopes that employees and the company will grow together. We have formulated the "Procedure for Professional Skill Assessment of Employee Education and Training" and carried out various educational and training activities to enhance the professional functions of employees according to their individual positions and work needs. We also require employees to receive external training based on individual circumstances and positions so that the relevant special operations can be carried out in compliance with regulatory requirements.
The course categories and 2025 years of Implementation results are as follows:
<table>
<tr><th>Name</th><th>Object</th><th>Content</th><th>Hours</th><th>Number of people</th></tr>
<tr><td>New Staff</td><td>New Staff</td><td>Basic training and onboarding</td><td>880</td><td>110</td></tr>
</table></td><td>No significant difference</td></tr>
</table>

					guidance activities for new employees, including: company rules and regulations, occupational safety and health, and quality awareness.			
			General Education	All Staff	This includes promoting policies on honest business practices, promoting personal data protection, fire safety education and training, emergency response training, etc.	809.5	1739	
			Professional Education	Professionals	Each unit should provide professional knowledge or skills training required for its job duties, as well as the issuance, dissemination, and training of legal and regulatory provisions, changes, etc.	5,258.5	1,628	
			ESG Education	Relevant personnel	Global risk and corporate social responsibility, how companies can implement energy conservation and	166	45	

<table>
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<table>
<tr><td></td><td></td><td>carbon reduction to improve corporate profitability, etc.</td><td></td><td></td></tr>
<tr><td colspan="3">Total</td><td>7,114</td><td>4,522</td></tr>
</table>
</td>
<td></td>
</tr>
<tr>
<td>(V) Has the Company complied with applicable regulations and international standards on issues such as customer health and safety, customer privacy, marketing, and labeling of products and services, and established relevant policies and complaint procedures to protect the rights and interests of consumers and customers?</td>
<td>√</td>
<td></td>
<td>The company has passed ISO 9001:2015 quality certificate and adheres to the customer first concept. We will establish a core value management company based on
international standards and information transparency, and develop enterprises business sustainable management strategy and achieve the goals The company has established a "Customer Complaint Management Procedure" to clearly define the responsibilities of each department within the company in handling customer complaints. Communication and feedback procedures to maintain good communication with customers.
We also communicate with customers through multiple channels. Customers can provide feedback through the contact window in the "Stakeholder Area" of thecompany's website and email msec_customer@msec.com.tw tofollow our customer rights policy.</td>
<td>No significant difference</td>
</tr>
</table>

(VI) Has the Company established a supplier management policy that requires suppliers to comply with relevant regulations on environmental protection, occupational safety and health, or labor human rights? What is the implementation status?	√		1.The company complies with relevant domestic and international laws and regulations and formulates supply chain management policies based on them. When screening new suppliers, it pays attention to whether the suppliers have a record of affecting the environment and society in the past. Through the "Raw Material Supplier Management Procedure" and "Non-production Material Supplier Management Procedure", new suppliers are required to comply with relevant operations. 2. Investigate supplier quality capabilities, including product delivery, quality management system, technology and resources, design and manufacturing, etc. Through the risk assessment process, if it is deemed necessary to conduct an on-site audit of the supplier, procurement will arrange for an on-site audit of the supplier. 3. New suppliers must obtain ISO certification and comply with the company's "Environmentally Hazardous Substance Management Procedures" and comply with EU ROHS and REACH regulations. 4. We have included clauses on not using conflict minerals in supplier procurement contracts, requiring suppliers to comply with relevant regulations, and supplemented them with RBA principles to require suppliers to comply with them in order to practice	No significant difference

			corporate sustainable responsibility. 5. The company evaluates suppliers every six months and conducts on-site audits on direct material suppliers once a year. Suppliers are graded in writing by the purchasing and quality assurance departments based on the supplier's monthly delivery quality, delivery time accuracy, cooperation, environmental management and other items. If a supplier is found to be unqualified after the evaluation, the purchasing department shall gradually stop purchasing operations and replace it with a new supplier. If there is a supplier with a poorly functioning management system, the Quality Assurance Department will be responsible for providing guidance and tracking their improvement status. If they still cannot meet the requirements, we will stop cooperating with the manufacturer until they improve. In 2025, Micro Silicon Electronics audited a total of 28 suppliers, including 3 on-site audits, and no supplier terminated the cooperation relationship due to non-compliance with Micro Silicon Electronics' regulations.	
V. Has the Company prepared the ESG report and other non-financial information reports with reference to the	√		1. This company publishes its sustainability report in accordance with Global Sustainability Reporting Standards (GRI), adopts the sustainability indicators of the Sustainability Accounting Standards Board	No significant difference

internationally common preparation standards or guidelines? Has the said reports received the assurance or certifying opinion from a certifying opinion?			(SASB), and references the framework of the Climate-Related Financial Disclosures Recommendation (TCFD). 2. This company's 2024 sustainability report has been affirmed by PricewaterhouseCoopers, obtaining a limited assurance report. The sustainability report and assurance report are disclosed on the company's website and the company's information observation station.	
VI.If the Company has established its own Corporate Social Responsibility Best Practice Principles in accordance with the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies,” please describe the current operations and any deviations from the Principles: The Company has established a "Code of Practice for Sustainable Development". The Company is already committed to promoting sustainable development and there is no significant difference between the Code and the Company's practices.				
VII. Other important information to facilitate better understanding of the Company’s promotion of sustainability development:: 1.Social Welfare: The company continuously assesses the risks and opportunities in its operating locations (including Hsinchu and Miaoli in Taiwan). The company has a long-standing commitment to social welfare activities, including providing scholarships and musical instruments to schools and hospitals in the Hsinchu area, and donating medical equipment to help improve the medical environment. The company's social welfare contributions in 2025 are as follows: (1) Donation of scholarships and musical instruments to Beipu Junior High School in Hsinchu County, totaling NT$858,000. (2) Donation of "Advanced Cardiac Ultrasound Equipment" to the National Taiwan University Hospital Hsinchu Branch, totaling NT$2,080,000. 2. Environmental Protection: The company has developed various energy-saving plans, including replacing factory lighting fixtures, replacing old equipment, and				

improving equipment efficiency to enhance power efficiency. It also actively implements waste sorting and resource recycling.

3. Human Rights:

   The company values human rights, ensuring equal working rights for all regardless of gender, age, or race, and providing opportunities for free expression to respect individual dignity.

4. Safety and Health:

   Our company aims for zero accidents and is committed to promoting safety and health policies and continuously improving processes and the working environment. Through the joint efforts of all employees, we continuously improve occupational safety and health performance.

5. Employee Health Care:

   Our company conducts annual health checkups for employees, enabling them to understand their own health status and thus take care of and strengthen their health. We have an agreement with Weigong Hospital for monthly health consultations by doctors at the company.

Climate-related information

Item	Status on Execution
1.Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities	The company has established "Risk Management Policies and Procedures" as the highest guiding principle for the company's risk management. Board of Directors: As the highest unit of the company's risk management, it aims to comply with laws and regulations, promote and implement the company's overall risk management based on the overall operating strategy and business environment, clearly understand the risks faced by operations, ensure the effectiveness of risk management, and bear the ultimate responsibility for risk management. Management: Decision-makers in each operating cycle are responsible for risk management. They analyze and monitor relevant internal and external risks within their respective units through internal control to ensure that internal control mechanisms and procedures can effectively control risks. The company integrates risk management measures into daily operations, collects important internal and external issues from time to time, and each department conducts risk assessments on internal and external issues every year. The risk level is assessed according to the frequency and severity of the risk, and corresponding risk management strategies are adopted according to the risk level, thereby promoting the company's stable operation and sustainable development. Regarding climate-related risks, the company has taken into account the framework of the Task Force on Climate-related Financial Disclosures (TCFD) on climate change risks and opportunities to strengthen the disclosure of climate information in the company's sustainability report. The company identifies climate risk opportunities, formulates subsequent response strategies, and reports to the board of directors at least once a year.

2.The way that business, strategy and finance (shor,medium,and long term)of enterprises impacted by the identified climate risks and opportunities are clearly described.

The company is actively developing solutions to reduce the operational and financial impact of climate change and enhance the climate resilience of the organization. The short term is defined as less than 3 years, the medium term is 3 to 5 years, and the long term is more than 5 years, in order to plan various actions to respond to climate-related risks and opportunities.

Risk Categories and Opportunities	Short term (1~3) years	Mid-term (3~5) years	Long term (more than 5 years)
Transition risks	●Increased demands for climate-related information disclosure ●Carbon Fees and Carbon Taxes	Customers' sustainability awareness is rising	Requirements for the percentage of renewable energy
Physical risk	Typhoons and floods	drought	Average temperature rise
opportunity	Reduce water usage and consumption	Use low-carbon energy	Solar panel installation

The Company has assessed the above risks and proposed climate-related risks and opportunities that
may have significant financial impacts, as well as the response strategies as follows:

Transition Risks/Climate Opportunities		
Risks / Opportunities	financial impact - / +	Countermeasure

	R：Increased demands For climate-related information disclosure	- External stakeholders are concerned about the company's climate actions. Failure to disclose relevant information will damage the company's image and hinder related investments and loans.	Expanding and improving the company website with information related to sustainable development
	R：Carbon Fees and Carbon Taxes	- In the future, there may be a risk of paying carbon fees or purchasing carbon quotas, which will lead to increased operating costs.	Continue to promote energy conservation and carbon reduction measures and monitor emissions data to align with the government’s 2050 net zero emissions policy.
	R：Customers' sustainability awareness is rising	- Failure to meet stakeholders' expectations, causing damage to the company's reputation and resulting in reduced market sales	The Company's 2024 Greenhouse Gas Inventory and Sustainability Report has been verified by a third party, and the verification report is disclosed on the Company's website stakeholders' trust in the information disclosed by the Company.

	R：Requirements for the percentage of renewable energy	- The global demand for renewable energy has increased significantly. In the face of changes in renewable energy development policies and customers' sustainable requirements, it is necessary to invest in renewable energy use, which increases operating costs.	Actively increase the use of renewable energy Short, medium and long term goals: The first phase of rooftop solar power generation equipment installation is planned to be completed in Zhunan by 2030, with a solar capacity of 150 kW, equivalent to 0.8% of Micro-Silicon Electronics' total electricity consumption. After 2040, the solar panel capacity is expected to be expanded by 150kW every ten years, reaching 450kW in 2050.
	R：Typhoons and floods	- Revenue decline due to shutdown of operating locations - Flooding may cause employees to be unable to work - Damage to machinery and equipment causing property loss -Decreased product output leads to lower revenue	Continuously promoting water conservation and improving the efficiency of office resource utilization such as water, electricity and waste treatment can reduce operating costs, including energy and water conservation fees. Regularly maintain and inspect machinery and equipment for damage to reduce
	R：drought		
	R：Average temperature rise		

		-Increased electricity consumption leads to increased operating costs	the risk of damage to company assets
	O：Reduce water usage and consumption	+ Save costs and improve operational resilience	We actively promote the optimal recycling of water resources and build a reverse osmosis (RO) wastewater recovery system to recycle water for use in firefighting pools, air compressor lubrication water, and process cooling water (PCW) systems, making the most effective use of precious water resources.
	O：Use low-carbon energy	+ Reduced electricity costs	Communicate with customers about the possibility of adopting recycled packaging materials to reduce the purchase of new packaging materials.
	O:Solar panel installation	+ Reduce the cost of carbon fees and carbon taxes	In response to the company's mid- to long-term carbonreduction plan, we plan to invest in solar panels

<table>
<tr>
<td>3.The impact on finance from extrence climate events and transformational actions is clearly described</td>
<td>
<table>
<tr><th>Project</th><th>Risk Description</th><th>Financial impact</th></tr>
<tr><td>Extreme climate</td><td>Extreme weather has caused damage to the company's operating buildings, operations and information equipment, which has a direct impact on the company.</td><td>Damage to plant and equipment requires additional repair costs, increased operating costs, and impact on operating income due tooperational interruptions</td></tr>
<tr><td>Transformation Action</td><td>To mitigate climate change, policies and regulations on carbon prices and carbon taxes/emissions, carbon reduction targets and reporting obligations are becoming stricter.</td><td>Due to the additional costs Incurred by enterprises in response to low-carbontransformation, operating costs have increased</td></tr>
</table>
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<tr>
<td>4.The way to intergrate the identification,assessment and management process of climate risk into the overall risk management system is clearly described.</td>
<td>The company has established "Risk Management Policies and Procedures" as the highest Guiding principle for risk management. The board of directors is the highest authority and responsible unit for risk management and authorizes the general manager to execute risk management decisions and formulate "Operational Risk Management Procedures" to strengthen corporate governance and establish an effective risk management mechanism. The company integrates risk management measures into daily operations, collects important internal and external issues from time to time, and each department conducts risk assessments on internal and external issues every year. The risk level is assessed according to the frequency and severity of the risk, and corresponding risk management strategies are adopted according to the risk level,
thereby promoting the company's stable operation and sustainable development.
Regarding the identification and assessment of climate risks, the company searched for climate issues in
domestic benchmark industry information and industry reports, initially converged on climate</td>
</tr>
</table>

	issues related to Micro Silicon's industry, and integrated the convergence results with the daily operating experience and suggestions of each internal unit. Ultimately, 4 transition risks, 3 physical risks and 3 opportunities, a total of 10 climate issues, were identified and included in the materiality assessment. Present climate risk opportunity identification to the board of directors at least once a year and formulatesubsequent response strategies in order to strengthen the company’s health.
5.The scenarios,paraneters,analysis factors and main financial impacts used shall be described if scenario analysis is used go assess resilience to the risks of climate change.	As of the date of publication of the annual report, the Company has not used scenario analysis to assess its resilience to climate change risks, so this is not applicable.
6.The content of the plan, and the indicatiors and objectives used to identify and manage physical risks and transition risks shall be described if there is a trancition plan to manage the risks of climate-related.	As of the date of publication of the annual report, the Company has no transformation plan To manage climate-related risks, so this is not applicable.
7.The bases used for setting prices shall be described if internal carbon pricing is used as a planning tool.	As of the date of publication of the annual report, the Company has not yet used internal Carbon pricing as a planning tool, so it is not applicable.

