

Advanced Power Electronics Co., Ltd

富鼎先進電子股份有限公司

—
2025 Annual Report

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Listing of Foreign Securities	None
Corporate Website	https://www.a-power.com.tw

Disclaimer

*Please note that this English annual report is not a word-for-word translation of the Chinese version.
In the event of any variance, the Chinese text shall prevail.*

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1. Letter to Shareholders

Letter to Shareholders

Business Report

Dear Shareholders,

Thank you for taking the time to attend the 2026 Annual General Meeting of Advanced Power Electronic Co., Ltd. Looking back at 2025, our company's consolidated net operating revenue reached NTD 3.104 billion, representing a 6.37% increase compared with the previous year.

Although the semiconductor industry continued to be affected by external factors such as adjustments in tariff policies, developments in international trade negotiations, and changes in the geopolitical environment, the company enhanced its overall profitability compared with the previous year by optimizing its product portfolio, strengthening collaboration with key suppliers and major customers, and implementing effective operating expense control and operational risk management measures. As a result, the company recorded a net profit after tax of NTD 680 million in 2025, driving earnings per share (EPS) to NTD 5.73.

The implementation results of the 2025 business plan and the business plan for the current year are summarized as follows:

1. Operating Results for 2025

(1) Implementation Results of the Business Plan

In 2025, the company continued to implement various business initiatives. Through adjustments to the product portfolio, strengthened cost control measures, and improvements in operational efficiency, operating revenue increased compared with the previous year, and gross profit also improved. These results demonstrate that the execution of the company's business plans has gradually begun to yield positive outcomes.

In response to rapid changes in global trade policies and tariff measures, as well as uncertainties such as exchange rate fluctuations, the company continues to adopt a prudent market and product deployment strategy. The company focuses on application areas with high medium- to long-term demand visibility and actively captures growth opportunities driven by increasing demand for high-efficiency power solutions in AI data centers, electric vehicles, and consumer electronics markets.

Overall, in 2025 the company and its subsidiaries recorded consolidated net operating revenue of NTD 3.104 billion, gross profit of NTD 1.16 billion, and net profit after tax of NTD 680 million. Earnings per share (EPS) after tax reached NTD 5.73, all of which were higher than the results in 2024.

(2) Budget Execution

The company and its subsidiaries did not issue any external financial forecasts for 2025.

(3) Analysis of Financial Income and Expenditures and Profitability

In Thousands of New Taiwan Dollars

Item		2025
Financial income and expenditure	Operating revenues	3,104,313
	Gross profit from operations	1,160,548
	Net profit	680,080
	Net profit attributable to owners of the parent	678,956
Profitability	Return on assets (%)	10.57
	Return on equity (%)	11.79
	Pre-tax income as a % of paid-in capital	70.41
	Net income margin (%)	21.91
	Earnings per share (NT\$)	5.73

(4) Research and Development Status

For high-voltage Power MOSFETs, the company has carried out process optimization to improve EMI performance in power supply applications and has completed the development of the fourth-generation 600V/650V high-voltage process technology platform. In addition, the company has introduced third-generation semiconductor GaN technology. This year, development mainly focuses on the 650V/700V/900V D-mode platform, while the key focus for SiC MOSFETs is on the 750V/1200V platform.

At the same time, in response to the high-performance thermal management requirements of AI servers, data centers, next-generation gaming consoles, and basic communication equipment, the company has developed a series of 30V–200V N-channel and P-channel Power MOSFET products. These products are designed for applications such as high-speed DC fans and high-flow pumps used in liquid cooling systems, and are tailored to meet the requirements of different design architectures, thereby providing customers with comprehensive solutions.

2. Summary of the 2026 Business Plan

(1) Business Strategy

To capture long-term growth momentum while reducing the impact of short-term economic fluctuations, the company will not only continue to optimize its product portfolio but also actively expand into application markets with strong growth potential. These include AI data center cooling applications, industrial automation and variable frequency drives, and automotive electrification, with the aim of gradually increasing the revenue contribution from high-margin and high-technology-barrier products.

At the same time, the company will continue to strengthen its collaboration with major customers by participating in product platform specification discussions and providing technical support and application solutions, thereby reinforcing long-term partnership foundations. In terms of supply chain management, the company maintains diversified sourcing and backup mechanisms for key materials and processes, while strengthening quality management and change control procedures to reduce operational risks and ensure a stable supply.

(2) Expected Sales Volume and Basis

The company and its subsidiaries are primarily engaged in the research, development, production, testing, and sales of power semiconductor Power MOSFETs. These products are widely used in various electrical and electronic systems, including automotive, consumer electronics, and industrial automation applications, such as personal computers, switching power supplies, cooling fans, motor drives, and battery management systems. Based on market demand and business development plans, the company and its subsidiaries expect the annual sales volume in 2026 to reach approximately 1.447 billion units.

(3) Key Production and Sales Policies

The company plans its capacity allocation and inventory levels based on market demand visibility and customer order conditions, with the primary objective of maintaining stable supply and flexible delivery schedules. In terms of sales strategy, the company focuses on key customers and major application markets. Taking into account the characteristics of different regional markets, the company adopts a parallel approach of direct supply and distribution channels in order to diversify market concentration risks.

In view of the continuing uncertainties in the international trade environment—including the impact of U.S. tariff policies on raw material costs, cross-border logistics arrangements, and certain customers' procurement decisions—the company will continue to closely monitor changes in trade policies and regulations across different countries. The company will also mitigate potential impacts on overall operations by adjusting sourcing strategies, flexibly arranging production and shipment locations, and negotiating pricing and delivery terms with customers. In addition, with respect to supply chain management, the company maintains diversified sourcing and backup mechanisms for key materials and processes, while continuously strengthening quality management and change control procedures. These measures are intended to respond to changes in the external environment and ensure stable production and sales operations.

At the same time, through diversified collaboration with the company's major shareholders, Foxconn Group and Yageo Group, in areas such as product design, process optimization, and sales channels, the company will further establish a comprehensive semiconductor industry chain and expand the depth and breadth of its sales network. This will enhance the company's operational scale and market competitiveness, thereby continuing to drive overall business growth.

(4) Future Development Strategies and the Impact of External Competitive Environment, Regulatory Environment, and Overall Economic Conditions

As major global semiconductor manufacturers continue to expand their investments in the power device sector, market competition is becoming increasingly intense, with rising price pressures and higher technological barriers. The company will continue to maintain its competitiveness through product differentiation, process optimization, and long-term collaboration with key customers. At the same time, in response to the broader business environment, factors such as global economic cycles, geopolitical developments, exchange rate fluctuations, and supply chain changes may affect industry demand and the company's operations. The company will adopt prudent capital expenditure and production and sales planning strategies, while strengthening supply chain management and risk control mechanisms to respond to changes in the external environment and to maintain stable operations and long-term development.

Finally, we would like to express our sincere gratitude to all shareholders for your long-standing support and encouragement. On behalf of Advanced Power Electronic Co., Ltd., we extend our deepest appreciation to all shareholders.

Wishing you all good health and every success.

Chairman	Tie-Min Chen
Manager	Chia-Shuai Chang
Chief Accounting Officer	Mei-Ying Tan

2. Corporate Governance Report

1. Directors, President, Vice Presidents, Senior Directors and Department Heads
2. 2025 Compensation of Directors, President, Vice Presidents, and Other Management Officers
3. Corporate Governance
4. Certified Public Accountant (CPA) Professional Fees
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6. Audit Independence for the Most Recent Year
7. Shareholding Changes of Directors, Management, and Major Shareholders with Shareholding of 10% and More for the Most Recent Year and up to the Publication Date of this Annual Report
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Corporate Governance Report

1. Directors, President, Vice Presidents, Senior Directors and Department Heads

1.1 Directors

(1). Director Profile

Title	Nationality/Country of Origin	Name	Gender /Age	Date Elected	Term (Years)	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement	
							Shares	%	Shares	%	Shares	%	Shares	%
Chairman	R.O.C.	Tie-Min Chen	Male/61~70	May 18, 2023	3	May 18, 2023	-	-	-	-	-	-	-	-
Vice Chairman	R.O.C.	Future Technology Consulting, Inc.	-	May 18, 2023	3	June 8, 2000	3,084,899	2.60	3,169,899	2.67	-	-	-	-
	R.O.C.	Representative: Fu-Chi Teng	Male/61~70	May 18, 2023	3	June 8, 2000	-	-	2,199,694	1.85	-	-	-	-
Director	R.O.C.	XSemi Corporation	-	May 18, 2023	3	May 18, 2023	35,000,000	29.49	35,000,000	29.44	-	-	-	-
	R.O.C.	Representative: Chia-Shuai Chang	Male/51~60	May 18, 2023	3	May 18, 2023	-	-	-	-	-	-	-	-