<table>
<tr>
<td>8.Information on the activites covered,the scope and planned schedule of greenhouse gas emission,and annual progress achieved shall be described if climate-related targes ard set. The source and quanitity of carbon reduction credits or the quantity of renerwable energy certificates (RECs) to be offset shall be described if carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant goals.</td>
<td>The company is actively evaluating and planning the use of renewable energy, conducting Feasibility assessments of solar energy installation plans at its factories, and summarizing and analyzing the cost-effectiveness of various solar energy installation plans, hoping to enhance climate resilience through self-generation and self-use of low-carbon energy.. The current plan is to complete the first phase of rooftop solar power generation equipment installation at the Zhunan plant by 2030, and set the following short-, medium- and long-term goals for renewable energy:
<table>
<tr><td>Short-term goals (2030)</td><td>150 kilowatts of renewable energy (solar energy) is installed,and the proportion of renewable energy usage reaches 0.8% of the total electricity consumption of the two factories.</td></tr>
<tr><td>Medium-term goals (2040)</td><td>Added 150 kW of renewable energy (solar energy), with a cumulative capacity of 300 kW. Renewable energy accounts for 1.6% of the totalelectricity consumption of the two plants</td></tr>
<tr><td>Long-term goal (2050)</td><td>Added 150 kW of renewable energy (solar energy), with a cumulative capacity of 450 kW. Renewable energy accounts for 2.4% of the total electricity consumption of the two plants</td></tr>
</table>
</td>
</tr>
<tr>
<td>9.Inventory and assurance of greenhouse gases,along with reduction goals,strategies,and pecific action plans.</td>
<td>Please provide details of the company's greenhouse gas inventory and confirmation in the last twoyears.</td>
</tr>
</table>

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

1-1-1 Greenhouse Gas Inventory Information：

Describe the emission volume (metric tons CO2e), intensity (metric tons CO2e/NT$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.

Tons CO2e

Year	2025	2024
Scope1	202.66	198.81
Scope2	13,551.64	12,665.89
Total emissions	13,754.30	12,864.80
Intensity (tons CO2e/NTD thousand)	10.79	12.09

Note 1: Greenhouse gas inventory follows the GHG Protocol. The inventory scope adopts the operational control method. Data statistics cover Micro Silicon Electronics Zhunan Plant and Zhudong Plant. Types of greenhouse gases include CO2, N2O, CH4, and HFCs.

1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.

The statement shall describe the confidence status for the two most recent years up to the date of publication of the annual report, including

the scope of confidence, the confidence body, the confidence criteria and the confidence opinion.

Year	Scope of Confirmation	Confirmation Agency	Assurance Criteria	Confirmation of opinion
2024	Microsilicon Technologies' Zhudong and Zhunan plants	PwC Taiwan	TWSAE300	Limited conviction
2025	Microsilicon Technologies' Zhudong and Zhunan plants	PwC Taiwan	TWSAE300	Note

Note: As of the time of publication of the annual report, a confirmation report has not yet been obtained. Once confirmed, the information will be disclosed in the company's 2025 perpetual report.

1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.

Greenhouse gas reduction base year and reduction target:

Target: Achieve an annual electricity saving rate of 1%, with 2023 as the base year.

Short-term goal (2030): Reduce carbon emissions by 0.8% based on 2023 as the base year.

Greenhouse gas reduction strategy and specific action plan:

The company actively responds to environmental and ecological changes caused by climate change and gradually moves towards the goal of low-carbon transformation. It actively promotes the development of solar panels and promotes the recycling of discharged water in the factory.

Utilize and promote heat recovery from air compressors and actively adopt energy-saving equipment to reduce the impact on the environment and protect the earth's environment.

Frontal Impact Management:

- Promote various energy-saving efficiency improvement projects and actively evaluate the installation of renewable energy such as solar panels.
- Implement energy-saving measures in the office environment, such as improving lighting and advising colleagues to turn off their computers when not in use.
- The factory selects high-efficiency motors (IE3 level and above) and continuously replaces old equipment to achieve energy saving goals.

Negative shock management:

- Perform greenhouse gas inventory every year and take action measures based on the inventory results, track regularly and make continuous improvements.

(VI) The implementation of ethical corporate management and deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies

Evaluation item	Implementation status			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
I. Formulation of the ethical corporate management policy and plan (I) Has the Company formulated the ethical corporate management approved by the Board of Directors, and stated in the regulations and external documents the policies and practices of ethical corporate management, as well as the Board and senior management's commitment to actively implement the management policy?	√		(I) The Company has established the “Operational Procedures for Ethical Corporate Management Best Practice Principles and Guidelines for Conduct” and the “Code of Ethical Conduct” to express the policies and practices of ethical corporate management and to establish sound business management and risk control mechanisms. The members of the Board and the management also promised to actively implement and supervise the implementation of the ethical corporate management policy.	No significant difference
(II) Has the Company established an assessment mechanism for the risk of unethical conduct, regularly analyzed and assessed the business activities	√		(II) The Company has established the “Operational Procedures for Ethical Corporate Management Best Practice Principles and Guidelines for Conduct” to regulate relevant operating	No significant difference

Evaluation item	Implementation status			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
with a higher risk of unethical conduct within the business scope, and established a plan to prevent unethical conduct? Does the plan at least include the preventive measures in subparagraphs under paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?			procedures and provide guidance for implementation. The Company has clearly stipulated the relevant rewards and punishments. It is strictly prohibited for the Company's managers, employees or persons with control powers to accept any improper benefits, directly or indirectly, or to be involved in other conducts that are in breach of ethics, illegality, or breach of fiduciary obligations to prevent fraud, embezzlement, accepting bribes, secret leakage, benefiting others, giving false information and other unethical behaviors.	
(III)Has the Company established the plan to prevent unethical conduct, including operational procedures, guidelines, penalties for violations, and a complaint system, and implemented the plan? Does the Company regularly examine and amend the aforementioned plan?	√		(III) The Company has established an effective accounting system and internal control system, and its internal auditors regularly audit compliance with the aforementioned systems. In addition, the “Operational Procedures for Ethical Corporate Management Best Practice Principles and Guidelines for Conduct” stipulate that before establishing business relationships with others,	No significant difference

Evaluation item	Implementation status			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
			the Company shall assess the legitimacy of the counterparty, its ethical management policies, and whether there is any record of unethical behavior, in order to ensure its fair business operation, transparency, and the absence of requests, offer, or acceptance of bribes.	
II. Implement ethical corporate management (I) Has the Company assessed the ethical records of its trading counterparties and specified the ethical conduct clauses in the contracts signed with its trading counterparties?	√		(I) In accordance with the “Operational Procedures for Ethical corporate Management Best Practice Principles and Guidelines for Conduct,” the Company shall immediately stop business dealings with trade counterparties or partners that have any unethical behavior and include them in the blacklist to implement the Company's ethical corporate management policy.	No significant difference
(II) Has the Company set up a dedicated department under the Board to promote ethical corporate	√		(II) The company management department is a unit dedicated to promoting corporate integrity management and is responsible for promoting	No significant difference

Evaluation item	Implementation status			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
management and reported the implementation of the ethical management policies and prevention plans against unethical behaviors to the Board on a regular basis (at least once a year)?			the concept of integrity management and supervising its implementation. The implementation status was reported at the thirteen meeting of the 14th Board of Directors on 2025/11/05. 1. Relevant implementation status of the current year: Formulation and review of policies related to integrity management: The company has established the "Integrity Management Code", "Ethical Code of Conduct" And "Integrity Management Operating Procedures and Behavior Guidelines", which clearly stipulate that no unfa benefits shall be accepted, or any behavior that violates integrity or is illegal, etc. Behavior; the above internal regulations shall be reviewed and adjusted and revised from time to time with reference to changes in external regulations and internal supervision and implementation.	

Evaluation item	Implementation status			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
			2. The company organizes internal and external education and training on integrity management: The company is committed to assisting talen Tdevelopment and hopes that employees and the company will grow together.According to individual duties and work needs, we carry out educational training activities in different aspects to enhance Employees' professional functions, and according to individual circumstances and positions, require employees to receive external training.So that the relevant special operations can be carried out in compliance with regulatory requirements. Course categories are divided into new personnel training, on-the-job education and training, professional education and training, etc. 2025 years each member the average training hours for employees was11.89 hours.	

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><th>name</th><th>object</th><th>Content description</th></tr>
<tr><td>New Staff</td><td>New Staff</td><td>Basic training and onboarding guidance activities for new employees, including: company rules and regulations, occupational safety and healthand quality awareness.</td></tr>
<tr><td>General Education</td><td>All Staff</td><td>This includes promoting policies on honest business practices, promoting personal data protection, fire safety education and training, emergency response training, etc.</td></tr>
<tr><td>Professional Education</td><td>Professional</td><td>Each unit should provide professional knowledge or skills training required for its job duties as well as the</td></tr>
</table>
</td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td></td><td></td><td>issuance, dissemination, and training of legal and regulatory provisions, changes, etc.</td></tr>
<tr><td>ESG Education</td><td>Relev Antpersonnel</td><td>Global risk and corporate social responsibility, how companies can implement energy conservation and carbon reduction to improve corporate profitability, etc.</td></tr>
</table>

3. The operation of the company’s whistleblowing system:
The company has formulated a specific reporting reward system and dedicated personnel in the "Integrity Business Code Operating Procedures and Conduct Guidelines". The company's website has also announced a complaint channel. If any company personnel are found to have violated
</td><td></td></tr>
</table>

Evaluation item	Implementation status			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
			integrity, they can report it directly. In 2025, no major internal or external reports occurred.	
(III) Has the Company established policies to prevent conflicts of interest, provided appropriate channels of communication, and implemented such policies?	√		(III) The company has passed the "Integrity Management Operating Procedures and Behavior Guidelines" at the board of directors.Specific reporting reward system and responsible unit. If the reported incident is verified to be true, it will be handled according to regulations. The whistleblower will be given appropriate rewards and an employee suggestion box will be set up so that internal employees can submit their suggestions. The complaint form is placed in the suggestion box, which is opened every week for personal inspection by the general manager see. 1.For directors and insiders: "Insider education and training" was conducted, including promotion of prevention of insider trading,	No significant difference

Evaluation item	Implementation status			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
			promotion of legal compliance for insider equity trading, etc., a total of 13 people completed it. 2. To all employees: Promote the "Company Integrity Management Policy" online (including prohibiting bribery, dishonest behavior, infringement of trade secrets, trademark rights, and unfair competition, etc., and providing reporting channels, etc.), a total of 562 people completed reading and signing, with a completion rate of 100%. As of 2025, there has been no violation of integrity management and no employees have been punished for corruption.Legal cases in which employees are fired or disciplined.	

Evaluation item	Implementation status			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
(IV) Has the Company established an effective accounting system and internal control system to implement ethical management? Has the internal audit department formulated relevant audit plans based on the assessment results of the risks of unethical behaviors? Are the plans adopted to audit compliance with the plan to prevent unethical behaviors? Or is a CPA engaged in performing the audit?	√		(IV) In order to implement ethical management, the Company has established a complete and effective accounting system and internal control system, which are regularly audited by the internal audit department, and CPAs are engaged to perform the audit.	No significant difference
(V) Has the Company organized internal and external educational training on ethical management on a regular basis?	√		(V) The company has put relevant regulations such as "Integrity Management Code" and "Code of Ethical Conduct" Disclosed on public information websites for stakeholders to review at any time. We also promote the "Company Integrity Management Policy" online (including no briber or bribery, Dishonest behavior, infringement of	No significant difference

Evaluation item	Implementation status			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
			trade secrets, trademark rights, and unfair competition. A total of 562 people completed reading and signing, reaching the success rate is 100%.	
III. Operation of the Company's whistle-blowing system (I) Has the Company established a specific whistle-blowing and reward system, established a channel to facilitate whistle-blowing, and assigned appropriate dedicated personnel to handle the reported cases?	√		(1) The company conducts business activities based on the principles of integrity, transparency and responsibility.In order to actively prevent dishonest behavior, the Board of Directors of the Company has passed the “Inspection The company has also set up a specific reporting system and a dedicated unit, and the company website also publishes the report Complaint channels and suggestion boxes are set up. If any of our company personnel are found to have violated integrity, can report directly: The reporting channels are as follows:	No significant difference

Evaluation item	Implementation status			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
			1. Mailing address: General Manager's Office, No. 230, Youyi Road, Zhunan Township, Miaoli County 2. Submit to the internal suggestion box	
(II) Has the Company established standard operating procedures for the investigation of whistle-blowing matters, the follow-up measures to be adopted after the investigation is completed, and the related confidentiality mechanism?	√		(II) The company has established a whistleblowing system, which is handled by dedicated personnel in accordance with prescribed procedures.The identity of the informant and the content of the report will be kept confidential. If found to be true, immediately request.The person being reported shall stop the relevant behavior and be dealt with appropriately, including through legal procedures if necessary. Request for damages. And disciplinary action will Be taken in accordance with relevant company regulations.	No significant difference
(III)Has the Company adopted measures to protect the whistleblower from improper treatment due to whistle-blowing?	√		(III) During and after the investigation, the case handler is strictly prohibited from disclosing the case to irrelevant persons. The name of the whistleblower and the person who reported the	No significant difference

Evaluation item	Implementation status			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
			case must also be kept confidential by the reviewing supervisors at all levels. The documents are processed and archived to protect the whistleblower from being unduly troubled or reported due to the report.	
IV.Enhance information disclosure Has the Company disclosed the Content of the Ethical Corporate Management Best.Practice Principles and the Implementation achievements on its website and the MOPS?	√		The website with information related to the company's integrity management code has been completed.	No significant difference

V.If the Company has established its own Ethical Corporate Management Best Practice Principles in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies,” please describe the current operations and any deviations from the Principles:

Our company has established "Integrity Management Code Operating Procedures and Behavior Guidelines" and follows them. Our company have been no discrepancies.