As of March 29, 2026

Main working (education) experience	Concurrent positions in the Company and other companies	Officer or director is a spouse or consanguineous within two degree			Remark
		Title	Name	Relation	
Honorary Doctorate of Engineering, National Cheng Kung University Honorary Doctorate of Management, National Sun Yat-sen University Bachelor degree of Engineering Science, National Cheng Kung University President of Yageo Group	Founder and Chairman of YAGEO Corporation Chairman of Tong Hsing Electronic Ind., Ltd. Chairman of XSEMI Corporation Chairman of Kuo-Shin Investment Co., Ltd. Vice Chairman of uPI semiconductor corp. Chairman of TMC Family Heritage	—	—	—	—
—	—	—	—	—	—
Executives Program, Graduate School of Business Administration, National Chengchi University Chairman of Advanced Power Electronics Co., Ltd. Chairman of Tainet Communication System Corp.	Chief Operating Officer of Advanced Power Electronics Co., Ltd. Chairman of Future Technology Consulting, Inc. Representative of Juridical person director, Tainet Communication System Corp. Representative of juridical person director, Future Technology Consulting (B.V.I.), Inc. Representative of juridical person director, Perfect Prime Ltd. (SAMOA) Representative of juridical person chairman, Green Power Semiconductor Co., Ltd. President and Representative of juridical person director, OPC Microelectronics Co., Ltd. Representative of juridical person director, Fuhong Investment Co., Ltd. Independent Director of Technology Unlimited Corp. Director of Data Image Corporation Independent Director of Caswell, Inc. Representative of juridical person chairman, St. John's star Venture Capital Co., Ltd. Director of Nccu Star Venture Capital Co., Ltd. Director of Ntust Star Venture Capital Co., Ltd. Representative of juridical person chairman of Chengchi of Star Venture Capital Co., Ltd.	—	—	—	—
—	—	—	—	—	—
Doctor degree in Physics of National Tsing Hua University President of Tong Hsing Electronic Industries, Ltd. Vice President of Impac Technology Co., Ltd. Manager of R&D Department of Walsin Thz Technology Corp. Manager of Electronic and Optoelectronic System Research Laboratories, ITRI. President of Kingpak Technology INC.	President of Advanced Power Electronics Co., Ltd. President and Representative of juridical person chairman of XSEMI Corporation Representative Director of Advanced Power Electronics Japan Co., Ltd.	—	—	—	—

Title	Nationality/Co untry of Origin	Name	Gender /Age	Date Elected	Term (Years)	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement	
							Shares	%	Shares	%	Shares	%	Shares	%
Director	R.O.C.	Ying-Shi Huang	Male/ 51-60	May 18, 2023	3	May 18, 2023	-	-	-	-	-	-	-	-
Independent Director	R.O.C.	Pao-Shi Sheng	Male/ 51-60	May 18, 2023	3	May 18, 2023	-	-	-	-	-	-	-	-

As of March 29, 2026

Main working (education) experience	Concurrent positions in the Company and other companies	Officer or director is a spouse or consanguineous within two degree			Remark
		Title	Name	Relation	
Master degree in Accounting of National Chung Cheng University Bachelor degree in Accounting of Tunghai University Senior Director of Hon Hai Precision Industry Co., Ltd. Director of Hewlett-Packard Development Company, L.P. Director of Systex Corporation Senior Director of EY Transaction Advisory Services Inc.	Chairman of Healthconn Corp. Chairman of Altus Technology Inc. Chairman of Socle Technology Corp. Chairman of Foxconn New energy Automobile Industry Development (Henan) Co., Ltd. Chairman of SolidEdge Solution Inc. Chairman of FARBOT TECH INC. Chairman of FAROBOT INC. Chairman of GENCONN BIOTECH CO., LTD. Chairman of HORIZON PLUS Co., Ltd. Chairman of OMNIGUIDER INC. Chairman of HONG-QI MECHATRONICS (ANHUI) CO., LTD. Chairman of BIG INNOVATION COMPANY LTD. Chairman of FIH CO., LTD. Chairman of Intellex Works Co., LTD. Chairman of PowerX Semiconductor Corporation Director of ShunSin Technology Holdings Limited Director of Foxtron Vehicle Technologies Co., Ltd. Director of Pan-International Industrial Corp. Director of LONG TIME TECH. CO., LTD. Director of Linker Vision Co., Ltd. Director of iCana Ltd. Director of XSemi Corporation. Director of Batt. Cycle Materials Co., Ltd. Director of Beijing Hengyu Electric Vehicle Rental Co., Ltd. Director of FOXCONN INNOVATION INDUSTRY DEVELOPMENT GROUP CO.,Ltd. Director of Foxconn New Energy Battery (Zhengzhou) Co., Ltd. Director of Hon Young Semiconductor Corporation. Director of Qingdao New Core Technology Co., Ltd. Director of Pollux Technologies, Inc. Director of Foxconn EV Netherlands Holdings. Director of Foxconn EV Technology Inc. Director of MIH Consortium. Director of TAISIC MATERIALS CORP. Director of Foxconn Fukuyama Technologies Co., Ltd. (FFT) Director of MEMS CORE CO. LTD. Director of Indigo Technologies Inc.	—	—	—	—
Bachelor degree of Economics, University of California, Berkeley General Manager, Hoan Pharmaceuticals Ltd.	Chairman of Union Chemical & Pharmaceutical Co., Ltd. Chairman of Zhuoya Co., Ltd. Chairman of Rui Bao Xin Investment Co., Ltd. Chairman of Baolei Management Consulting CO., LTD. Chairman of Yisheng Co., Ltd. Chairman of TANVEX BIOLOGICS CORPORATION. Chairman of Baolei Co., Ltd. Chairman of Bora Management Consulting Co., Ltd. Chengyuan Co., Ltd. Chairman of Jia Xi International Co., Ltd. Chairman of Bao En International Co., Ltd. Chairman of Baolei International CO., LTD. Chairman of TWi Pharmaceuticals, Inc. Chairman of Synpac-kingdom pharmaceutical Co., Ltd. Legal Representative of Wonders company Ltd. Chairman of Bora Pharmaceutical and Consumer Health Inc. Chairman of Bora Health Co., Ltd. Chairman and General Manager of Bora Pharmaceutical Co., Ltd. Director of LIBO PHARMA CORP. Chairman of Sunway Biotech Co., Ltd. Director of Jesper Co., Ltd. Chairman of Bora Pharmaceutical and Consumer Health Inc. Director of Wellpool Co., Ltd. Independent Director, GAMANIA DIGITAL ENTERTAINMENT CO., LTD Director of BIONET Therapeutics Corp.	—	—	—	—

Title	Nationality/Country of Origin	Name	Gender /Age	Date Elected	Term (Years)	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement	
							Shares	%	Shares	%	Shares	%	Shares	%
Independent Director	R.O.C.	Nai-Jen Yeh	Male/ 61~70	May 18, 2023	3	May 18, 2023	—	—	—	—	—	—	—	—
Independent Director	R.O.C.	Chien-Wei Chen	Male/ 61~70	May 18, 2023	3	May 18, 2023	—	—	—	—	2,000	0.00	—	—

As of March 31, 2026

Main working (education) experience	Concurrent positions in the Company and other companies	Officer or director is a spouse or consanguineous within two degree			Remark
		Title	Name	Relation	
Bachelor degree in Electrical and Computer Engineering of Tamkang University R&D Vice President, Episil Technologies Inc. R&D Vice President, Miracle Technology Co., Ltd. President of Asia region, Princeton Technology Co., Ltd. Manager of Manufacturing Dept. of United Microelectronics Corp.	—	—	—	—	—
EMBA of Taiwan-Fudan University EMBA of National Taiwan University of Science and Technology Bachelor degree of Industrial Engineering and Management of National Taiwan University of Science and Technology Supervisor of E-Elements Technology Co. Ltd. Director of Ennoconn Corporation Committee Member of Compensation of Chaintech Technology Corporation	President of Technology Unlimited Group Chairman of Technology Created Medicine Corporation Chairman of IOTU CORPORATION Chairman of Sparkle Computer Co., Ltd. Representative of juridical person director of Rigo Global Co., Ltd. Independent Director, Aewin Technologies Co., Ltd. Director of Uwin Resource Regeneration Inc. Director of ALCOR MICRO CORP. Director of EGIS TECHNOLOGY INC. Director of Taiwan Star Venture Investment Co., Ltd Independent Director, Inmax Holding Co., Ltd.	—	—	—	—

Table 1: Major Shareholders of APEC's Institutional Shareholders

As of March 31, 2026

Name of Institutional Shareholders	Major Shareholders of the Institutional Shareholders	Percentage
XSemi Corporation	Baoxin International Investment Co., Ltd.	45.00%
	YAGEO Corporation	35.00%
	Kuo-Shin Investment Co., Ltd.	15.00%
Future Technology Consulting, Inc.	Fu-Chi Teng	76.36%
	Wei-Ling Hsieh	13.03%
	Wei-Chuan Hsieh	7.58%
	Yu-Hui Feng	3.03%

Table 2: Major shareholders of the Company's major institutional shareholders

Name of Institutional Shareholders	Major Shareholders	Ownership
Yageo Corporation (Note)	TMC Family Heritage Representative: Tie-Min Chen	5.63%
	CTBC BANK CO., LTD IN CUSTODY FOR Dominant Investment Holdings Ltd.	4.85%
	CTBC Bank Co., Ltd., acting as custodian for the investment account of Quanri Company Limited.	4.83%
	MEGA INTERNATIONAL COMMERCIAL BANK CO., LTD. ACTING AS CUSTODAIN FOR THE INVESTMENT ACCOUNT OF WHOLLY GROUP JAPAN III LIMITED	4.69%
	Nanshan Life Insurance Co., Ltd. Representative: Chong-Yao Yin	1.82%
	Chunghwa Post Co., Ltd. Representative: Kuo-Tsai Wang	1.54%
	Standard Chartered Bank (Operating Department), as custodian entrusted by Vanguard Star Funds Company for its series fund, Vanguard Total International Stock Index Fund - investment custody account.	1.30%
	Labor Pension Fund (The New Fund)	1.22%
	Deutsche Bank AG, Taipei Branch, acting as custodian for the investment account of St. James's Place Emerging Markets Equity Unit Trust, for which NatWest Trustee and Depositary Services Limited serves as trustee and ARGA Investment Management LP acts as the external investment manager.	1.20%
	TIE MIN CHUAN CHENG CO., Ltd. Representative: Tie-Min Chen	1.18%
Bon Shin International Investments Co., Ltd.	HON HAI PRECISION INDUSTRY CO., LTD.	100.00%
Kuo Shin Investment Co, Ltd.	Yageo Corporation	100.00%

Note: As of the printing date of the annual report, the information of the top ten shareholders in 2026 has not been announced. The shareholding base date for this information is March 31, 2025.

(2). Qualifications and independence criteria of directors

A. Professional qualifications and experience of directors

Name	Professional Qualification and Experience
Chairman Tie-Min Chen	Graduated from the Engineering Science of National Cheng Kung University and was awarded an Honorary Doctorate of Management from National Sun Yat-sen University and Honorary Doctorate of Engineering from National Cheng Kung University. He is the founder of Yageo Corporation and currently serves as the Chairman of Yageo Corporation, Tong Hsing Electronic Industries, Ltd, XSEMI Corporation, Kuo-Shin Investment Co., Ltd., and Vice Chairman of uPI semiconductor Corp.. He also having achieved outstanding success in corporate management and possessing profound expertise in the field of passive component technology, with a particular focus on financial strategy planning and other business experiences essential for companies.
Vice Chairman Fu-Chi Teng	Graduated from the Executives Program, Graduate School of Business Administration of National Chengchi University. He is the vice chairman and chief strategy officer of the Company, the Chairman of Future Technology Consulting, Inc. and representative of juridical person director of listed companies. He has more than five years of business and financial experience. And the work experience required for the Company's business, dedicated to the semiconductor industry for nearly 25 years, with professional leadership, marketing, operation management and strategic planning capabilities, leading the Company to become an industry leader and a sustainable business.
Director Chia-Shuai Chang	Graduated with a Ph.D. in Physics at National Tsing Hua University, currently serving as the General Manager of our Company and XSEMI Corporation, as well as the legal representative director of XSEMI Corporation. Possessing outstanding academic background and accumulated years of practical experience in industrial management, bringing valuable leadership skills to the Company.
Director Ying-Shi Huang	Graduated with a Master degree at the Accounting at National Chung Cheng University, currently serving as the Senior Executive of Hon Hai Precision Industry Co., Ltd., and Chairman of several affiliated companies including Altus Technology Inc., Socle Technology Corp., Healthconn Corp., FAROBOT INC., and several others. Also holding positions as a director in XSEMI Corporation, Foxtron Vehicle Technologies Co., Ltd., Pan-International Industrial Corp., ShunSin Technology Holdings Limited, and other companies. Possessing diverse industry management experience and professional background in finance and accounting, bringing valuable business expertise to the Company.
Independent Director Pao-Shi Sheng	Graduated with a Bachelor degree of Economics at the University of California, Berkeley, serving as the convener of the Audit Committee of our Company, and also as a member of the Compensation Committee and the Nomination Committee. Currently serving as the Chairman and General Manager of Bora Pharmaceuticals Co., Ltd., and Chairman of Sunway Biotech Co., Ltd., as well as Chairman of several other companies. Also serving as a director of Wellpool Co., Ltd. and as an independent director of Gamania Digital Entertainment Co., Ltd.. Possessing impressive expertise in capital market mergers and acquisitions and operational performance, providing valuable business experience to the Company.
Independent Director	Graduated with a Bachelor degree of Electronic Engineering at Tamkang University, serving as the convener of the Compensation Committee of our Company, and also as a member of

Name	Professional Qualification and Experience
Nai-Jen Yeh	the Audit Committee and the Nomination Committee. Previously held positions as the General Manager for the Asia region, Princeton Technology Co., Ltd., R&D Vice President, Episil Technologies Inc., R&D Vice President of Miracle Technology Co., Ltd., and Manager of Manufacturing Dept. of United Microelectronics Corp. Possessing professional capabilities in business management and technical research and development, bringing valuable work experience to the Company.
Independent Director Chien-Wei Chen	Graduated from the EMBA of Taiwan-Fudan University and EMBA of National Taiwan University. Serving as the convener of the Nomination Committee of our company, and also as a member of the Audit Committee and the Compensation Committee. Currently serving as resident of Technology Unlimited Group, and an independent director of Aewin Technologies Co., Ltd.. Also holding positions as Chairman and director in other companies. Possessing professional expertise in operational management and strategic leadership planning, providing specialized business experience to the Company.

B. Independence criteria of directors

Name	Independence Criteria	Number of Other Public Companies in which the Individual is Concurrently Serving as an Independent Director
Chairman Tie-Min Chen	Not in contravention of Article 30 of the Company Act.	0
Vice Chairman Fu-Chi Teng	Not in contravention of Article 30 of the Company Act.	2
Director Chia-Shuai Chang	Not in contravention of Article 30 of the Company Act.	0
Director Ying-Shi Huang	Not in contravention of Article 30 of the Company Act.	0
Independent Director Pao-Shi Sheng	The directors have been met the following independence criteria during the two years prior to being elected or during the term of the office. 1: Not an employee of the Company or its affiliates. 2: Not a director or supervisor of the Company or any of its affiliates. This does not apply in cases where the person is an independent director of the Company, its parent company, or any subsidiary in which the Company holds, directly or indirectly, more than 50% of the voting shares. 3: Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of issued shares of the Company or ranking in the top 10 in shareholdings.	1
Independent Director Nai-Jen Yeh	4: Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons in the preceding specified in criteria 1 to 3. 5: Neither a director, supervisor, or employee of an entity that directly and/or indirectly holds 5% or more of total number of issued shares of the Company, or rank among the top 5 shareholdings. 6: Not a director, supervisor, officer, or shareholder holding 5% or more of the outstanding shares of any entity that has financial or business relations with the Company.	0
Independent Director Chien-Wei Chen	7: Not a director, supervisor, or employee of a company or institution of which the chairman, president (or equivalent) himself/herself or his/her spouse also serves as the company's chairman, president (or equivalent). 8: Not a director, supervisor, manager, or shareholder owning more than 5% of the outstanding shares of any company that has financial or business relations with the Company. 9: Not a professional, owner, partner, director or supervisor, or officer of a sole proprietorship, partnership, company, or institution that provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past two years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the	2

Name	Independence Criteria	Number of Other Public Companies in which the Individual is Concurrently Serving as an Independent Director
	remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations. 10: Not a spouse or relative within second degree by affinity to other directors. 11: Not in contravention of Article 30 of the Company Act. 12: Not an institutional shareholder or its representative pursuant to Article 27 of the Company Act.	

(3). Implementation of Board Diversity

According to Article 20 of the company's Corporate Governance Best Practice Principles, the member diversity shall be taken into account for the composition of the board of directors, and appropriate diversification policy shall be formulated based on the company's operations, operation mode and development needs. The members of the board of directors shall possess the necessary knowledge, skills and quality to perform their duties. To achieve the goal of corporate governance, the board directors shall possess the following:

- A. Ability to make operational judgments
- B. Ability to perform accounting and financial analysis
- C. Ability to conduct management administration
- D. Ability to conduct crisis management
- E. Industry knowledge
- F. A global market perspective
- G. Ability to lead
- H. Ability to make policy decisions

The board of directors for this term is composed of seven directors. including three independent directors, 29% of the directors were employees, independent directors account for 43% of the composition, all independent directors have served for under three years. The board's age distribution three directors are under 60, and four are aged between 61 and 70. Their qualifications meet the independence requirements stipulated in the law, and they are familiar with the Company's financial and operating conditions. The Company also values gender equality in the composition of the board of directors, ensuring that at least one member is of a different gender. In the future, the Company will continue to strive to increase the proportion of female directors. The implementation is as follows:

Name	Title	Gender	Age		Term		Employees	Top five core competencies							
			51-60 years old	61-70 years old	Less than 3 years	3-9 years		More than 9 years	Finance	Electronic technology	Manufacturing	Business	Accounting	Information Technology	Marketing
Tie-Min Chen	Chairman	Male		✓				✓	✓	✓	✓		✓	✓	✓
Fu-Chi Teng	Vice Chairman	Male		✓			✓	✓	✓	✓	✓		✓	✓	✓

Name	Title	Gender	Age		Term		Employees	Top five core competencies							
			51-60 years old	61-70 years old	Less than 3 years	3-9 years		More than 9 years	Finance	Electronic technology	Manufacturing	Business	Accounting	Information Technology	Marketing
Chia-Shuai Chang	Director	Male	✓					✓	✓	✓	✓		✓	✓	✓
Ying-Shi Huang	Director	Male	✓					✓			✓	✓			✓
Pao-Shi Sheng	Independent Director	Male	✓		✓			✓			✓				✓
Nai-Jen Yeh	Independent Director	Male		✓	✓				✓		✓				✓
Chien-Wei Chen	Independent Director	Male		✓	✓				✓		✓				✓

Execution status and goal of diversified board of directors

Management goals	Execution status
The director who is also an employee should not exceed one-third of the number of directors	Achieved
Independent directors shall serve no more than three consecutive terms	Achieved
More than half of the directors are not a spouse or relative within second degree by affinity to other directors.	Achieved
If either gender holds less than one-third of the board seats	The slate of female director candidates was formally nominated at the 2026 shareholders' meeting.