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td colspan="5">VI. Other important information to facilitate a better understanding of the implementation of ethical corporate management (i.e., examination and revisions of the Company’s Ethical Corporate Management Best Practice Principles it established)
1.The Company's "Board Meeting Procedures" include a director conflict of interest avoidance system. Directors who have a conflict of interest with the Board of Directors regarding proposals that could potentially harm the Company's interests may express their opinions and answer questions, but may not participate in discussions or voting. They must abstain from participating in discussions and voting and may not act as proxies for other directors.
2.The Company has established "Prevention of Insider Trading Management and Internal Material Information Processing Procedures." It explicitly prohibits insiders, quasi-insiders, and information recipients from engaging in any activity that involves actual knowledge of material information, such as buying or selling the Company's listed or traded shares or other equity securities, or selling the Company's listed or traded non-equity corporate bonds, within 18 hours after the material information is made public or before its public disclosure. This is to prevent those who have access to material information from unknowingly violating insider trading regulations. The Company also explicitly prohibits trading its shares during the 30-day closing period before the annual financial report announcement and the 15-day closing period before the quarterly financial report announcement.
3.The Company arranges for its directors to participate in corporate governance courses every year to enhance their ability to govern and supervise the Company's various businesses, in order to improve the effectiveness of corporate governance and the implementation of honest business practices.</td></tr>
</table>

(VII) Other important information sufficient to enhance understanding of the operation of corporate governance should be disclosed together:

1. https://mops.twse.com.tw/mops/web/index
2. Our company's website: http://www.msec.com.tw/ Corporate Governance Area
3. Directors' training status is as follows:

Title	Name	Date of continuing education	Organizer	Course name	Training hours
Chairman	Representative of Da Ri Yue Investment Co., Ltd.: Chang, Bing-Tang	2025/08/06	Taiwan Corporate Governance Association	How can enterprises implement energy conservation and carbon reduction to improve company profitability?	3
		2025/11/05	Taiwan Corporate Governance Association	Global Risk and Corporate Social Responsibility	3
Director	Representative of Chen Zhen Investment Co., Ltd.: Chang, Chen	2025/08/06	Taiwan Corporate Governance Association	How can enterprises implement energy conservation and carbon reduction to improve company profitability?	3
		2025/09/26	Securities and Futures Institute	2025 Campaign to Prevent Insider Trading	3
		2025/11/05	Taiwan Corporate Governance Association	Global Risk and Corporate Social Responsibility	3
Director	Peng, Ying-Kuang	2025/08/06	Taiwan Corporate Governance Association	How can enterprises implement energy conservation and carbon reduction to improve company profitability?	3
		2025/11/05	Taiwan Corporate Governance Association	Global Risk and Corporate Social Responsibility	3
Director	Yang, Shih-Lan	2025/08/06	Taiwan Corporate Governance Association	How can enterprises implement energy conservation and carbon reduction to improve company profitability?	3
		2025/11/05	Taiwan Corporate Governance Association	Global Risk and Corporate Social Responsibility	3
Independent Director	Chang, Chu-Hsing	2025/08/06	Taiwan Corporate Governance Association	How can enterprises implement energy conservation and carbon reduction to improve company profitability?	3

Title	Name	Date of continuing education	Organizer	Course name	Training hours
		2025/11/05	Taiwan Corporate Governance Association	Global Risk and Corporate Social Responsibility	3
Independent Director	Wen, Wan-Shou	2025/08/06	Taiwan Corporate Governance Association	How can enterprises implement energy conservation and carbon reduction to improve company profitability?	3
		2025/11/05	Taiwan Corporate Governance Association	Global Risk and Corporate Social Responsibility	3
Independent Director	Tseng, Hsiung-Liang	2025/08/06	Taiwan Corporate Governance Association	How can enterprises implement energy conservation and carbon reduction to improve company profitability?	3
		2025/11/05	Taiwan Corporate Governance Association	Global Risk and Corporate Social Responsibility	3
Independent Director	Sha, Sheng-Chun	2025/08/06	Taiwan Corporate Governance Association	How can enterprises implement energy conservation and carbon reduction to improve company profitability?	3
		2025/08/08	Securities and Futures Institute	2025 Legal Compliance Briefing on Insider Equity Transactions	3
		2025/10/28	Taiwan Corporate Governance Association	Board of Directors and Corporate Governance Practices	3
		2025/11/05	Taiwan Corporate Governance Association	Global Risk and Corporate Social Responsibility	3

Continuing education for corporate governance officer:

Title	Name	Training date	Sponsored by Course	Name Number of Training	Hours
Corporate Governance Supervisor	KUAN SHU HUI	2025/05/02	Securities and Futures Institute	2025 Campaign to Prevent Insider Trading	3
		2025/08/06	Taiwan Corporate Governance Association	How can enterprises implement\ energy conservation and carbon reduction to improve company profitability?	3
		2025/10/30	Securities and Futures Institute	2025 Legal Compliance Briefing on Insider Equity Transactions	3
		2025/11/05	Taiwan Corporate Governance Association	Global Risk and Corporate Social Responsibility	3

(VIII) The following shall be disclosed with respect to the implementation of the internal control system Statement of Internal Control:

MICRO SILICON ELECTRONICS CO., LTD.
Internal Control Disclosure Statement Date:
March 11, 2026

Based on the findings of a self-assessment, MICRO SILICON ELECTRONICS CO., LTD.. states the following with regard to its internal control system during the year 2023:

I. MICRO SILICON ELECTRONICS CO., LTD. incorporation’s Board of Directors and Management are responsible for establishing, implementing, and maintaining an adequate internal control system. The aim of the system is to provide reasonable assurance of the achievement of objectives in the effectiveness and efficiency of operations (including profits, performance, and safeguarding of asset security), reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations.

II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and MICRO SILICON ELECTRONICS CO., LTD.. takes immediate remedial actions in response to any identified deficiencies.

III. IIThe Company judges the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations"). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring. Each element further contains several items. For more information on the aforementioned items, see the Regulations.

IV. MICRO SILICON ELECTRONICS CO., LTD.. has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.

V. Based on the findings of such evaluation, MICRO SILICON ELECTRONICS CO., LTD.. believes that on December 31, 2024 Note 2, we have maintained, in all material respects an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability of financial reporting, and compliance with applicable laws and regulations.

VI. This Statement will be an integral part of Sino-American Silicon Products incorporation's Annual Report for the year 2023 and Prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. This statement was approved by the Board of Directors of the Company on March 11, 2026. Of the 8 directors present, 0 dissented, and the remainder agreed to the contents of this statement and hereby declare it.

MICRO SILICON ELECTRONICS CO., LTD.

Chairperson：CHANG BING TANG
President: CHANG BING TANG

2. If a CPA has been commissioned to review the internal control system on a project basis, the CPA's review report shall be disclosed: In response to the company's application for listing on the Innovation Board, a certified accountant was entrusted to issue an internal control system review and assurance report.

(IX) Important resolutions of the shareholders' meeting and the Board in the most recent year and up to the publication date of the annual report

1.Important resolutions of the shareholders' meeting(2025.05.28)

Important resolutions Implementation Status	Important resolutions Implementation Status
1.Approved Proposal for the 2024 business report and financial statements	Resolve by the General Shareholders' Meeting.
2.Approval of the proposal for the 2024 earning distribution	Resolve by the General Shareholders Meeting.
3. Amendment to the Company's Articles of Association	Subject to resolution at the Annual General Meeting of Shareholders, the amended provisions shall be implemented.
4. Regarding the proposed public offering of new shares before the company's relisting on the general board, a motion is made to request existing shareholders to waive their preemptive rights to subscribe for the cash capital increase.	This motion was passed by the shareholders' meeting.

5. Election of the Company's 15th Board of Directors	Following the election at the Annual General Meeting of Shareholders, the Ministry of Economic Affairs approved the nomination on July 2, 2025.
6. Resolution to lift non-compete restrictions on newly appointed directors and their representatives	The resolution was passed as approved by the shareholders' meeting.

2. Important resolutions of the Board

Date of meeting	Important resolution
2025/02/26	1. Assessment of the effectiveness of the internal control system and the issuance of the company’s 2024 internal control system statement 2. The company’s 2024 business report and financial report case 3. The Company's 2024 Directors' and Employees' Compensation Distribution Plan 4. The Company's 2024 Directors' Remuneration Distribution Plan 5. The Company's 2024 Managers' Remuneration Distribution Plan 6. The Company’s 2024 Profit Distribution Proposal 7. Amendment to the Company's Articles of Association 8. Amendment to the Company's Internal Control System 9. Amendment to the Company's Approval Authority Management Regulations 10. Amendment to the Company's Asset Management Regulations 11. Election of all directors (including independent directors) 12. Nomination of the 15th Board of Directors (including independent directors) and inclusion in the candidate list 13. Lifting of non-competition restrictions on newly appointed directors and their representatives 14. The Company's proposed application for general listing of its shares 15. In conjunction with the Company's public offering of new shares before its general listing, the proposed request for existing shareholders to waive their preemptive rights to cash capital increases 16. Setting the dates for the Company's 2025 Annual General Meeting of Shareholders and related proposals/nominations 17. In response to the Company's funding needs, the proposed

Date of meeting	Important resolution
	application for a credit line from financial institutions
2025/05/07	1. The Company's Financial Report for the First Quarter of 2025 2. Ratification of the Company's Acquisition of Marketable Securities 3. The Company's Proposed Application for Credit Lines from Financial Institutions to Meet its Funding Needs
2025/05/28	1. Proposal to elect the 15th Chairman of the Board 2. Proposal to appoint members of the Company's Second Remuneration and Compensation Committee
2025/08/06	1. Company's Second Quarter Financial Report for 2025 2. Proposed Amendments to the Company's Internal Control Regulations 3. Discussion on the Company's Securities Investment Plan 4. Defining the Scope of the Company's "Junior Staff" 5. Approval of the Company's 2024 Sustainable Development Report 6. The Company's Proposed Application for Credit Lines from Financial Institutions
2025/11/05	1. The Company's Third Quarter Financial Report for 2025 2. The Company's Proposed Establishment of a Sustainability Development Committee and the Formulation of its Organizational Regulations 3. The Policy, System, Standards, and Structure for the Remuneration of Directors and Managers 4. The Company's Proposed Application for Credit Lines from Financial Institutions
2025/12/17	1. Company's 2025 Operating Plan and Budget 2. Proposed Amendments to the Company's Internal Control Regulations 3. Company's 2025 Audit Plan 4. Assessment of the Competency and Independence of the Certified Public Accountant and Appointment Remuneration
2026/03/11	1. Assessment of the effectiveness of the internal control system and issuance of the Company's 2025 Internal Control System Statement 2. 2025 Director and Employee Remuneration Distribution Proposal 3. 2025 Business Report and Financial Report Proposal 4. 2025 Profit Distribution Proposal

Date of meeting	Important resolution
	5. 2025 Director Remuneration Distribution Proposal 6. 2025 Managerial Employee Remuneration Distribution Proposal 7. Amendment to the Company's Articles of Association 8. Election of One General Director 9. Nomination of the 15th General Directors and their inclusion in the candidate list 10. Lifting of Non-Competition Restrictions on Newly Appointed Directors 11. Proposed Application for Stock Listing on the General Stock Market 12. Setting the Dates for the 2025 Annual General Meeting of Shareholders and Related Proposals/Nominations 13. Proposed Application for Credit Lines from Financial Institutions 14. Assessment of Managerial Promotion and Salary Adjustment Proposal

(X) The main content when Directors and supervisors disagree with the adoption of important resolutions by the Board of Directors in recent years and up to the date of publication of the annual report and have recorded or written statements: No such situation.

IV. CPA fees

(I) CPA fees

Unit: NT$ thousand

Name of CPA firm	Name of CPA	Audit period	Audi fees	Non-audit fees	Subtotal	Remarks
PwC Taiwan	Li, Tien-I Pai, Shu-Chien	2025/01/01 ~2025/12/31	2,410	1,670	4,080	Note

Note : Non-audit expenses include tax certification, internal control audit, sustainability report and greenhouse gas inventory confirmation services, English financial report translation and business registration change fees.

(II) The audit fees paid in the year of change of the CPA firm are less than the audit fees of the previous year: None.

(III) The audit fees were reduced by over 10% from the previous year: None.

V. Replacement of CPA

(I) Former CPAs：None.

(II) Succeeding CPA：None.

(III) The response letter of the former CPA regarding matters in item 1 and item 2-3, subparagraph 6, Article 10 of the Standards: None.

VI. Information on the Company's Chairman, President, and financial or accounting managers who have worked in the CPA firm or its affiliates in the most recent year:

Name	Title	Worked in the CPA	Period
Senior Manager WU PAO-HSIEN	financial and accounting managers	PwC Taiwan	2010/09/01 ~2024/07/31

VII. Transfer of equity and changes in equity pledged by Directors, supervisors, managers and shareholders with over 10% of shareholding

(I) Transfer of or change in equity of Directors, supervisors, managers, and shareholders with over 10% shareholding ratio in the most recent year and up to the publication date of the annual report

Unit: share

Title	Name	2025		As of March 30 , 2026	
		Increase (decrease) in shares held	Increase (decrease) In shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Corporate Director and representative	Da Ri Yue Investment Co., Ltd.	0	0	0	0
	Representative: Chang Bing-Tang	100,000	0	2,000	0
Director	Chen Zhen Investment Co., Ltd.	0	0	0	0
	Representative: Chang, Chen	0	0	0	0
Director	Peng, Ying-Kuang	0	0	0	0
Director	Yang, Shih-Lan	0	0	0	0
Director	Chang,Wei-Cheng (note1)	0	0	0	0

Title	Name	2025		As of March 30 , 2026	
		Increase (decrease) in shares held	Increase (decrease) In shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Independent Director	Chang, Chu-Hsing	0	0	0	0
Independent Director	Wen, Wan-Shou	0	0	0	0
Independent Director	Tseng, Hsiung-Liang	0	0	0	0
Independent Director	Sha, Sheng-Chun(note2)	0	0	0	0
Independent Director	Peng, Chun-Hao(note2)	0	0	0	0
Manager	Wang, Chih-Cheng	0	0	0	0
Manager	Lin, Kun-Tien	0	0	0	0
Manager	Tseng, Hsiung-Liang (note3)	0	0	0	0
Corporate Governance Officer	Kuan, Shu-Hui	0	0	(17,000)	0
financial and accounting office manager	Lu, Yueh-Yun(Note)	0	0	0	0
financial and accounting office manager	WU PAO-HSIEN	0	0	0	0

Note 1: Director Chang, Wei-Cheng resigned on October 31, 2025.

Note 2: A full board re-election was held on May 28, 2025; Director Peng, Chun-Hao resigned, and Director Sha, Sheng-Chun took office.

Note 3: Assistant Manager Tseng, Hsiung-Liang retired on February 3, 2025.

(II) Transfer of equity in equity pledged by Directors, supervisors, managers and shareholders with over 10% of the shareholding in which the counterparty is a related party：None.

(III) Information on equity pledges and information on counterparties who are related parties: None.

VIII. Information on shareholders with top 10 shareholding ratio who are related parties, spouses, or relatives within the second degree of kinship

MAR 30, 2026; unit: share; %

Name (Note 1)	Shares held by the shareholder		Shares held By spouse and minors		Shares held In the name of others		Name and relationship Between the top ten shareholders who are related parties, spouses,or relatives within the second degree of kinship		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Title (or name)	Relationship	
Da Ri Yue Investment Co., Ltd.	14,798,896	21.54	-	-	-	-	Chang, Bing-Tang	Responsible person	
							Chang, Ke-Erh	relative within the second degree of kinship to the person incharge	
							Chen Qian Investment Co., Ltd.	Responsible person	
							Chen Zhen Investment Co., Ltd.	relative within the second degree of kinship to the person incharge	
Da Ri Yue Investment Co., Ltd. Representative: Chang Bing-Tang	5,532,182	8.05	1,415,758	2.06	2,090,495	3.04	Chang, Ke-Erh	A relative within the second degree of kinship	
							Da Ri Yue Investment Co., Ltd	Responsible person	
							Chen Qian Investment Co., Ltd.	Responsible person	
							Chen Zhen Investment Co., Ltd.	relative within the second degree of kinship to the person in charge	
Chang, Bing-Tang	5,532,182	8.05	1,415,758	2.06	2,090,495	3.04	Chang, Ke-Erh	A relative within the second degree of	
							Da Ri Yue Investment Co., Ltd	Responsible person	

Name (Note 1)	Shares held by the shareholder		Shares held By spouse and minors		Shares held In the name of others		Name and relationship Between the top ten shareholders who are related parties, spouses,or relatives within the second degree of kinship		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Title (or name)	Relationship	
							Chen Qian Investment Co., Ltd.	Responsible person	
							Chen Zhen Investment Co., Ltd.	relative within the second degree of kinship to the person incharge	
Zheng Lo, Yu-Chiao	3,364,449	4.90	-	-	-	-	-	-	
Tseng, Hsiung-Liang	3,099,582	4.51	-	-	-	-			
Shao, Shih-Hsiang	2,715,283	3.95			-	-	Shao, Han-Lin	Second degree of kinship	
Shao, Han-Lin	1,993,188	2.90	-	-	-	-	Shao, Shih-Hsiang	Second degree of kinship	
Yeh, Hsiu-Yen	1,493,323	2.17	-	-	-	-	-	-	
Chang, Ke-Erh	1,310,000	1.91	-	-	-	-	Chang, Bing-Tang	A relativewithin the second degree of kinship	
							Da Ri Yue Investment Co., Ltd	relative within the second degree of kinship to the person in charge	
							Chen Qian Investment Co., Ltd.	relative within the second degree of kinship to the person in charge	
							Chen Zhen Investment Co., Ltd.	relative within the second degree of kinship to the person in charge	
Chen Qian Investment	1,288,495	1.88	-	-	-	-	Chang, Bing-Tang	Responsible person	

Name (Note 1)	Shares held by the shareholder		Shares held By spouse and minors		Shares held In the name of others		Name and relationship Between the top ten shareholders who are related parties, spouses,or relatives within the second degree of kinship		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Title (or name)	Relationship	
Co., Ltd.							Chang, Ke-Erh	relative within the second degree of kinship to the person in charge	
							Da Ri Yue Investment Co., Ltd.	Being the responsible person	
							Chen Zhen Investment Co., Ltd.	relative within the second degree of kinship to the person incharge	
Chen Qian Investment Co., Ltd. Representative: Chang , Bing -Tang	5,532,182	8.05	1,415,758	2.06	2,090,495	3.04	Chang, Ke-Erh	A relative within The second Degree of kinship	
							Da Ri Yue Investment Co., Ltd	Responsible person	
							Chen Qian Investment Co., Ltd.	Responsible person	
							Chen Zhen Investment Co., Ltd.	relative within the second degree of kinship to the person in charge	
Chen Zhe Investment Co., Ltd.	1,225,000	1.78	-	-	-	-	Chang, Bing-Tang	Second degree of kinship	
							Da Ri Yue Investment Co., Ltd	relative within the second degree of kinship to the person in charge	
							Chen Qian Investment Co., Ltd.	relative within the second degree of kinship to the person in charge	

Name (Note 1)	Shares held by the shareholder		Shares held By spouse and minors		Shares held In the name of others		Name and relationship Between the top ten shareholders who are related parties, spouses,or relatives within the second degree of kinship		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Title（ or name)	Relationship	
							Chang, Ke-Erh.	Second degree of kinship	
Chen Zhen Investment Co., Ltd. Representative: Chang, Chen	920,148	1.33					Chang, Bing-Tang	Second degree of kinship	
							Da Ri Yue Investment Co., Ltd	relative within the second degree of kinship to the person in charge	
							Chen Qian Investment Co., Ltd.	relative within the second degree of kinship to the person in charge	
							Chang, Ke-Erh.	Second degree. of kinship	

Note 1: Specify all top ten shareholders. For corporate shareholders, the title of the corporate shareholder and the name of the representative shall be set out separately.

Note 2: The calculation of the shareholding ratio refers to the calculation of the shareholding ratio in the name of the shareholder, spouse, minor, or others.

Note 3: The shareholders listed above include both corporations and natural persons, and the relationship between them shall be disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Issuers.

IX. Number of shares held by the Company, Directors, supervisors, managers of the Company, and enterprises controlled directly or indirectly by the Company in the same investee and consolidated shareholding ratio： None.

THREE. Fundraising Status

I. Capital and shares

(I) Sources of share capital

1. Formation process of share capital

Unit: thousand shares; NT$ thousand

Year/month	Issue price (NT$)	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Property other than cash as payment for share payment	Others
1987/08	10	2,000	20,000	1,000	10,000	Founding capital	None	Note 1
1989/03	10	3,000	30,000	2,250	22,500	Capital increase in cash of NT$1,000 thousand; capital increase from earnings of NT$11,500 thousand	None	Note 2
1991/01	10	8,100	81,000	4,275	42,750	Capital increase from earnings of NT$20,250 thousand	None	Note 3
1991/10	10	8,100	81,000	5,001.75	50,017.5	Capital increase from earnings of NT$7,267.5 thousand	None	Note 4
1995/05	10	15,000	150,000	10,000	100,000	Capital increase from dividends and bonuses of NT$49,982.5 thousand	None	Note 5
1996/12	10	15,000	150,000	15,000	150,000	Capital increase from dividends and bonuses of NT$50,000 thousand	None	Note 6
1997/09	10	19,500	195,000	19,500	195,000	Capital increase from dividends and bonuses of NT$45,000 thousand	None	Note 7
1998/06	10	80,000	800,000	46,800	468,000	Capital increase in cash Of T$117,000 thousand; Capital increase from Dividends and bonuses of T$156,000 thousand	None	Note 8
1999/09	10	80,000	800,000	54,175	541,750	Capital increase from dividends and bonuses of T$45,670 thousand; capital increase from reserves of NT$28,080 thousand	None	Note 9
2000/19	10	80,000	800,000	57,198	571,980	Dividends and bonuses increased capital by NTD 30,230 thousand	None	Note 10

Year/month	Issue price (NT$)	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Property other than cash as payment for share payment	Others
2007/08	10	80,000	800,000	54,198	541,980	Refund share payment of NT$30,000 thousand	None	Note 11
2008/05	10	80,000	800,000	61,748	617,480	Merger with Dali Electronic of NT$75,500 thousand	None	Note 12
2020/02	10	80,000	800,000	61,000	610,000	Cancelation of treasury shares of NT$7,480 thousand	None	Note 13
2022/09	10	100,000	1,000,000	64,660	646,600	Capital increase in cash of NT$36,600 thousand	None	Note 14
2024/03	10	100,000	1,000,000	68,702	687,020	Capital increase in cash of NT$42,420 thousand	None	Note 15

Effective (approval) date and document No.:

Note 1: Approved and registered under Letter No. 245621 dated August 11, 1987.

Note 2: Approved and registered under Letter (78)-Shang No. 135418 dated March 15, 1989.

Note 3: Approved and registered under Letter (80)-Shang No. 126162 dated January 19, 1991

Note 4: Approved and registered under Letter (80)-Shang No. 120299 dated October 3, 1991.

Note 5: Approved and registered under Letter (84)-Shang No. 105081 dated May 8, 1995.

Note 6: Approved and registered under Letter (85)-Shang No. 121514 dated December 16, 1996.

Note 7: Approved and registered under Letter (86)-Shang No. 116606 dated September 8, 1997.

Note 8: Approved and registered under Letter (87)-Shang No. 115417 dated June 26, 1998.

Note 9: Approved and registered under Letter (88)-Shang No. 133573 dated September 9, 1999.

Note 10: Approved and registered under Letter (89)-Shang No. 142773 dated November 23, 2000.

Note 11: Approved and registered under Letter Shou-Shang-Zi No. 09601199060 dated August 16, 2007.

Note 12: Approved and registered under Letter Shou-Shang-Zi No. 09701101200 dated May 2, 2008.

Note 13: Approved and registered under Letter Shou-Shang-Zi No. 10901005620 dated February 4, 2020.

Note 14: Approved and registered under Letter Shou-Shang-Zi No. 11101167610 dated September 5, 2022.

Note 15: Approved and registered under Letter Shou-Shang-Zi No. 11330042330 dated March 27, 2024.

2. Type of shares

March 30, 2026; unit: share

Type of shares	Authorized capital			Remarks
	Outstanding shares	Unissued shares	Total	
Ordinary shares	68,702,000	31,298,000	100,000,000	Taiwan Innovation Board

3. Shelf Registration System：Not Applicable

(IV) List of Major Shareholders

March 30, 2026; unit: share; %

Shares Name of major shareholder	Number of shares held	Shareholding ratio
Da Ri Yue Investment Co., Ltd.	14,798,896	21.54%
Chang, Bing-Tang	5,532,182	8.05%
Zheng Lo, Yu-Chiao	3,364,449	4.90%
Tseng, Hsiung-Liang	3,099,582	4.51%
Shao, Shih-Hsiang	2,715,283	3.95%
Shao, Han-Lin	1,993,188	2.90%
Yeh, Hsiu-Yen	1,493,323	2.17%
Chang, Ke-Erh	1,310,000	1.91%
Chen Qian Investment Co., Ltd.	1,288,495	1.88%
Chen zhen Investment Co., Ltd.	1,225,000	1.78%

(VI) Dividend policy of the Company and implementation

1. Dividend policy stipulated in the Articles of Incorporation

If there is a net profit after tax of the year after the final account of the year, the Company shall first offset the accumulated losses and then set aside 10% of the legal reserve as required by law; however, when the legal reserve reaches the amount of the Company's paid-in capital, this shall not apply. In addition, if there is a surplus after setting aside or reversing the special reserve according to laws and regulations or the requirements of the competent authority, combine it with accumulated undistributed earnings at the beginning of the same period (including the adjusted amount of undistributed earnings); the Board shall prepare a proposal for earning distribution, and submit it to the shareholders' meeting for the resolution of the distribution of shareholders’ dividends and bonuses.