(4). Independence of the Board of Directors

The board of directors of the Company shall direct company strategies, supervise the management, and be responsible to the Company and its shareholders. The operations and arrangements of its corporate governance system shall be able to ensure that, in exercising its authority, the board of directors complies with the laws, regulations, its Articles of Incorporation, and the resolutions of its shareholders' meetings. The Company has three independent directors, which is in accordance with the Articles of Incorporation, the Company shall have independent directors for not less than two in number and not less than one-fifth of the total number of directors. The independent directors of the Company, when carrying out their duties, shall maintain independence and may not have any direct or indirect interest with the Company; their professional qualifications, shareholding, and restrictions on holding concurrent positions as well as determination of independence, method of nomination is complied with the Securities Exchange Act, Regulations Governing Appointment of Independent Directors and Compliance

Matters for Public Companies and other regulations and rules set forth by the Taiwan Stock Exchange Corporation.

The Company established an audit committee composed of the entire independent directors. The main function of the Audit Committee is to supervise the effective implementation of the internal control system of the Company, the hiring (and dismissal), independence and suitability of the Company's CPA, fair presentation of the financial reports of the Company, Compliance with relevant laws and regulations by the Company and Risk management and control mechanism of the Company.

Unless the competent authority otherwise grants an approval, a spousal relationship or a familial relationship within a second-degree of kinship may not exist among more than half of the directors of the Company.

All directors do not have any in contravention of Article 30 of the Company Act and all directors do not have a spouse or relative within the second degree of relationship, which meets the requirements of Items 3 and 4 of Article 26-3 of the Securities and Exchange Act.

1.2 Profiles of President, Vice Presidents, Directors and Department Heads

Title	Nationality	Name	Gender	Effective Date	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement	
					Shares	%	Shares	%	Shares	%
Vice Chairman & CSO	R.O.C.	Fu-Chi Teng	Male	Jan.11, 2022	2,199,694	1.85	—	—	—	—
President	R.O.C.	Chia-Shuai Chang	Male	Nov. 1, 2023	0	0.00	0	0.00	—	—
Vice President of Finance & HR Administration Division & Corporate Governance Officer	R.O.C.	Mei-Ying Tan	Female	Nov. 1, 2000	151,611	0.13	—	—	—	—
Vice President of Sales Division	R.O.C.	Chien-Hsueh Lin	Male	Jan. 1, 2021	160,000	0.13	—	—	—	—
Director of R&D Division (Note 1)	R.O.C.	Yen-Yuan Huang	Male	April 18, 2024	—	—	—	—	—	—

Note 1: Resigned due to retirement on October 15, 2025. Insiders will not disclose shareholding from the resignation date.

Main working (education) experience	Concurrent positions in the Company and other companies	Officers who are Spouses or within Two Degrees of Kinship			Remarks
		Title	Name	Relation	
Executives Program, Graduate School of Business Administration, National Chengchi University Chairman of Advanced Power Electronics Co., Ltd. Chairman of Tainet Communication System Corp.	Chief Operating Officer of Advanced Power Electronics Co., Ltd. Chairman of Future Technology Consulting, Inc. Representative of Juridical person director, Tainet Communication System Corp. Representative of juridical person director, Future Technology Consulting (B.V.I.), Inc. Representative of juridical person director, Perfect Prime Ltd. (SAMOA) Representative of juridical person chairman and general manager, Green Power Semiconductor Co., Ltd. President and Representative of juridical person director, OPC Microelectronics Co., Ltd. Representative of juridical person director, Fuhong Investment Co., Ltd. Independent Director of Technology Unlimited Corp. Director of Data Image Corporation Independent Director of Caswell, Inc. Representative of juridical person chairman, St. John's star Venture Capital Co., Ltd. Director of Nccu Star Venture Capital Co., Ltd. Director of Ntust Star Venture Capital Co., Ltd. Representative of juridical person chairman of Chengchi of Star Venture Capital Co., Ltd.	—	—	—	—
Doctor degree in Physics of National Tsing Hua University President of Tong Hsing Electronic Industries, Ltd. Vice President of Impac Technology Co., Ltd. Manager of R&D Department of Walsin Thz Technology Corp. Manager of Electronic and Optoelectronic System Research Laboratories, ITRI. President of Kingpak Technology INC.	President and Representative of juridical person chairman of Xsemi Corporation Representative Director of Advanced Power Electronics Japan Co., Ltd.	—	—	—	—
Master of Laws (LL.M.), School of Law, Soochow University B.A. in Accounting, Tamkang University Senior Auditor, BDO Taiwan	Representative of juridical person director, Seaward Electronics Corp. (Cayman) Representative of juridical person director and general manager, Shenzhen Fucheng Electronics Co., Ltd. Representative of juridical person director, Green Power Semiconductor Co., Ltd. Representative of juridical person director, OPC Microelectronics Co., Ltd. Representative of juridical person chairman, Fuhong Investment Co., Ltd.	—	—	—	—
Master of Dept. of International Business, National Chengchi University Sales Manager of Epson Taiwan Technology & Trading Ltd. Product Director of Silicon Application Corp. Senior Sales Manager of AOS Taiwan	—	—	—	—	—
—	—	—	—	—	—

2. 2025 Compensation of Directors, President, Vice Presidents, and Other Management Officers

2.1 Compensation of Directors (including Independent Directors)

As of December 31, 2025, Unit: NTS' 000

Title	Name	Compensation to Directors								Total Compensation (A+B+C+D) to Net Income (%)	
		Base Compensation (A)		Pension / Severance (B)		Directors Compensation (C) (Notes 1& 2)		Professional Fee (D)			
		Parent-only	Consolidated	Parent-only	Consolidated	Parent-only	Consolidated	Parent-only	Consolidated	Parent-only	Consolidated
Chairman	Tie-Min Chen	0	0	0	0	10,229	10,229	25	25	10,254 (1.51%)	10,254 (1.51%)
Vice Chairman	Fu-Chi Teng Future Technology Consulting, Inc. Representative:	0	0	0	0	6,820	6,820	30	34	6,850 (1.01%)	6,854 (1.01%)
Director	Chia-Shuai Chang XSemi Corporation Representative	0	0	0	0	3,410	3,410	30	30	3,440 (0.51%)	3,440 (0.51%)
Director	Ying-Shi Huang	0	0	0	0	3,410	3,410	25	25	3,435 (0.51%)	3,435 (0.51%)
Independent Director	Pao-Shi Sheng	1,100	1,100	0	0	0	0	0	0	1,100 (0.16%)	1,100 (0.16%)
Independent Director	Nai-Jen Yeh	1,100	1,100	0	0	0	0	5	5	1,105 (0.16%)	1,105 (0.16%)
Independent Director	Chien-Wei Chen	1,100	1,100	0	0	0	0	0	0	1,100 (0.16%)	1,100 (0.16%)

Note 1: As of the publication date of the annual report, NT\$23,868 thousand and \$42,380 thousand are set aside for employees' and directors' compensations for 2025 according to the resolution of the Board of Directors. It was calculated used last year's actual allocation ratio.

Note 2: According to the Company's Articles of Incorporation, directors' remuneration is determined based on their duties, risks and involvement. The remuneration of the Company's directors shall fully reflect individual performance and the Company's long-term operating performance, while taking into comprehensive consideration the Company's operational risks. Reasonable remuneration levels that differ from those of non-independent directors may be determined for independent directors. The Remuneration Committee reviews the compensation mechanism periodically.

Note 3: In addition to the above table, remuneration paid to directors for their services to all consolidated entities (such as consultants who are not employees): None.

As of December 31, 2025, Unit: NTS '000

Compensation as an employee								A+B+C+D+E+F+G as a % of net profit		Compensation from investees other than subsidiaries
Performance-based salary (E)		Retirement pay of employees (F)		Earnings paid as bonus to employees (G) (Note 1)						
Parent-only	Consolidated	Parent-only	Consolidated	Parent-only		Consolidated		Parent-only	Consolidated	
				Cash bonus	Stock bonus	Cash bonus	Stock bonus			
6,258	6,258	0	0	2,543	0	2,543	0	19,055 (2.81%)	19,055 (2.81%)	None
7,711	7,711	108	108	2,543	0	2,543	0	17,212 (2.54%)	17,216 (2.54%)	None
9,140	9,140	108	108	2,543	0	2,543	0	15,231 (2.24%)	15,231 (2.24%)	None
0	0	0	0	0	0	0	0	3,435 (0.51%)	3,435 (0.51%)	None
0	0	0	0	0	0	0	0	1,100 (0.16%)	1,100 (0.16%)	None
0	0	0	0	0	0	0	0	1,105 (0.16%)	1,105 (0.16%)	None
0	0	0	0	0	0	0	0	1,100 (0.16%)	1,100 (0.16%)	None

2.2 Compensation of President and Vice President

As of December 31, 2025, Unit: NT\$'000

Title	Name	Base Compensation (A)		Pension / Severance (B)		Bonuses and Allowances (C)		Employee Compensation (D) (Note 1)				A+B+C+D as a % of net profit		Compensation from investees other than subsidiaries
		Parent-only	Consolidated	Parent-only	Consolidated	Parent-only	Consolidated	Parent-only		Consolidated		Parent-only	Consolidated	
								Cash bonus	Stock bonus	Cash bonus	Stock bonus			
Vice Chairman & CSO	Fu-Chi Teng													
President	Chia-Shuai Chang													
Vice President of Finance & HR Administration Division & Corporate Governance Officer	Mei-Ying Tan	19,259	19,259	540	540	13,266	13,266	10,171	0	10,171	0	43,236 (6.37%)	43,236 (6.37%)	None
Vice President of Sales Division	Chien-Hsueh Lin													
Director of R&D Division (Note 2)	Yen-Yuan Huang													

Note 1: As of the publication date of the annual report, NT\$42,380 thousand is set aside for employees' compensations for 2025 according to the resolution of the Board of Directors. It was calculated used last year's actual allocation ratio.

Note 2: Resigned due to retirement on October 15, 2025. Insiders will not disclose shareholding from the resignation date.