The distribution of shareholders’ dividends and bonuses shall be no less than 10% of the distributable earnings of the year. The distribution of shareholders’ dividends and bonuses may be made in cash or stock; however, the ratio of cash dividend distribution shall be no less than 10% of the total dividends. The dividend distribution dividend shall be subject to the Company's current and future investment environment, capital requirements, domestic and international competition conditions, capital budget and other factors, while taking into account the interests of shareholders, the balanced dividends, and the Company's long-term financial plan. The Board shall formulate the proposal for distribution each year according to the law and submit it to the shareholders’ meeting.

The Company authorizes the Board to make the resolution by obtaining the consent from over half of the attending Directors at a Board meeting attended by two-thirds of the Directors or more to distribute the entire or partial dividends and bonuses to be distributed in cash and report it to the upcoming shareholders’ meeting.

2. Dividend distribution resolved during the year:

On March 11, 2026, the Board resolved to distribute a cash dividend of NT$1.5 per share, totaling NT$103,053,000.

3. Expected changes in the future dividend policy: None.

(VII) The impact of the stock grant proposed at the shareholders' meeting on the business performance and earnings per share: Not applicable.

(VIII) Remuneration of employees, Directors, and supervisors

1. Percentage or range of the remuneration of employees, Directors, and supervisors stated in the Articles of Incorporation：

The Company shall allocate no more than 3% of its net profit before tax for the current period, excluding employee and director remuneration, to director remuneration and 5% to 12% to employee remuneration. However, if the Company has accumulated losses, a reserve shall be set aside in advance to cover them.

20% of the aforementioned employee remuneration shall be allocated to junior staff.

The first item of employee remuneration may be paid in stock or cash, and the recipients may include employees of subsidiaries who meet the conditions set by the Board of Directors. The first item of director remuneration may only be paid in cash. Both the first item and this item shall be implemented by resolution of the Board of Directors with the attendance of more than two-thirds of the directors and the approval of more than half of the attending directors, and shall be reported to the Shareholders' Meeting.

2. The basis for estimating the amount of remuneration of employees, Directors, and supervisors, the basis for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated amount for the period

   The Company estimates the amount of remuneration of employees, Directors and supervisors in accordance with the percentages specified in the Articles of Incorporation. If there is any discrepancy between the amount resolved by the Board and the estimated amount subsequently, treat it as changes in accounting estimates and adjust and account for during the year of the Board's resolution.

3. Distribution of remuneration approved by the Board
   (1) The remuneration of employees and remuneration of Directors and supervisors distributed in cash or stock. If there is a discrepancy with the estimated amount during the year of expense recognition, the discrepancy, cause and treatment shall be disclosed：

   On March 11, 2026, the Board approved distribution of remuneration of employees and remuneration of Directors：

   1. Remuneration of Directors：allocate 2% , NTD 2,795,759.
   2. Remuneration of employees：allocate 5% , NTD 6,989,397.

   All in cash. No difference from the expenses recognized in 2025.
   (2) The ratio of the amount of remuneration of employees distributed in stock to the sum of the net profit after tax and total remuneration of employees in the individual financial statements for the current period：None。

4. The actual distribution of remuneration for employees, directors, and supervisors in the previous year (including the number of shares distributed, the amount, and the share price), and any differences between these and the recognized remuneration for employees, directors, and supervisors, along with the reasons for and handling of the differences:

Project	Board Resolution on Allocation	Actual Allocation	Difference	Explanation of Difference
Remuneration of employees	5,039,653	5,039,653	None	Not applicable
Remuneration of Directors	2,015,861	2,015,861	None	Not applicable

(IX) Repurchase of shares by the Company: None.

II. Corporate bonds: None.

III. Preferred shares: None.

IV. Overseas depository receipts: None

V. Employee stock warrants: None.

VI. Restricted stock awards (RSA): None.

VII.Merger or assignment of shares of other companies through the issuance of new shares: None.

VIII. Implementation of the capital utilization plan : As of the date of publication of this annual report, the Company has no outstanding capital utilization plans or plans that have been completed but whose benefits have not yet been realized.

Fove. Business overview

I.Scope of business

(I) Scope of business

1. The scope of business based on the business data registered with the Ministry of Economic Affairs is set out as follows:
   - ●CC01080 Electronic Components Manufacturing
   - ●F401010 International Trade
   - ●ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Business proportion

Unit: NT$ thousand; %

Year / Main products	2025		2024	
	Sales amount	Business proportion	Sales amount	Business proportion
Integrated circuit testing	922,394	72.36%	750,387	70.52%
Others	352,379	27.64%	313,765	29.48%
Total	1,274,773	100.00%	1,064,152	100.00%

3. Current products (services)

The Company is a professional semiconductor testing service company; it provides integrated circuit testing services, including wafer testing services for analog IC, logic IC, driver IC, MOSFET, IGBT, GaN and SiC. Other services include wafer coating and thinning services, and die dicing, sorting and packaging services.

The company uses power devices (Power Device) and power management integrated circuit (hereinafter referred to as power management IC or PMIC) as the core products of testing services, including third-generation semiconductors gallium nitride (GaN) and silicon carbide (Silicon Carbide (hereinafter referred to as SiC), Insulated Gate Bipolar Transistor (hereinafter referred to as IGBT), Metal Oxide Semiconductor Field Effect Transistor (MOSFET), Diode (Diode), Power Management IC (PMIC), microcontroller unit (hereinafter referred to as MCU), etc., has constructed a diversified product portfolio with power applications as the core, and continues to invest in the research and development of forward-looking product lines. The services currently provided include wafer testing (CP, Circuit Probing), finished product testing (FT, Final Testing), probe card manufacturing (Probe Card Manufacturing), wafer front metal coating (FSM, Frontside Metallization), wafer back grinding and metal coating (BGBM, Backside Grinding and Backside Metallization), wafer cutting (Wafer Dicing), die picking (Die Pick&Place), die tape (DieTape&Reel), etc., with consistent integrated services to meet the needs of customers for one-time purchase, become the company's goal to strive for customer cooperation and Competitive niche to build long-term partnerships with customers.

4. New products (services) planned to be developed

In response to market trends and customers' product development, the Company continues to develop and improve processes, probe cards and jigs so as to improve production yields and provide more services. Future R&D plans include the establishment of FSM services, R&D and improvement of wafer coating and thinning process services, high-power GaN power component testing technology, and high-power SiC power component testing technology.

(II) Industry overview

1. Current status and development of the industry

According to the World Semiconductor Trade Statistics (WSTS), the global semiconductor market reached US$630,549 million in 2024 and is projected to grow by 11.2% in 2025. This growth is primarily driven by demand from AI, data centers, and electronic devices, with logic and memory components being the main drivers. The global semiconductor market size is projected to reach US$700,874 million in 2025. Looking ahead to 2026, the global semiconductor market is expected to grow by 8.5% to US$760,700 million. Discrete components, sensors, and integrated circuits are all expected to show growth. Notably, memory products are projected to experience strong double-digit growth. Regionally, all regions worldwide are expected to continue growing in 2026.

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

Source: WSTS (World Society for Semiconductor Trade Statistics), May 2025

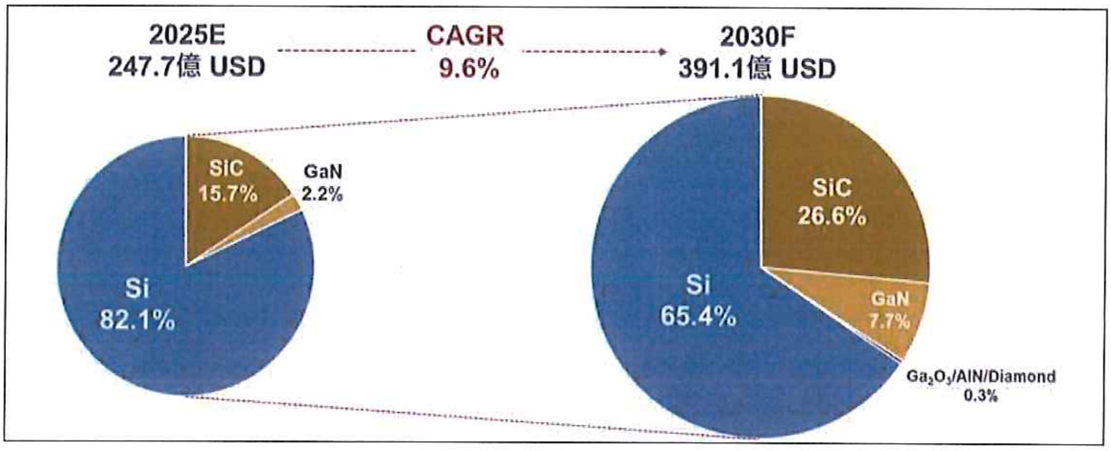
Since the semiconductor industry covers a wide range of areas, the industry growth of power semiconductors and third-generation semiconductors, which ou company mainly provides testing services, is explained as follows.

① Power semiconductor

Power semiconductors can be broadly categorized into two main types: power devices and power management ICs (PMICs). Power devices include metal-oxide-semiconductor field-effect transistors (MOSFETs), insulated-gate bipolar transistors (IGBTs), and diodes. The main applications of power semiconductors are gradually expanding from consumer electronics and industrial control to new energy, automotive electronics, smart grids, and variable-frequency home appliances, driving the continued growth of the market for power control components such as MOSFETs and IGBTs. According to market research firm GII, the power semiconductor market size will reach US$56.87 billion in 2025, and is expected to grow at a CAGR of 4.93% from 2025 to 2030, reaching US$72.34 billion.

②Wide Band Gap Semiconductors

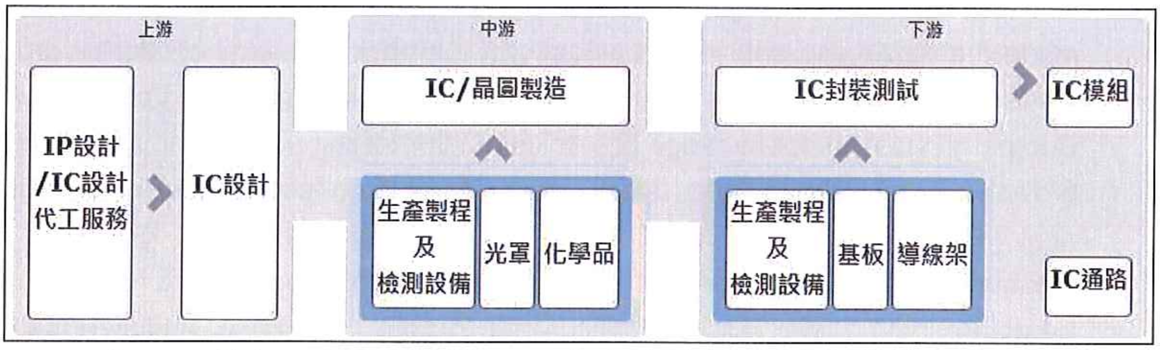
Research from the Industrial Technology Research Institute (ITRI) estimates that the market size of SiC power semiconductors will grow from US$3.9 billion in 2025 to US$10.39 billion in 2030, representing a CAGR of approximately 21.6%. With the expansion of global SiC production capacity and the decline in prices, the penetration rate of SiC power products will grow rapidly, with its share projected to increase from 15.7% in 2025 to 26.6% in 2030. GaN power semiconductors are already the preferred technology for fast-charging products in consumer electronics. In the future, through optimization of reliability, voltage withstand, current withstand, switching speed, and cost structure, their applications in data centers, robotics, drones, and electric vehicles will expand, with their share projected to grow from 2.2% in 2025 to 7.7% in 2030.



Source: Industrial Technology Research Institute, October 2025

2. Correlation between upstream, midstream and downstream of the industry

Taiwan's IC industry is unique in the world with a unique upstream and downstream vertical division of labor, forming a complete and close industrial cluster, including IC design, wafer materials, equipment, consumables, masks, IC manufacturing, IC packaging, IC testing, IC channels and other industries. The industrial value chain has a fine division of labor and a complete structure. Based on the expansion and development of the industry, the domestic IC upstream companies have gradually transferred the back-end IC assembly and testing services to professional assembly and testing companies after weighing the investment benefits, costs and risk factors. Moreover, the IC product's life cycle is getting shorter, and the price competition is fierce, which strengthens the relationship between the upstream, midstream, and downstream of the IC industry in Taiwan. The following figure shows the correlation between the upstream, midstream, and downstream of the IC industry in Taiwan:



Source: Taiwan Stock Exchange - Industry Value Chain Information Platform

3. Product development trends

(1)The proportion of testing expenses to the overall cost of IC is increasing As ICs develop toward the three major trends of slim, light, and compact, low power consumption, and multi-functional integration, the design is becoming more and more complex, and the test needs to simulate the actual operating environment. The complexity of the test is gradually increasing, and the test cost increases accordingly. Therefore, the test program and environment are becoming increasingly important.

(2)Division of labor by industry

Due to the huge amount of investment required for the back-end semiconductor process equipment, and the great difference in cost structure, process technology and production management from the front-end process, leading semiconductor manufacturers have outsourced the back-end process of packaging and testing to professional semi-conductor packaging and testing companies. The IC industry in Taiwan has a complete vertical division of labor system, regardless of technology, quality, price and delivery. Therefore, the demand for IDM manufacturers and IC design companies at home and abroad to engage in IC packaging and testing in Taiwan continues to increase, which is beneficial to the Company's business growth and development.

4. Competition status

With the intensifying competition in the technology industry between the U.S. and Mainland China, the semiconductor industry in Mainland China is suppressed. Therefore, China is actively accelerating the development of the semiconductor industry with the goal of semi-conductor independence. Create competitive pressure.

The Company has been develoBing in Taiwan for many years, making full use of the advantages of Taiwan's semiconductor industry. It provides customers with professional semiconductor back-end processing services and continuously improves the Company's competitive advantages with excellent engineering technologies and good quality.

The vigorous development of the semiconductor industry in Taiwan has also made the packaging and testing industry of the back-end semi-conductor grow. In the face of competition from other domestic IC packaging and testing companies, the Company has a complete range of semiconductor testing equipment, andit is able to provide comprehensive wafer testing and finished good testing services for logic IC, analog IC, LCD driver IC, MOSFET, IGBT, automotive diode, GaN and SiC. Meanwhile, the Company also provides services such as probe card manufacturing, wafer polishing, wafer metal coating, wafer dicing, die sorting, andintegrated and consistent services to satisfy customers' needs for one-stop shopBing to reduce the cost and risk of product transportation, shorten the delivery period, and reduce the outsourcing complexity and management cost of customers, which become the competitive niche for the Company to secure cooperation opportunities with customersand establish long-term partnerships with customers.

(III) Technology and R&D overview

1.R&D expenses invested in the most recent year and up to the publication date of the annual report

Unit: NT$ thousand; %

Year Item	2025
R&D expenses (A)	68,757
Net operating income (B)	1,274,773
As a percentage of net operating income (A)/(B)	5.39%

2.Successfully developed technologies or products in the most recent year and up to the publication date of the annual report

Year	R&D achievements
2024	1.1700V high voltage silicon carbide (SiC) power component testing technology 2.38um ultra-thin wafer thinning technology 3. Wafer front metal coating technology
2025	1. Development of an automated test data analysis and alert system 2. Development of an automated finished product packaging and label inspection system 3. Silicon capacitor wafer testing solution 4. Development of front-side Polyimide technology 5. Development of front-side thick copper technology

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

1. Short-term business development plan

(1)With wafer testing and finished good testing as its core business, it also provides integrated services such as probe card manufacturing, wafer polishing, wafer metal coating, wafer dicing, and die sorting to meet customers' needs in one purchase.

(2) With power components and power management ICs at its core, the company has built a diversified product portfolio. Its existing product lines cover gallium nitride (GaN), silicon carbide (SiC), MOSFETs, IGBTs, diodes, power management ICs, MCUs, silicon capacitors, etc., which can effectively diversify risks and reduce the impact of industry fluctuations.

(3)Grasp the market pulse and the direction of customer demand, establish the optimal combination of production capacity, maximize the benefits of capacity expansion, and grow together with customers.

(4)Strengthen the IT system and production automation system, establish efficient and flexible production management, meet the changing needs of customers, and solve customer problems quickly.

2. Long-term development plan

(1)Develop the wafer front-side metallization business.

(2)Continue to develop the back-end process technology and market for GaN and SiC.

(3)Continue to develop the back-end process technology and market for ultra-thin wafers.

(4)Continue to develop the back-end process technology and market for thick metal power components.

(5)To meet customer needs, increase the production proportion of 12-inch wafers.

(6)Continue to develop back-end process technology and market for silicon capacitors.

II.Market, production and sales overview

(I) Market analysis

1. Sales regions of major products (services)

Unit: NT$ thousand; %

Region	Year	2025		2024	
		Sales amount	Ratio	Sales amount	Ratio
Domestic sales		1,158,750	90.90	952,758	89.53
Export sales	Asia	27,113	2.12	31,565	2.97
	Europe	2,641	0.21	1,218	0.11
	America	86,269	6.77	78,611	7.39
	Subtotal	116,023	9.10	111,394	10.47
Total		1,274,773	100.00	1,064,152	100.00%

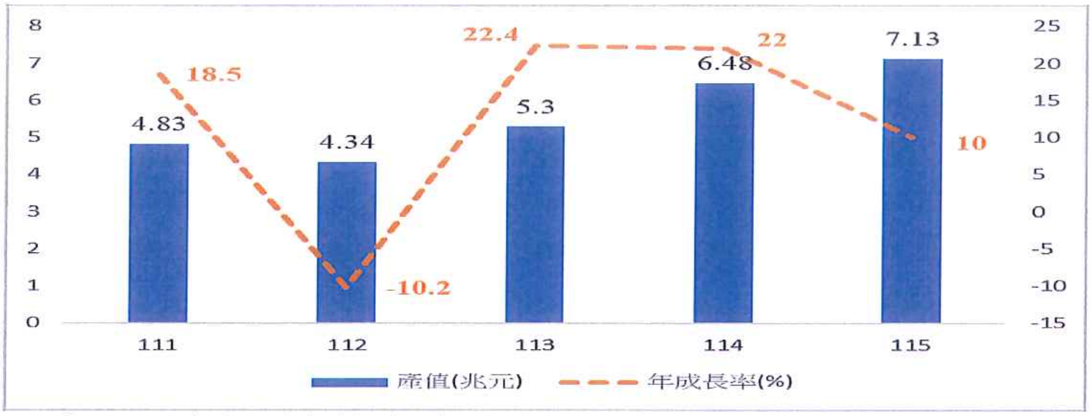
2. Market share

According to statistics from the Industrial Technology Research Institute (ITRI) Industry Science and Technology International Division, Taiwan's IC industry output is projected to reach NT$6,522.5 billion in 2025, a 22.7% year-on-year increase. Breaking down the figures for upstream, midstream, and downstream industries, IC design output is NT$1,424.5 billion, a 12.0% year-on-year increase; IC manufacturing output is NT$4,386.9 billion, a 28.3% year-on-year increase, with wafer foundry at NT$4,169.3 billion, a 28.5% year-on-year increase; memory and other manufacturing output is NT$217.6 billion, a 23.8% year-on-year increase; IC packaging output is NT$482.5 billion, a 14.0% year-on-year increase; and IC testing output is NT$228.6 billion, a 14.2% year-on-year increase.

Our company's revenue in 2025 and 2024 was NT$1.274 billion and NT$1.064 billion respectively, with domestic market shares of 0.56% and 0.53% respectively.

3. Future market supply, demand and growth

According to the Industrial Technology Research Institute (ITRI) International Division, Taiwan's semiconductor industry is expected to reach NT$6.48 trillion in 2025, driven by strong demand for AI data centers and peripheral components, as well as upgrades in edge AI hardware and the penetration of smart terminals. Looking ahead to 2026, the industry will continue to benefit from the growth of emerging applications such as AI, robotics, and smart glasses, with the output value expected to grow by double digits, reaching an estimated NT$7.13 trillion.



Source: Industrial Technology Research Institute, Industrial Technology International Division, 2025/10

A report by TrendForce indicates that global demand for data processing density and power consumption will surge in the next three to five years. GaN power devices, with their high-frequency and high-power characteristics, are rapidly emerging in applications such as base stations, aerospace, and AI computing. Due to its technological maturity and vertical integration advantages, GaN will play a crucial role in low-to-medium voltage and high-frequency applications. The global GaN power semiconductor market is projected to reach US$750 million by 2025, representing an annual growth rate of 62.7%, and will expand to US$4.38 billion by 2030, with a compound annual growth rate of 42.3%.

4. Competitive niche

① Since its establishment in 1987, the Company has been deeply involved in the semiconductor packaging and testing industry for more than 34 years. The management team has a professional background in the packaging and testing industry and abundant relevant experience, as well as excellent R&D and engineering professionals so as to utilize excellent engineering development capabilities to rapidly solve customers' problems. The Company provides the best solutions and assists customers in fast product introduction and mass production in order to reduce customer costs. It has the ability to customize production equipment to meet customers' special process needs, which helps improve the Company's overall competitiveness and sustainable operation.

②The Company is able to provide integrated and consistent services such as wafer testing, finished good testing, probe card manufacturing, wafer polishing, wafer metal coating, wafer dicing, and die sorting, to meet the needs of customers for one-stop shopBing so as to reduce the cost and risk of product transportation, shorten delivery term, and reduce the complexity and management cost of customers for outsourcing, which become the competitive niche for the Company to secure cooperation opportunities with customers and establish long-term partnerships with customers.

③ The Company built a diversified product portfolio with power management ICs and power components as the core. The existing product lines include logic IC, analog IC, LCD driver IC, MOSFET, IGBT, automotive diode, GaN, and SiC. Such portfolios can effectively diversify risks and reduce the impact of industrial economic fluctuations. Meanwhile, it continues to invest in the development of forward-looking product lines to maintain the long-term competitiveness of the Company.

④.In 2014, we entered the field of GaN wafer testing and cooperated with multiple domestic and foreign wafer companies and IC design companies. We have accumulated extensive experience in product development and achievements in mass production. We are able to fully grasp the material characteristics and component characteristics of GaN, assist customers in solving problems, and quickly introduce them into mass production. Our technical capabilities are recognized by domestic and foreign manufacturers.

⑤The Company possesses the ability to develop new products and new process technologies to fully support customers' development needs for new-generation products.

⑥ The Company possesses the ability to design and manufacture jigs and accessories (i.e., self-made probe cards) to achieve better autonomy and timeliness in engineering and mass production and reduce production costs.

⑦ Our excellent IT system capabilities, automatic equipment connection control, and precise control of process parameters can effectively improve production efficiency, reduce production errors, reduce labor costs, and achieve system-to-system data automation with customers.

5. Favorable and unfavorable factors of development prospects and countermeasures

(1) Favorable factors

①The IC industry in Taiwan has a complete vertical division of labor system, regardless of technology, quality, price and delivery. Therefore, the demand for IDM manufacturers and IC design companies at home and abroad to engage in IC packaging and testing in Taiwan continues to increase, which is beneficial to the Company's business growth and development.

②The Company is able to provide integrated and consistent services such as wafer testing, finished good testing, probe card manufacturing, wafer polishing, wafer metal coating, wafer dicing, and die sorting, to meet the needs of customers for one-stop shopBing so as to reduce the cost and risk of product transportation, shorten delivery term, and reduce the complexity and management cost of customers for outsourcing, which are beneficial to the Company when securing cooperation opportunities with customers and establishing long-term partnerships with customers.

③The Company built a diversified product portfolio. The existing product lines include logic IC, analog IC, LCD driver IC, MOSFET, IGBT, automotive diode, GaN, and SiC. Such portfolios can effectively diversify risks and reduce the impact of industrial economic fluctuations. Meanwhile, it continues to invest in the development of forward-looking product lines to maintain the long-term competitiveness of the Company.

④The Company has excellent R&D and engineering professionals who can utilize their excellent engineering development capabilities to solve customers' problems rapidly. The Company provides the best solutions and assists customers in fast product introduction and mass production in order to reduce customer costs. We became the best partner of our customers.

(2) Unfavorable factors and countermeasures

A. Fluctuations in capacity utilization rate have a huge impact on the profitability of IC packaging and testing companies. Therefore, the economic fluctuation of the IC industry market will increase the operational risks of back-end packaging and testing companies.

Countermeasures: Continue to strengthen our advantages in quality, cost, and delivery terms to attract customers to place orders.

Strengthen the cooperation model with customers from time to time and establish long-term partnerships with customers in order to make full and stable use of production capacity.

B. The equipment related to IC packaging and testing is expensive, the capital investment amount is large, and the depreciation expense is high, which increases the operating risk.

Countermeasures: Invest prudently in machinery and equipment, fully grasp the market development and customer needs to avoid losing market opportunities due to insufficient equipment production capacity, and avoid idle equipment due to equipment expansion at excessive speed that gives rise to operating risks.

C. Aiming at semiconductor autonomy, Mainland China is actively accelerating the development of its semiconductor industry and vigorously rolling out supporting policies, which forms competitive pressure for Taiwan's semiconductor industry.

Countermeasures: Utilize our competitive advantages to strengthen the engineering ability for the development of new products, develop new technologies and new products, increase added value, and distinguish from companies in Mainland China by providing better quality, better delivery terms, greater efficiency, and flexible services in order to attract more local customers in Taiwan and facilitate long-term cooperation with international customers.

(II)Important use and production process of main products

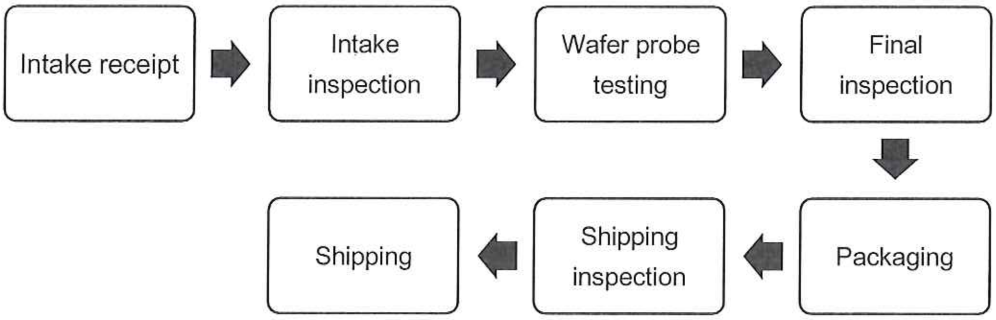
1. Use of main products

Main product	Important use and function
Semiconductor testing	Wafer testing:Execute after the completion of wafer manufacturing It sorm functional testing for dies on wafers before IC packaging in order to screen out non-defective and defective products.The test results are an important basis for IC packaging, which reduces unnecessary costs of IC packaging and finished product testing. Meanwhile,the data from the test results is also an important reference for improving the yield of the front-end wafer process. Finished good testing: Conduct functional testing on the packaged ICs to eliminate defective products so as to ensure that the non-defective products that pass the test meet the functions and quality required by customers.
Semiconductor packaging	The wafers are polished and diced into dies. Finally, the dies are sorted onto IC carrier trays or tapes for use by module manufacturers or system manufacturers.
Wafer thinning	Wafer thinning mainly performs back grinding and back metal coating for power semiconductor wafers so that the power components on the wafers can meet the customer's product characteristics and specifications and packaging specifications.