Range of Compensation	Name of President and Vice President	
	Parent-only	Consolidated
Less than NT\$1,000,000	—	—
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	—	—
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	—	—
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	—	—
NT\$ 5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	Chien-Hsueh Lin, Mei-Ying Tan	Chien-Hsueh Lin, Mei-Ying Tan
NT\$10,000,000(inclusive) ~ NT\$15,000,000 (exclusive)	Fu-Chi Teng, Chia-Shuai Chang	Fu-Chi Teng, Chia-Shuai Chang
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	4	4

Note: Director of R&D Division Yen-Yuan Huang resigned due to retirement on October 15, 2025; therefore, no further disclosures are made.

2.3 Manager and employee bonuses

As of December 31, 2025, Unit: NTS'000

	Title	Name	Stock bonus	Cash bonus (Note 1)	Total	As a % of net profit
Manager	Vice Chairman & CSO	Fu-Chi Teng	0	10,171	10,171	1.50
	President	Chia-Shuai Chang				
	Vice President of Finance & HR Administration Division & Corporate Governance Officer	Mei-Ying Tan				
	Vice President of Sales Division	Chien-Hsueh Lin				
	Director of R&D Division (Note 2)	Yen-Yuan Huang				

Note 1: As of the publication date of the annual report, NTS\$42,380 thousand is set aside for employees' compensations for 2025 according to the resolution of the Board of Directors. It was calculated used last year's actual allocation ratio.

Note 2: Resigned due to retirement on October 15, 2025. Insiders will not disclose shareholding from the resignation date.

2.4 Compensation of directors and management executives as a percentage of net income over the past two years and guiding principles

(1). Compensation of directors and management executives as a percentage of net income:

Type	As a % of net income				Ratio Variation	
	2025		2024		Parent-only	Consolidated
	Parent-only	Consolidated	Parent-only	Consolidated		
Directors	4.02%	4.02%	4.46%	4.47%	(0.44%)	(0.45%)
President and Vice President	6.37%	6.37%	6.58%	6.58%	(0.21%)	(0.21%)

(2). Remuneration policies, standards and package:

A. Compensation of directors

a. Directors' (including independent directors) remuneration and compensation

Directors' remuneration and compensation are paid according to Article 22 of the Company's Articles of Incorporation. Compensation paid to directors is pursuant to the ratio specified in the Company's Articles of Incorporation, when the company makes a profit.

b. Transportation allowances

Transportation allowances are paid based on attendance in board meetings and for services rendered as the chairman or a member of the Audit Committee, Remuneration Committee and Nominating Committee.

B. Compensation of President and Vice President

a. Compensation paid to the president and vice presidents comprises a fixed monthly salary, annual bonus and performance bonus.

b. Performance bonuses are determined based on the president's or the vice president's contribution to the Company and the results of an annual performance appraisal. The

above-mentioned bonuses have been proposed by the Remuneration Committee for approval.

(3). Procedures for setting remuneration and performance bonuses:

- A. In accordance with the Company's Articles 22 of Incorporation, the Company should distribute no less than 3% as employees' compensation, of which not less than 5% shall be allocated to remuneration for frontline employees, and not more than 3% as Directors' compensation of the Company's annual net income after deducting losses from previous years.
- B. The above-mentioned Directors' and employees' compensation have been proposed by the Remuneration Committee for approval at the board meeting.
- C. Year-end bonuses are set based on the Company's performance and the annual budget approved by the board and the chairman.

(4). Performance factor:

- A. The performance evaluation of the directors is conducted on an annual basis, based on the "Regulations Governing the Performance Evaluation of the Board of Directors" and the evaluation result is submitted to its Board of Directors the following year for review and improvement, and to serve as a reference for the selection, nomination, and compensation of directors.
- B. Adjustments to the compensation of the President and Vice Presidents are evaluated based on the dimensions and corresponding indicators. All indicators take into account professional competence, the Company's operational and financial performance, continuous learning efforts, and other special contributions, and is linked to both corporate and individual performance as the basis for determining compensation.
- C. The Company shall review the compensation mechanism periodically, taking future operating risks, environmental conservation and corporate social responsibility into consideration.

3. Corporate Governance

3.1 Board of Directors attendance

In 2025, the Board of Directors convened 5 times (A). The following is the attendance of the directors:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Attendance Rate (%) (B/A)	Remarks
Chairman	Tie-Min Chen	4	1	80.00	
Vice Chairman	Future Technology Consulting, Inc. Representative: Fu-Chi Teng	5	0	100.00	
Director	XSemi Corporation Representative: Chia-Shuai Chang	5	0	100.00	
Director	Ying-Shi Huang	4	1	80.00	
Independent Director	Pao-Shi Sheng	2	2	40.00	
Independent Director	Nai-Jen Yeh	5	0	100.00	
Independent Director	Chien-Wei Chen	5	0	100.00	

Other Matters of Importance:

1. If any of the following circumstances occur, it is necessary to specify the dates of the board meetings, sessions, contents of motion, all independent directors' opinions, and the Company's responses:
 - (1) Pursuant to Article 14-3 of the Securities and Exchange Act:
Not applicable. The Company has already established an audit committee.
 - (2) In addition to item (1), other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the board of directors.
None.
2. Any directors' avoidance of motions due to conflict of interest, director name, contents of motion, causes for avoidance, and voting should be specified:
None.
3. Publicly-listed companies should disclose board self-evaluation (or peer-evaluation) information including cycle, period, scope, method, and content, and should fill in the attached Table 1, Information Regarding the Implementation of the Evaluation of the Board of Directors.
4. Measures have been taken to strengthen the functioning of the Board of Directors (e.g. establishment of the Audit Committee, increasing transparency) to assist the board in carrying out its various duties.
 - (1) The board of directors is composed of seven directors. There are three independent directors, accounting for one third of the composition. The Audit Committee and the Compensation Committee, composed entirely of independent directors, assist the Board of Directors in carrying out supervisory tasks. The chairperson of each committee reports on their

committee's operations to the board on a regular basis. In order to enhance the Board's operation and strengthen the management mechanism, the Company established the Nomination Committee consisting of 3 independent directors to implement the sustainable development of the enterprise.

- (2) Committed to upholding operational transparency, the Company holds institutional investor conferences and has set up Chinese/English sections for Investor Relations, Corporate Governance, risk management, ESG sustainable development, supplier management, Corporate Social Responsibility and Stakeholder Engagement on its official website.
- (3) The Company provides its directors and managers with annual liability insurance to cover risks as they carry out their duties and reviews the insurance coverage on an annual basis to make sure the amount and scope are sufficient to the need.
- (4) All the directors of the Company have at least 6 hours of continuing education during the year.
- (5) The Company conducts the board performance evaluation in accordance with the "Regulations Governing the Performance Evaluation of the Board of Directors" once a year, and at least once every three years by an external independent professional institution. The Company completed self-assessments of Board performance in 2025 and reported the results to the Board of Directors at the first meeting in 2026 for review and improvement.

Table 1. Board of Directors' Performance Internal Evaluation Implementation Status

Evaluation Cycles	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Aspects
Conducted Annually	January 1, 2025 ~ December 31, 2025	Board Performance Evaluation	Board Self-Assessment	The Board of Directors are assessed on the following five aspects: 1. Involvement in the Company's operation 2. Enhancement of the quality of the board's decision-making. 3. Makeup and structure of the board. 4. Election of board members and continuing knowledge development. 5. Internal controls
		Individual Board Member Performance Evaluation	Individual Board Member Self-Assessment	The Individual Board of Directors are assessed on the following Six aspects: 1. Understanding of the Company's goals and mission. 2. Awareness of director's duties. 3. Involvement in the Company's operations. 4. Internal relationship and communication. 5. Director's professionalism and continuing knowledge development. 6. Internal controls.
Conducted Annually	January 1, 2025 ~ December 31, 2025	Functional Committee Performance Evaluation	Audit Committee Member Self-Assessment	The Audit Committee Member Self-Assessment on the following five aspects: 1. Involvement in the Company's operation. 2. Awareness of the compensation committee and the audit committee's duties. 3. Enhancement of the quality of the compensation committee and the audit committee's decision-making. 4. Makeup of the compensation committee and the audit committee and election of its members. 5. Internal controls.

Evaluation Cycles	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Aspects
Conducted Annually	January 1, 2025 ~ December 31, 2025	Functional Committee Performance Evaluation	Compensation Committee Member Self-Assessment	The Compensation Committee Member Self-Assessment on the following Four aspects: 1. Involvement in the Company's operation. 2. Awareness of the compensation committee and the audit committee's duties. 3. Enhancement of the quality of the compensation committee and the audit committee's decision-making. 4. Makeup of the compensation committee and the audit committee and election of its members.
			Nominating Committee Member Self-Assessment	The Nominating Committee Member Self-Assessment on the following Four aspects: 1. Involvement in the Company's operation. 2. Awareness of the compensation committee and the audit committee's duties. 3. Enhancement of the quality of the compensation committee and the audit committee's decision-making. 4. Makeup of the compensation committee and the audit committee and election of its members.

The Company completed self-assessments of Board performance in 2025 and reported the results to the Board of Directors at the first meeting in 2026 for review and improvement. The weighted average score for the overall performance of the board of directors is 4.78 out of 5. The weighted average score for the performance of the individual directors is 4.90 out of 5. As demonstrated, the overall board's operation has been effective.