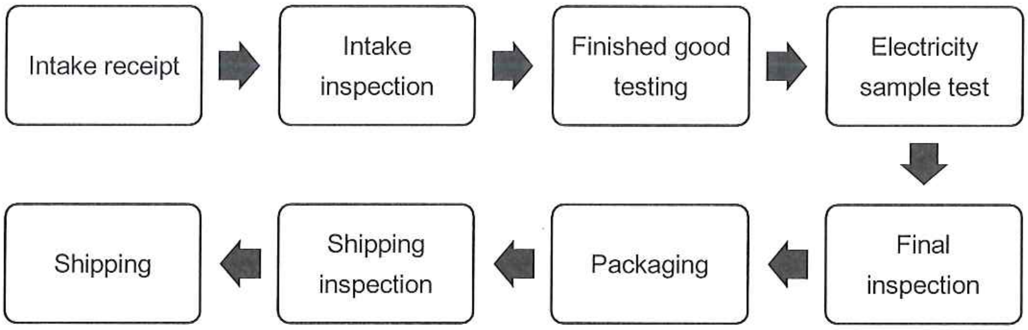
2. Production process of main products

ΦSemiconductor testing

A. Wafer testing

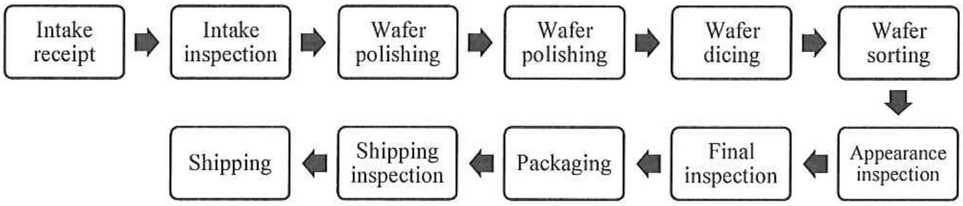


B. Finished good testing

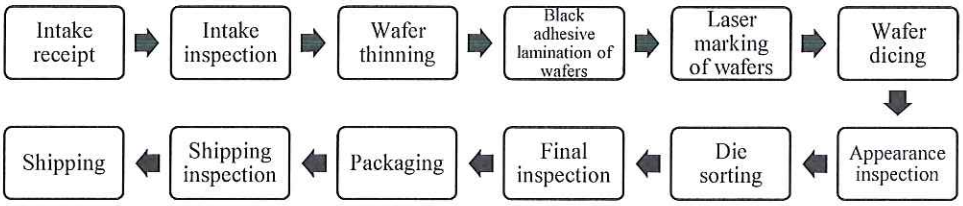


C. Semiconductor packaging

A. COB/COG



B. WLCSP-DPS



C. ③Wafer thinning

(III) Supply of main raw materials

The Company is a professional semiconductor testing service provider, and it mainly provides semiconductor testing services; therefore, there is no main raw material, and there is no raw material procurement.

(IV) The names of customers accounting for more than 10% of the total purchases (sales) in any of the most recent two years, the amount of purchases (sales) and the proportion, and a description of the reasons for the change. However, if the Company cannot disclose the name of the customer due to contractual agreements or if the counterparty is an individual who is not a related party, refer to them with codes.

1. List of major purchase suppliers

Unit: NT$ thousand; %

Item	2025				2024			
	Name	Amount	As a percentage of net purchases throughout the year	Relation ship with the issuer	Name	Amount	As a percentage of net purchases throughout the year	Relation ship with the issuer
1	Company甲	24,704	20.87%	-	Company甲	19,353	19.60%	
2	Company乙	13,052	11.03%	-	Company乙	17,484	17.71%	
	Others	80,597	68.10%		Others	61,889	62.69%	
	Net purchase	118,353	100.00%		Net purchase	98,726	100.00%	

Reason for the change: Company 甲's main purchases are production materials. As the company's revenue has grown, the amount of precious metals it needs for its processes has also increased, hence the increase in its purchases from Company 甲.

2. List of major sales customers

Unit: NT$ thousand; %

Item	2025				2024			
	Name	Amount	As a Percentage of ne sales throughout the year	Relationship with the issuer	Name	Amount	As a percentage of net sales throughout the year	Relationship with theissue
1	Company A	307,026	24.08%	-	Company A	175,559	16.50%	-
2				-	Company B	121,391	11.41%	-
	Others	967,747	75.92%	-	Others	767,202	72.09%	-
	Net sales	1,274,773	100.00%	-	Net sales	1,064,152	100.00%	-

Reason for the change: Company A is primarily engaged in the design and sales of power management ICs. Due to increased demand for consumer electronics products, its order volume has increased, leading to higher testing requirements. There have been no significant changes in the past two years.

III. The number of employees, average years of service, average age, and academic distribution ratio of employees for the most recent two years and up to the publication date of the annual report

Unit: person

Item \ Year		2024	2025	2026 As of Apr 20
Number of employees	Direct labor	327	335	320
	Indirect labor	174	180	177
	R&D personnel	55	55	54
	Management personnel	29	28	27
	Total	585	598	578
Average age (years)		37.85	38.16	38.42
Average years of service (years)		5.70	5.83	6.10
Academic distribution ratio (%)	Doctoral degree	-	-	-
	Master's degree	3.59%	3.01%	2.60%
	University (college)	69.74%	69.40%	70.58%
	Senior high school (including those below)	26.67%	27.59%	26.82%

IV. Information on environmental protection expenditure

Any losses suffered as a result of environmental pollution in the most recent year and up to the publication date of the annual report (including compensation and matters violating environmental laws and regulations in the environmental protection audit results, the disposal date, document No. of the disposal, the regulatory provisions violated, the content of the regulation violated, and the content of the disposal), disclosures of the estimated amount that may occur currently and in the future and the countermeasures. If it cannot be reasonably estimated, explain the fact that it cannot be reasonably estimated: None.

V. Labor-capital relations

(I) The employee welfare measures, continuing education, training, retirement system and the implementation of the Company, as well as labor-capital agreements and various measures to protect the rights and interests of employees

1. Employee welfare measures
   - Annual salary adjustment, bonuses for the three major Chinese festivals, business performance bonuses, and bonus system for outstanding employees.
   - Complimentary regular employee health inspections and discount group insurance plans for dependents.
   - Birthday gift vouchers, gift vouchers for the three major Chinese festivals, subsidies for weddings and funerals, subsidies for company trips, year-end banquets, and employee welfare activities.
   - Employee cafeteria, health room, rental subsidies for employees from afar, and parking spaces for cars and motorcycles.
   - Welfare Committee members shall hold meetings at least once every three months to participate in discussions on improving various employee activities and welfare measures.
2. Continuing education and training of employees

   The Company provides diversified training courses and on-the-job educational training courses, including orientation training, on-the-job training courses, quality training courses, occupational safety and health educational training, professional skill courses, and job-related external training courses, in order to improve work performance through training and learning, and allow employees to become the leaders in their field in the ever-changing work environment.

3. Employee retirement system and its implementation

To support employees' retirement, promote labor relations, and improve work efficiency, the company has established a Labor Retirement Reserve Fund Oversight Committee in accordance with the law. This committee oversees the fund's storage and disbursement. As required, 4% of each employee's total monthly salary is allocated to retirement reserves, which are held in a dedicated account at Bank of Taiwan Co., Ltd. Since July 1, 2005, the new labor retirement system has been implemented in accordance with the law. Employees subject to the new system contribute 6% of their monthly salary to retirement funds, which are deposited in a dedicated individual retirement fund account established by the Bureau of Labor Insurance. In 2025, the company's total retirement fund contributions amounted to NT$15.48 million.

4. Labor-capital agreements

The Company complies with the Labor Standards Act and has set up an opinion mailbox and regularly convened labor-capital conferences. The Company values employees' opinions and maintains a harmonious labor-capital relationship through communication channels.

5. Measures to protect employees’ rights and interests

The Company treats employees with honesty and respect, and establishes a good relationship of mutual trust and reliance with employees through a comprehensive welfare system and comprehensive education and training channels, and establishes a comprehensive management system and method to protect the rights and interests of employees.

(II) Any losses suffered as a result of labor-capital disputes in the most recent year and up to the publication date of the annual report (including matters violating the Labor Standard Act in the labor inspection results, the disposal date, document No. of the disposal, the regulatory provisions violated, the content of the regulation violated, and the content of the disposal), disclosures of the estimated amount that may occur currently and in the future and the countermeasures. If it cannot be reasonably estimated, explain the fact that it cannot be reasonably estimated:

Labor inspection results

Disposal date	Document No of the disposal	Regulatory provisions violated	Content of the Regulation violated	Content of the disposal	Countermeasures
2025.5.6	LaborAward No.1140095956	Article 55 of the Labor Standards Act	Failure to pay workers' retirement pensions as required	A fine of NT$300,000	The fines havebeen paid, and arrangements were made in accordance with the Labor Standards Act

VI. Cybersecurity management

(I) Describe the information and communication security risk management framework, information and communication security policies, specific management plans, and resources invested in information and communication security management:

Information Security Risk Management Framework:

To strengthen the company's information security management and ensure the security of information systems, data, and networks, a Cybersecurity Supervisor and dedicated cybersecurity personnel have been appointed to be responsible for the planning and execution of information security matters and to review the effectiveness of information security management at management review meetings.

(1) Regularly review information security management policies and related procedures.

(2) Conduct information security risk assessments and cooperate with auditing units to ensure the correctness and effectiveness of operations.

(3) All units must strictly implement relevant procedures, and the Cybersecurity Supervisor will review the effectiveness of each unit's implementation of information security at management review meetings.

(4) Immediately improve any anomalies or risks encountered to ensure the normal operation of information systems and the reliability of data security.

Information and communication security policies and specific management plans:

Management Measures	Content
Network Information Security Control	● Continuously strengthen the firewall ● Regularly perform computer antivirus scans ● Control software installation and network access permissions ● Perform vulnerability detection on key information devices ● Employees can use legal software provided by the company
Information Access Protection	● Confidential official documents and data are encrypted and protected. ● Employees have individual accounts and passwords. ● Employees have access permissions set according to their job functions. ● Access permissions are revoked on the day an employee leaves the company.
Physical Environment Security Managemen	● The server room is managed by a designated IT department; unauthorized personnel are not permitted to enter. ● The server room is equipped with air conditioning and temperature control, appropriate chemical fire suppression systems, and an uninterruptible power supply (UPS).
Information Emergency Recovery Response Mechanism and Drills	● The main server performs regular data backups. ● Emergency response items are randomly selected and tested by the IT manager at least once a year.
Education and Publicity and Internal Auditing	● Promote information security and raise employees' awareness of information security. ● Establish an "Information Security Self-Checklist," which is conducted by internal information security auditors, and check records are maintained.

Information Security Achievements:

In 2025, the company conducted random inspections of IT equipment hardware malfunctions. All related issues were promptly resolved, and the company completed a random inspection and drill for emergency information recovery response. To further improve information security management and strengthen company information protection, vulnerability detection was conducted on key IT equipment. Furthermore, to enhance employee information security awareness, in addition to providing information security education and advocacy, the company regularly promotes information security policies, regulations, and anti-phishing attack measures through its portal website, ensuring that information security awareness is thoroughly implemented in the work environment. All customer data is handled by the company's document management center, which then manages it properly after receiving and sending data. In 2025, the company received no complaints of customer privacy violations, and there were no incidents of information leaks, theft, or loss of customer data.

Resources invested in cybersecurity management:

(1) The company has upgraded its firewall architecture to strengthen cybersecurity protection, restrict external access, reduce the risk of the company's information systems being exposed to external networks, and isolate the company's important information environment through the construction of internal and external networks.

(2) Remote connection security has been strengthened by building firewalls, email filtering systems, central control console virus detection mechanisms, and dynamic password authentication mechanisms. Internally, in addition to regular virus scans and patching program vulnerabilities, the company's equipment is ensured to be protected from attacks.

(3) Regarding data security, important systems and data are regularly backed up in accordance with management regulations to ensure data integrity and reduce the risk of data loss or corruption, thereby maintaining the environment for the company's important information. A document management system is used to protect internal and customer data from leakage and to collect access records, preventing data outflow and ensuring the company's continued operation.

(4) A real-time equipment monitoring system has been implemented to monitor the operation of network equipment and servers around the clock, promptly detecting and eliminating anomalies to ensure the reliability of equipment and information system operation and data security.

(II) List the losses suffered as a result of major cybersecurity incidents in the most recent year and up to the publication date of the annual report, as well as possible impacts and countermeasures. If it cannot be reasonably estimated, explain the fact that it cannot be reasonably estimated:None.

VII. Important contract

As of the publication date of the annual report, the important contracts that are valid and existing and may affect the rights and interests of investors are summarized as follows:

Nature of the contract	Parties involved	Start/end date of contract	Main Content	Restrictive clauses
Land lease	Guang Yuan Electronics Co., Ltd.	December 1, 2020 December 31, 2030	Employee parking lot	None
Medium-term secured borrowings	Taiwan Cooperative Bank	May 26, 2023 – August 15, 2030	Credit loan contract	Machinery and equipment
Medium-term secured borrowings	Taiwan Cooperative Bank	January 4, 2023 - Januar 4, 2028	Credit loan contract	Machinery and equipment
medium and long term borrowing	first commercial bank	July 03, 2023 – June 15, 2028	Credit loan contract	None
Medium-term secured borrowings	Taipei Fubon Commercial Bank	August 29, 2023 – April 25, 2034	Credit loan contrac	houses and buildings
Medium-term secured borrowings	Taipei Fubon Commercial Bank	May 11, 2022 – May 11, 2029	Credit loan contrac	Land, house and building
Medium and long-term loans	South China Commercial Bank	July 01, 2025 - August 05, 2030	Credit loan contract	None
Long-term secured borrowings	Mega International Commercial Bank	November 10, 2023 – October 15, 2030	Credit loan contract	Land

FIVE. Review and Analysis of Financial Position and Financial Performance, and Risks

I. Financial position

The main reasons for the material changes in assets, liabilities and equity in the most recent two years and their effects

Unit: NT$ thousand

Year / Item	2025	2024	Change	
			Amount	Change (%)
Current assets	704,309	724,058	(19,749)	(2.73)
Property, plant and equipment	1,798,995	1,679,618	119,377	7.11
Intangible assets	4,230	3,691	539	14.60
Other assets	33,120	29,960	3,160	10.55
Total assets	2,540,654	2,437,327	103,327	4.24
Current liabilities	359,902	400,070	(40,168)	(10.04)
Long-term liabilities	675,155	567,485	107,670	18.97
Other liabilities	24,921	26,196	(1,275)	(4.87)
Total liabilities	1,059,978	993,751	66,227	6.66
Share capital	687,020	687,020	--	--
Capital reserve	262,422	262,422	--	--
Retained earnings	534,969	494,134	40,835	8.26
Total equity	1,480,676	1,443,576	37,100	2.57
If the percentage of change reaches 20% or more, and the amount of the change reaches NT$10 million, the description of the change is as follows: The changes in the above items did not exceed 20%, and therefore had no significant impact on the company's financial condition and operating results.				

II. Financial performance

(I) Table of comparison and analysis of financial performance: Main reasons for the material changes in operating income, net profit before tax in the most recent two years

Unit: NT$ thousand

Year / Item	2025	2024	Change	
			Amount	Change (%)
Net operating income	1,274,773	1,064,152	210,621	19.79
Operating cost	953,584	851,787	101,797	11.95
Gross profit	321,189	212,365	108,824	51.24
Operating expenses	194,809	173,444	21,365	12.32
Operating net profit	126,380	38,921	87,459	224.71
Non-operating income and expenses	3,623	54,817	(51,194)	(93.39)
Net profit before tax	130,003	93,738	36,265	38.69
Less: Income tax expenses	(22,462)	(6,597)	15,865	240.49
Net profit for the period	107,541	87,141	20,400	23.41
If the percentage of change reaches 20% or more, and the amount of the change reaches NT$10 million, the description of the change is as follows: 1. Increase in gross profit, net profit, pre-tax profit, income tax expense, and net profit for the period: This increase was due to continued growth in semiconductor industry output, a sustained recovery in customer demand, and improved capacity utilization compared to the same period last year. 2. Decrease in non-operating income and expenses: This was due to increased gains from the disposal of machinery and equipment during the same period last year, resulting from asset revitalization efforts.				

(II) Expected sales volume and the basis thereof, the possible impact on the Company's future finance and business, and the countermeasures：

It is based on the historical data of sales in past years, the forecasts of the industry boom by various professional research institutions, and the market information collected by business personnel visiting customers. Although there are still many interfering factors in the global boom at this stage, with the slowdown in inflation and As inventory reduction in the semiconductor market has achieved initial results, it is expected that the company's operations will gradually recover this year. At the same time, driven by new processes, new products, and new customers, sales volume and revenue are expected to continue to trend. Be optimistic..

III. Cash flow

(I) Analysis of changes in cash flow in the most recent year

Unit: NT$ thousand; %

Year / Item	2025	2024	Change	
			Amount	Change (%)
Net cash inflow (outflow) from operating activities	405,936	325,565	80,371	24.69
Net cash inflow (outflow) from investing activities	(523,339)	(345,094)	(178,245)	(51.65)
Net cash inflow (outflow) from financing activities	83,296	84,074	(778)	(0.93)
Exchange rate effect	-			
Net cash inflow (outflow)	(34,107)	64,545	(98,652)	(152.84)

Analysis of the change

(1) Increased cash inflow from operating activities: Net profit after tax increased compared to the same period last year, leading to increased cash inflow from operating activities.

(2) Increased cash outflow from investing activities: This was due to the acceptance of newly purchased machinery and equipment during the period and increased capital expenditures in response to capacity planning.

(II) Improvement plan for insufficient liquidity

The Company has no cash deficit; therefore, there is no risk of insufficient liquidity.

(III) Cash flow analysis for the following year

Unit: NT$ thousand

Opening balance of cash	Expected net cash flow from operatingactivities throughout the year	Cash inflow (outflow) from investing and financing activities throughout the year	Estimated Cash surplus (deficit)	Remedies for expected cash deficit	
(1)	(2)	(3)	(1)+(2)-(3)	Investment plan	Wealth Management plan
294,127	1,338,646	(1,273,264)	359,509	-	-

1. Analysis of cash flow changes

   Operating Activities: Cash inflows mainly from daily operating activities.

   Investing Activities: Capital expenditures related to equipment, etc., to meet operating needs.

   Financing Activities: Increased bank borrowings to support working capital needs.

2. Remedial Measures for Expected Cash Shortages: Not applicable.

IV. Impacts of major capital expenditures on finance and business in the most recent year:

The Company mainly builds plants and continues to expand production lines in response to the demand for orders, which are financed by self-owned capital and bank borrowings. The production capacity expansion plan will be adjusted according to customers' requirements and the status of orders. At present, the bank borrowing limits applied for, and the estimated capital increase plan will be able to finance the subsequent capital requirements; therefore, capital expenditures have no material effect on our finance and business.

V. Investment policy in the most recent year, the main reason for its gains or losses, improvement plan, and investment plan for the coming year: None.

VI. Risk analysis and assessment

(I) Effect of changes in interest rates and exchange rates and inflation on the Company's profit and loss and future countermeasures：

1. Interest rate

(1) Effect on profit or loss

The Company's interest income in 2025 and 2024 was 1,749 thousand and 2,174 thousand and interest expenses were 12,290 thousand and 6,347 thousand , the operating income ratio in each year is not high, so the interest rate changes have little impact on the company's profits. In the future, we will continue to regularly evaluate the changes in bank loan interest rates and maintain a good relationship with banks to obtain more favorable interest rates.

(2) Future countermeasures

With the changes in financial interest rates, the Company adjusts the use of funds in a timely manner. In response to the financial risks that may arise from interest rate changes, our future capital planning will still be based on the principle of prudence, and safety control will be adopted for capital allocation. Taking into account the improvement in the future operating scale and profitability of the Company, it will continue to maintain good relationships with financial institutions and strive for the most suitable interest rate in due course to reduce interest expenses in order to respond to financial risks generated from changes in interest rates.

2. Exchange rate

(1) Effect on profit or loss

Unit: NT$ thousand; %

Year / Item	2025		2025	
	Amount	As a percentage of net operating income	Amount	As a percentage of net operating income
Net foreign exchange gains	1,387	0.11	9,204	0.88

Source: Financial statements for each period audited and certified by CPAs.

The exchange gains are mainly due to the fluctuation of the US dollar exchange rate.

(2) Future countermeasures

The Company continues to pay attention to the trends of major currencies in the international exchange market and changes in the economic environment. It also opened up deposit accounts for foreign currencies with banks to manage foreign exchange positions and keep abreast of changes in exchange rates and trends, and adjust the foreign exchange positions held in a timely manner to reduce the impact of exchange rate fluctuations on profit or loss.

3. Inflation

The Company's profit and loss in the most recent year has not been significantly affected by inflation. In the future, the Company will also pay attention to market price fluctuations at all times. If the purchase and sale of goods are affected by inflation, the prices of purchase and sale will be adjusted in a timely manner to respond. Therefore, inflation has no significant impact on the Company's profit or loss.

(II) The policy of engaging in high-risk and high-leverage investments, loans to others, endorsements and guarantees, and derivative transactions, the main reasons for gains or losses, and future countermeasures：

In the most recent year and up to the publication date of the annual report, the Company has no plan to engage in high-risk, high-leverage investments, loans to others, endorsements and guarantees and derivative transactions.

(III) Future R&D plans and R&D expenses expected to be invested：

In response to market trends and to cooperate with customers' product development, the Company continues to develop and improve processes, probe cards and jigs to improve production yields and provide more services. Future R&D plans include the establishment of FSM services, R&D and improvement of wafer coating and thinning process services, high-power GaN power component testing technology, and high-power SiC power component testing technology. Through the investment of R&D funds and professional technical talents, the Company continues to innovate and improve the process to expand the overall benefits and, in turn, enhance the Company's competitive advantages.

The Company's R&D expenses for 2026 were NT$61,141 thousand ,The Company's R&D funds are itemized item by item according to the progress of new technology development, and it has continued to invest in R&D resources to meet the market demand and ensure the Company's competitive advantage.

(IV) The impact of important changes in domestic and foreign policies and laws on the Company's finance and business, and countermeasures：

In the most recent year and up to the publication date of the annual report, there were no changes in important domestic and foreign policies and laws that affected the finance and business of the Company. The Company's operations complied with relevant domestic and foreign laws and regulations, and it kept abreast of the development trend of domestic and foreign policies and changes in laws. The Company assigns relevant personnel to participate in external training courses from time to time and consults relevant professionals or institutions when necessary to fully grasp and respond to changes in the market environment. Therefore, changes in important domestic and foreign policies and laws do not have a significant impact on the Company's finance and business.

(V) Impacts of changes in technologies and industries on the Company's finance and business and countermeasures：

In the most recent year and up to the publication date of the annual report, there have been no changes in technologies (including cybersecurity risks) and industries that affected the finance and business, and the Company keeps abreast of the changes in technologies and the technical development related to the industry. It also quickly grasps the industry’s dynamics, adjusts technical development strategies in a timely manner, enhances network and computer-related information security protection measures, and actively expands into the future market application fields to respond to the impact of changes in technologies and industries on the Company. It will continue to update and improve network and computer-related information security protection measures and equipment to ensure the safety of the Company's finance and business.

(VI) The impact of changes in corporate image on corporate crisis management and countermeasures：

In the most recent year and up to the publication date of the annual report, there has been no change in the Company's corporate image that affected the Company's crisis management. Furthermore, the Company has focused on its core business, complied with relevant laws and regulations, and strived to maintain the Company's image since its establishment. There was no business crisis in the Company caused by changes in the corporate image. The Company will continue to maintain an excellent corporate image, continuously improve product technologies and quality to meet customer needs, actively strengthen internal management, and improve management quality and performance to reduce the occurrence of corporate risks and their impact on the Company.

(VII) Expected benefits and possible risks of mergers and acquisitions and countermeasures：

In the most recent year and up to the publication date of the annual report, the Company has no plan for mergers and acquisitions.

(VIII) Expected benefits and possible risks of plant expansions and countermeasures：

Nono

(IX) Risks associated with concentrated purchases or sales and countermeasures：

1.In terms of purchase：The Company is a professional semiconductor testing company. It provides customized semiconductor testing services with testing machines. It does not prepare materials for production itself but mainly for materials required for testing services. In addition to continuing to establish favorable relationships with existing suppliers, the Company actively seeks and explores excellent suppliers. Among the procurement counterparties, the Company has no mass purchases from a single supplier, and the weight is dispersed. Therefore, there is no risk of concentrated purchases.

2.In terms of sales：the Company's operating income is mainly from the income from semiconductor testing and processing services. In the most recent year and up to the publication date of the annual report, there were no sales that reached 30% to a single customer. Therefore, there is no risk of concentrated sales.

(X) Effect of mass transfers of or changes in equity by Directors, supervisors, or major shareholders with over 10% shareholding, risks, and countermeasures：

In the most recent year and up to the publication date of the annual report, there were no significant changes in the overall shareholding ratios of Directors, supervisors, and major shareholders with over 10% shareholding of the Company.

(XI) Effect of changes in ownership on the Company, risks, and and countermeasures：

In the most recent year and as of the publication date of the annual report, there were no changes in the ownership.

(XII) Litigious and non-litigious events：

If there has been any material impact upon shareholders' equity or prices for the company's securities as a result of any 145 litigation, non-litigious proceeding, or administrative dispute involving a company director, supervisor, general manager, de facto responsible person, or major shareholder with a stake of more than 10 percent, and the matter was finalized or remained pending, the facts in dispute, amount in dispute, commencement date, main parties involved, and current status of the case up to the publication date of the annual report shall be disclosed: None.

(XIII) Other material risks and countermeasures：None.

VII. Other important matters： None.

Six. Special Disclosures

I. Information on affiliates: None.

II. Private placement of securities in the last year up to the date of this annual report： None.

III. Other supplemental information：None.

seven.Corporate events with material impact on shareholders’ equity or stock prices set forth in Subparagraph 2, Paragraph 3, Article 36 of Securities and Exchange Act in the past year and up to the date of report：None

Micro Silicon Electronics Co., Ltd.

Chairman: Chang, Bing-Tang