The functional committee performance evaluation resulted in an overall average score of 4.95 out of 5 for the Audit Committee's self-assessment, demonstrating effective corporate governance in enhancing the functionality of the Audit Committee, the Compensation Committee's self-assessment yielded an overall average score of 4.93 out of 5, indicating effective corporate governance in enhancing the functionality of the Compensation Committee, the Nominating Committee's self-assessment resulted in an overall average score of 4.91 out of 5, demonstrating compliance with corporate governance standards and effective enhancement of the Nominating Committee's functionality.

Table 2. Board of Directors' Performance External Evaluation Implementation Status

Evaluation Cycles	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Aspects
Conducted every three years	November 1, 2023 ~ October 31, 2024	Functional Committee Performance Evaluation	Taiwan Investor Relations Institute	The Compensation Committee Member Self-Assessment on the following Four aspects: 1. Involvement in the Company's operation. 2. Awareness of the compensation committee and the audit committee's duties. 3. Enhancement of the quality of the compensation committee and the audit committee's decision-making. 4. Makeup of the compensation committee and the audit committee and election of its members.

According to the Regulations Governing the Performance Evaluation of the Board of Directors approved by the board of directors on November 6, 2000, the Company has engaged the Taiwan Investor Relations Institute to conduct the performance evaluation of the Company's Board of Directors in 2024. The external experts are independent and have no business relationship with the Company.

The results of the performance evaluation of the Board of Directors was satisfactory and reported to the Board of Directors at the first meeting in 2025. The results of the performance evaluation disclosed on the Company's website.

3.2 Audit Committee attendance

The Company has established an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act, which is composed of all independent directors.

(1). Professional Qualification and Experience of Independent Directors:

Please refer to pages 14 to 16 for qualifications and independence criteria of directors.

(2). The scope of duties of Independent Directors

The Audit Committee is responsible for reviewing the following:

- A. Review and discuss the adoption or amendment for the internal control system
- B. The assessment of the effectiveness of the internal control system
- C. Review and discuss the adoption or amendment, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others
- D. Any matter that has a bearing on the personal interest of director
- E. Material asset or derivatives transactions
- F. Material monetary loans, endorsements or guarantees
- G. Offering, issuance or private placement of any equity-type securities
- H. Hiring or dismissal of an attesting CPA, or the compensation given thereto and performance, qualification and independence of CPAs
- I. Appointment or discharge of financial, accounting or internal auditing officers
- J. Financial reports
- K. Review and discuss the matters related to the annual profit distributions
- L. Review and discuss other material matters required by the Company or the competent authorities

In 2025, the 4th convened 4 times (A), The following is the attendance of the directors:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Attendance Rate (%) (B/A)	Remarks
Convener	Pao-Shi Sheng	2	2	50.00	
Member	Nai-Jen Yeh	4	0	100.00	
Member	Chien-Wei Chen	4	0	100.00	

Other Matters of Importance:

1. Any objections or issues raised by the Audit Committee against resolutions passed by the Board of Directors:

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

Dates of Board meetings	Contents of motion	Objections or issues by the Audit Committee	Audit Committee's opinion	Company's response
The 1st meeting of the 4th Audit	Proposal for the Evaluation of Independence and Suitability of the CPAs for Fiscal Year 2024.	None	Approved as proposed	Approved as proposed

Dates of Board meetings	Contents of motion	Objections or issues by the Audit Committee	Audit Committee's opinion	Company's response
Committee in 2025 February 27, 2025	The 2024 financial statement of the Company	None		
	The 2024 earnings distribution of the Company	None		
	The 2024 Internal Control Statement of the Company	None		
The 2nd meeting of the 4th Audit Committee in 2025 April 17, 2025	The Company's consolidated financial report for the first quarter of 2025	None	Approved as proposed	Approved as proposed
The 3rd meeting of the 4th Audit Committee in 2025 July 29, 2025	The Company has changed its certifying CPA.	None	Approved as proposed	Approved as proposed
	Evaluation of the Independence and Suitability of the Company's Certifying CPAs	None		
	The Company's consolidated financial report for the second quarter of 2025	None		
The 4th meeting of the 4th Audit Committee in 2025 October 30, 2025	The Company's consolidated financial report for the third quarter of 2025	None	Approved as proposed	Approved as proposed
	Amendments to the Company's Internal Control System and the Implementation Rules for Internal Audit	None		
	Proposal for Amendments to the Company's Accounting System	None		
	2026 Internal Audit Plan of the Company	None		
	Adoption of the Company's Risk Management Policies and Procedures	None		
	2025 the delegation compensation of CPAs of the Company	None		

(2) In addition to the items listed above, any resolution passed by over two-thirds of the Board of Directors, but not approved by the Audit Committee: None.

2. Any independent directors' avoidance of motions due to conflict of interest: None.

3. Communication between Independent Directors and the Internal Audit Chief Officer and CPAs about major financial/operational matters:

(1). Independent directors and internal auditors communication:

A. Provide audit progress reports to independent directors at least once a year, and reports to independent directors according to the Company's annual audit plans and internal control follow-up procedures.

B. At the end of each month, the head of Internal Audit send the audit and follow-up reports for the preceding month, and reports to independent directors according to the Company's annual audit plans and internal control follow-up procedures. Provide audit progress reports to independent directors at least once a quarter. If material unusual matters occur during the auditing process, the head of Internal Audit will produce a report and submit to the independent directors immediately.

C.If there were abnormal events, independent directors and the internal auditors could communicate when necessary.

The independent directors communicated well with internal audit managers.

(2). Summary of communications between Independent Directors and the Internal Audit Chief Officer:

Date	Attendees	Communication Highlights Summary	Communication Results
November 18, 2025	Independent Director Pao-Shi Sheng Independent Director Nai-Jen Yeh Independent Director Chien-Wei Chen	Emphasis of internal control and trend of internal control	Met with no objections from the independent directors after extensive communication between independent directors and the head of internal auditor.
		Auditor's continuing training report in 2025	
		Head of internal auditor responds to questions raised in the meeting.	

(3). Independent directors and independent auditors (CPA):

A. A part from the once-annually face-to-face corporate governance meetings held by the audit committee and CPA, CPA may use written forms of communication when necessary. The scope of which includes independent auditors' report on the independence of the Company's consolidated financial reports and related responsibilities; audit plans and related matters; major matters relating to the audit (such as adjustment of journal entries and material weaknesses in internal control); findings of the audit report and review of the consolidated financial reports.

B. If there were abnormal events, independent directors and CPA could communicate when necessary.

The independent directors communicated well with CPA.

(4). The major matters of the communications between independent directors and CPA:

Date	Attendees	Communication Highlights Summary	Communication Results
November 18, 2025	Independent Director Pao-Shi Sheng Independent Director Nai-Jen Yeh Independent Director Wen-Ling Liu CPA Chih-Feng Yu CPA, Deloitte & Touche Assistant Vice President Emily Fan Deloitte & Touche Head of internal auditor Hsin-Chien Lee	Report on Audit Planning Matters for 2025	Met with no objections from the independent directors after extensive communication between independent directors and the CPA.
		Assessment of Fraud Matters	
		Introduction of Newly Issued and Soon-to-be-Adopted Standards and Regulations	
		CPA responds to questions raised in the meeting.	

3.3 Corporate Governance Implementation Status and Deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"

Evaluation Criteria	Implementation Status			Reason for Non-implementation
	Yes	No	Explanation	
1. Does the Company establish and disclose the proper corporate governance framework based on the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"?	✓		The Company has established Corporate Governance Best Practice Principles. The Company's principles are available on the Company's official website under "Corporate Governance" and market observation post system (MOPS).	None
2. Shareholding structure & shareholders' rights (1) Has the Company established an internal operating procedure to address shareholders' suggestions, doubts, disputes, and litigation, with proper implementation based on this procedure?	✓		(1) The Company has designated a shareholder service team to handle shareholder suggestions and disputes. Shareholder suggestions, inquiries, disputes, and litigation are handled based on relevant standard operating procedures.	None
(2) Is the Company fully aware of its major shareholders and the ultimate owners of those shares?	✓		(2) The Company reports changes in internal (directors, managers, and shareholders of more than 10% of shares outstanding) shareholding on a monthly basis. The Company's quarterly reports have disclosed the names of shareholders who hold more than 5% equity, the total amount and proportion of the shares they hold, and other relevant information.	None
(3) Does the Company adopt and execute the proper risk management and firewall system within its affiliates?	✓		(3) The Company's internal control system set up the Rules and Procedures on Conducting Transactions between Group Companies and Related Parties and the Rules and Procedures on Monitoring Subsidiaries as risk control mechanisms. Business and financial dealings between the Company and an affiliate are handled by the principles of fairness and reasonableness with documented rules established, and pricing and payment terms are clearly defined to prevent non-arm's-length transactions.	None
(4) Does the Company establish internal rules against insider trading?	✓		(4) The Company has established "Rules and Procedures on insider trading before disclosure", "Rules and Procedures on Handling Internal Material Information" and "Code of Ethics". The Company prevents insider trading by controlling key points in its operations, which prevents Company insiders (employees, managers, and directors) from exploiting non-public information to trade securities. The Company held regular training on preventing insider trading. The Company published "Rules and Procedures on insider trading before	None

Evaluation Criteria	Implementation Status			Reason for Non-implementation
	Yes	No	Explanation	
			<p>disclosure”, strictly prohibiting insiders from insider trading with material nonpublic information to buy and sell securities on the market. The stock trading control measures from the date insiders become aware of the contents of the Company's financial reports or relevant results which include, without limitation, those prohibiting a director from trading its shares during the closed period of 30 days prior to the publication of the annual financial reports and 15 days prior to the publication of the quarterly financial reports. The Company notified all directors by email on October 8, 2025 of the blackout period for the fifth meeting of the 10th Board of Directors in 2025. Prior to the beginning of the blackout period before the announcement of each quarterly financial report in 2026, the Company will send email reminders to avoid any inadvertent violation of the relevant regulations by directors.</p> <p>Implementing of Rules and Procedures in 2025:</p> <p>A.Directors</p> <p>When dismissing directors, the Company provides directors' regulations and publicity manuals, and at any time explain to directors related regulations such as communication insider trading and short-term trading.</p> <p>Every year when planning a director’s training plan, arrange education and publicity courses to prevent insider trading and related laws and regulations. The courses completed in 2025 are available on the Company's official website under "Corporate Governance".</p> <p>B.Managers and employees</p> <p>When the manager takes up the position of insider, the Company provides the relevant laws and regulations on the change of insider’s equity. Provide education and advocacy in a timely manner within three months of employment.</p> <p>The Company held 0.5-hour online training on preventing insider trading for newly employees in 2025. The course includes an introduction and the elements of insider trading, violations, and case study, etc.</p> <p>A total of 28 employees (including managers) passed education and training 2025. The courses completed in 2025 are available on the Company's official website under "Corporate Governance".</p>	

Evaluation Criteria	Implementation Status			Reason for Non-implementation
	Yes	No	Explanation	
3. Board of Directors Composition and Responsibilities (1) Does the Board of Directors develop and implement a policy to promote diversity in the composition of its members	✓		(1) Diversity of board members is stipulated in the Company's Code of Practice for Corporate Governance and fully implemented. For the detail information please also see Page16 " Diversified board of directors".	None
(2) Does the Company voluntarily establish other functional committees in addition to the Compensation Committee and the Audit Committee?	✓		(2) The Company set up Audit Committee, Compensation Committee and Nominate Committee. Other functional committees will be set up depending on future needs.	None
(3) Does the Company establish and implement on an annual basis a set of assessments to measure the performance of the Board of Directors, report the performance evaluation results to the Board to Directors, and use it as a reference for the compensation of the Board of Directors?	✓		(3) The Company conducts the board performance evaluation once a year by questionnaire of self-evaluation. The evaluation scope includes the Board of Directors as a whole, the individual directors, the Compensation Committee, the Audit Committee, and the Nomination Committee. The results of the performance evaluation serve as a key reference for ongoing review and improvement, as well as a foundational basis for the selection and nomination of directors. The evaluation process is conducted through self-assessment questionnaires. The Company completed self-assessments of Board performance in 2025 and reported the results to the Board of Directors at the first meeting in 2026, please refer to page 21 of this Annual Report, "Board of Directors' Performance Internal Evaluation Implementation Status."	None
(4) Does the Company regularly evaluate the independence of its CPAs?	✓		(4) At least once a year, the Company evaluates the independence and suitability of its CPA. The Company also evaluates the accounting firm with regard to its financial interests, funding and guarantees, commercial relations, family and personal relations, employment relations, gifts and special offers rotation of CPAs, and non-audit services, and obtains a statement of independence issued by the accounting firm. The results of the most recent evaluations in the last two years were reviewed and approved to the Board on February 29, 2024, February 27, 2025 and July 29, 2025. The Company will evaluate the independence and suitability of its CPA, in addition to requiring statement of independence issued by the accounting firm, and refer to 13 indicators of audit quality indicators (AQIs), and report the evaluation results to the Board. Please refer to page 38 of this Annual Report, "Table 3: CPAs' independence evaluation items."	None

Evaluation Criteria	Implementation Status			Reason for Non-implementation
	Yes	No	Explanation	
4. Has the Company allocated suitable and sufficient corporate governance staff and appointed a manager of corporate governance responsible for corporate governance matters (including, but not limited to, furnishing information required for business execution by directors, assisting directors in complying with laws and regulations, handling matters related to board and shareholder meetings in accordance with the laws, producing minutes of board and shareholder meetings, etc.)?	✓		The Company's Corporate Governance Officer has been officially approved by the Board of Directors on May 2, 2023, the Company also appoints qualified and appropriate personnel to handle the affairs of the board of directors in accordance to conducted matters relating to of the Audit Committee, the Compensation Committee, and the Nomination Committee the board of directors and the general shareholders meeting, recorded minutes of Board Meetings and Shareholder Meetings, assisted in the matters of director appointment and profession enhancement, provided directors with related information required in conducting business, assist directors in compliance with laws, and regularly conduct performance evaluation pursuant to the rules for "Board of Directors Self-Assessment of Performance".	None
5. Has the Company established a communication channel and designated a website section for its stakeholders (including but not limited to shareholders, employees, customers, and suppliers) as well as to handle all CSR-related issues?	✓		The Company's website has established a dedicated section for CSR, which includes a communication area for stakeholders. This allows us to promptly understand and appropriately respond to sustainability issues that concern stakeholders.	None
6. Does the Company appoint a professional shareholder service agency to handle shareholder meeting affairs?	✓		The Company has engaged the Transfer Agency and Registry Department of Yuanta Securities Co., Ltd. to manage its annual general meeting.	None
7. Information Disclosure (1) Does the Company have a corporate website to disclose all information regarding finances, the business, and corporate governance?	✓		(1) Disclosure of financial-related and corporate governance information is posted periodically on the Company's website.	None
(2) Does the Company have other information disclosure channels (e.g. English website, designated personnel to handle information collection and disclosure, spokesperson system, investor conference webcasts, etc.)?	✓		(2) Aside from having a spokesperson, the Company has a dedicated department, the Investor Relations Division, to handle information disclosure. It also has an English website and a team working on gathering and releasing relevant Company information.	None
(3) Does the Company report its annual financial report within two months after the end of the fiscal year and announce the first, second, and third quarter financial reports and monthly operating updates before the prescribed deadlines?	✓		(3) The Company publishes and files its annual financial reports in accordance with applicable regulations, and publicly announces and files its first, second, and third quarter financial reports as well as monthly operating results within the prescribed deadlines. All such information is disclosed on the MOPS and Our Company website.	None
8. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices? (including but not limited to employee rights, employee care, investor relations, supplier relations, the rights of interested parties, directors and	✓		(1) Employee rights: The Company has always adhered to the belief of labor-management integration, coexistence and co-prosperity, emphasizes rationalized, institutionalized, and humanized management, respects the wishes and needs of employees, and shares benefits in accordance with the principles of labor law. Communicate and	None

Evaluation Criteria	Implementation Status			Reason for Non-implementation
	Yes	No	Explanation	
supervisors, the implementation of risk management policies and risk measurement standards, the implementation of customer policies, and the company Purchase of liability insurance for directors and supervisors, etc.)?			<p>coordinate to establish a good labor-management relationship.</p> <p>(2) Investor relations, Supplier relations and Rights of stakeholder, please refer to the “Sustainability Report” available on the Company’s website.</p> <p>(3) Directors' training record: The directors have relevant professional knowledge and follow the relevant laws and regulations to study securities regulations and other courses, and meet the requirements of the training hours. Please refer to the following Page38 “Table 4: Directors' Continuing Education Records for fiscal year 2025”.</p> <p>(4) Implementation of risk management policies and risk assessments: Please refer to the following “Financial Status, Operating Results and Status of Risk Management”.</p> <p>(5) Implementation of customer relations policies: The Company maintains a stable and good relationship with customers and upholds the customer first policy to create company profits.</p> <p>(6) Insurance for directors: The Company has purchased liability insurance for directors to strengthen the protection of shareholders' rights and interests.</p>	

9. Please explain items that have been already improved and priority measures to reinforce matters haven't been improved, in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange.

The following describes the improvements made by the Company in response to the evaluation recommendations for 2025, compared to 2024:

Item	Indicator	Status of Improvement
Improved	1.2	The Company has established written policies governing financial and business transactions with related parties.
	2.2	The Company has established risk management policies and procedures and reports their implementation to the Board of Directors at least once a year.
	3.20	The Company holds investor conferences at least once per quarter.
	4.4	The Company’s sustainability report discloses relevant ESG information with reference to the SASB Standards.
	4.7	The Company uploads the English version of its sustainability report to the Market Observation Post System (MOPS) and the Company’s official website.
	4.24	The Company’s sustainability report has been submitted to and approved by the Board of Directors.
Priority measures to reinforce	2.6	Plan to ensure that directors of any one gender will account for at least one-third of the seats on the next board of directors.
	4.5	Prepare a Sustainability Report and obtain third-party assurance.
	4.19	Plan to invest in bonds related to sustainable development.

Table 3: CPAs' independence evaluation items

(1) Information of CPA for the Year 2025

Accounting Firm	Name of CPA
Deloitte & Touche	Wen-Ling Liu
	Chih-Feng Yu

(2) The evaluation of the independence and competence of the CPAs

Criteria	Evaluation Results	Independence of the CPAs
1. As of the most recent audit performed, no CPA has been changed for seven (7) consecutive years.	Yes	Yes
2. The CPA is not involved in any significant financial interests with the Company.	Yes	Yes
3. The CPA avoids any improper relationships with the Company.	Yes	Yes
4. The CPA should ensure ethical conduct and independence of his/her assistants.	Yes	Yes
5. The CPA may not perform audit and assurance services on the financial statements of companies he/she has served within two years before CPA practice.	Yes	Yes
6. The CPA may not permit others to practice under his/her name.	Yes	Yes
7. The CPA does not own any shares of the Company or its affiliated companies.	Yes	Yes
8. The CPA does not engage in lending or borrowing of money with the Company and its affiliated companies.	Yes	Yes
9. The CPA and the Company or its affiliated companies are not engaged in any joint investments or profit sharing.	Yes	Yes
10. The CPA does not engage in regular work for the Company or its affiliated companies concurrently and does not receive a fixed salary from them.	Yes	Yes
11. The CPA does not engage in regular work for the Company or its affiliated companies concurrently and does not receive a fixed salary from them.	Yes	Yes
12. The CPA does not concurrently engage in other businesses that may lead to the loss of his/her independence.	Yes	Yes
13. The CPA does not have spouse, lineal relatives by blood or by marriage, or collateral relatives by blood within the second degree of kinship with the management level of the Company.	Yes	Yes
14. The CPA does not receive any commission related to his/her service.	Yes	Yes
15. As of now, the CPA has not engaged in any matters that may result in disciplinary actions taken against him/her or may compromise his/her independence	Yes	Yes

The results of the evaluation of the independence and competence of the CPAs (as shown in the table above) and the detached independence statement were obtained:

All meet the Company's independence and competence assessment standards. The Company also refers to the audit quality index (AQI) and prepares the accountant evaluation and performance evaluation form. The evaluation results meet the independence and suitability evaluation.

Table 4: Directors' Continuing Education Records for the Year 2025

Name	Training Period	Organizer	Course Name	Course Hours
Chairman Tie-Min Chen	October 30, 2025	Taiwan Corporate Governance Association	Defensive and Offensive Measures in Hostile Takeovers and the Legal Responsibilities of Corporate Officers	3
	October 30, 2025	Taiwan Corporate Governance Association	Corporate Group Governance and Performance Management	3
Vice Chairman Fu-Chi Teng	July 9, 2025	Taiwan Stock Exchange Corporation	2025 Cathay Sustainable Finance and Climate Change Summit	6
Director Chia-Shuai Chang	October 30, 2025	Taiwan Corporate Governance Association	Defensive and Offensive Measures in Hostile Takeovers and the Legal Responsibilities of Corporate Officers	3
	October 30, 2025	Taiwan Corporate Governance Association	Corporate Group Governance and Performance Management	3
Director Ying-Shi Huang	January 8, 2025	Taiwan Securities Association	Certificate of Training Corporate Governance Trends and Corporate Sustainability	3
	August 15, 2025	Corporate Operating and Sustainable Development Association	Navigating Challenges & Strategies for Taiwanese Businesses Under the New Trump Administration	3
	August 15, 2025	Corporate Operating and Sustainable Development Association	Corporate Governance and Securities Regulations	3
Independent Director Pao-Shi Sheng	May 5, 2025	Securities and Futures Institute	AI Development and Cybersecurity Risks	3
	November 5, 2025	Taiwan Project Management Association	ESG Investment and Corporate Social Responsibility	3
Independent Director Nai-Jen Yeh	October 30, 2025	Taiwan Corporate Governance Association	Defensive and Offensive Measures in Hostile Takeovers and the Legal Responsibilities of Corporate Officers	3
	October 30, 2025	Taiwan Corporate Governance Association	Corporate Group Governance and Performance Management	3
Independent Director Chien-Wei Chen	July 9, 2025	Taiwan Stock Exchange Corporation	2025 Cathay Sustainable Finance and Climate Change Summit	6

3.4 Compensation Committee and Nominate Committee Composition, Responsibilities and Operations

1. Compensation Committee Composition, Responsibilities and Operations

The Compensation Committee, composed entirely of independent directors, is bound by the Compensation Committee Charter. The committee is responsible for the following:

- A. Establish a policy, system, standard and structure for directors' and managers' compensation and review them periodically.

B. Decide compensation of directors and managers and carry out periodic evaluations.

(1). Compensation Committee Member Profiles

Title	Name	Professional Qualification and Experience	Number of Other Public Companies in which the Individual is Concurrently Serving as Compensation Committee's Member
Independent Director	Nai-Jen Yeh	Please refer to Page 14~16 for "Qualifications and independence criteria of directors"	0
Independent Director	Pao-Shi Sheng		1
Independent Director	Chien-Wei Chen		2

(2). The Compensation Committee Operation

A. The Compensation Committee is currently comprised of 3 members.

B. Current Compensation Committee Member Terms: May 18, 2023, through May 17, 2026;

In 2025, the 6th Compensation Committee convened 2 times (A). The following is the attendance of the directors :

Title	Name	Attendance in Person (B)	Attendance by Proxy	Attendance Rate (%) (B/A)	Remarks
Convener	Nai-Jen Yeh	2	0	100.00	
Member	Pao-Shi Sheng	1	1	50.00	
Member	Chien-Wei Chen	2	0	100.00	

C. Other Matters of Importance:

a. In circumstances where the Board of Directors declines to adopt, or make modifications based on, recommendations from the Compensation Committee: None.

b. In circumstances where resolutions of the Compensation Committee were objected to by members, or members had a reserved opinion, and were recorded or declared in writing: None.

c. Compensation Committee discussions and resolutions:

Dates of Compensation Committee Meetings	Contents of Motion	Resolutions of the Compensation Committee	The Company's Responses to the Compensation Committee's Recommendations
1st meeting of the 6th Compensation Committee in 2025 February 27, 2025	The Company's compensation plan for the newly appointed president of the board	Approved by all members in attendance.	Reported to the Board for review and approval.
	The 2024 earning distribution for compensation to directors and employee		

Dates of Compensation Committee Meetings	Contents of Motion	Resolutions of the Compensation Committee	The Company's Responses to the Compensation Committee's Recommendations
2nd meeting of the 6th Compensation Committee in 2025 July 29, 2025	No matters for discussion.	Approved by all members in attendance.	Reported to the Board for review and approval.

2. Nominate Committee Composition, Responsibilities and Operations

The Company set up Nomination Committee in 2022. There are 3 members in the Company's Nominate Committee. The Committee is composed of three independent directors.

With authorization from the board of directors, the Committee shall exercise the due care of a good administrator to faithfully perform the following duties and shall submit its proposals to the board for discussion. The Committee is responsible for the following:

- A. Laying down the standards of independence and a diversified background covering the expertise, skills, experience, gender, etc. of members of the board, and senior executives, and finding, reviewing, and nominating candidates for directors, and senior executives based on such standards.
- B. Establishing and developing the organizational structure of the board and each committee, and evaluating the performance of the board, each committee, and each director and senior executive and the independence of the independent directors.
- C. Establishing and reviewing on a regular basis programs for director continuing education and the succession plans of directors and senior executives.
- D. Establishing corporate governance guidelines of the Company.

(1). Nominate Committee Member Profiles

Title	Name	Professional Qualification and Experience	Number of Other Public Companies in which the Individual is Concurrently Serving as an Independent Director
Independent Director	Chien-Wei Chen	Please refer to Page 14 ~16 for "Qualifications and independence criteria of directors"	2
Independent Director	Pao-Shi Sheng		1
Independent Director	Nai-Jen Yeh		0

(2). The Nominate Committee Operation

A. The Nominate Committee is currently comprised of 3 members.

B. Current Nominate Committee Member Terms: May 18, 2023, through May 17, 2026;

In 2025, the 2th Compensation Committee convened 2 times (A). The following is the attendance of the directors:

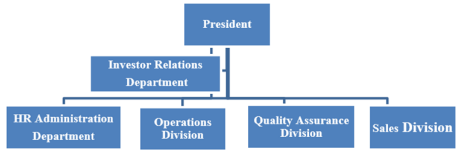
Title	Name	Attendance in Person (B)	Attendance by Proxy	Attendance Rate (%) (B/A)	Remarks
Convener	Chien-Wei Chen	2	0	100.00	
Member	Pao-Shi Sheng	1	1	50.00	
Member	Nai-Jen Yeh	2	0	100.00	

C. Other Matters of Importance:

In circumstances where the Board of Directors declines to adopt, or make modifications based on, recommendations from the Nominate Committee:

Dates of Nominate Committee Meetings	Contents of Motion	Resolutions of the Nominate Committee	The Company's Responses to the Nominate Committee's Recommendations
The 1st meeting of the 2nd Nominate Committee in 2025 February 27, 2025	The Company completed self-assessments of Board performance in 2024	Approved by all members in attendance.	Reported to the Board for review and approval.
	The Company has engaged an external professional institution to evaluate the performance of the Board of Directors.	Approved by all members in attendance.	Reported to the Board for review and approval.
The 2nd meeting of the 2nd Nominate Committee in 2025 October 30, 2025	Proposal for Amendments to the Code of Corporate Governance.	Approved by all members in attendance.	Reported to the Board for review and approval.

3.5 Status of Fulfilling Sustainable Development and Differences and Causes of Sustainable Development Best Practice Principles

Evaluation Criteria	Implementation Status		Reason for Non-implementation
	Yes	No	
1.Has the Company established a ESG unit (full- or part time), with a senior manager authorized by the Board of Directors to handle and report related activities to the Board of Directors?	✓		<p>1. The structure of the Company to promote sustainable development is as following:</p>  <pre> graph TD President[President] --- IRD[Investor Relations Department] IRD --- HRAD[HR Administration Department] IRD --- OD[Operations Division] IRD --- QAD[Quality Assurance Division] IRD --- SD[Sales Division] </pre> <p>2.The implementation status of each organization of the company is as following:</p> <p>(1). The Company established Sustainable Development Unit on January 1, 2022 after reported to the 1st meeting of the 9th board of directors. The President serves as the convener. Starting from 2025, the Human Resources and Administration Department has served as the part-time implementation unit, with the Sustainability Management Specialist responsible for promoting the Company’s sustainability initiatives.</p> <p>(2). The task force consists of six working groups, including the Sustainable Technology Group, Sustainable Supply Chain Group, Sustainable Customer Group, Social Inclusion Group, Sustainable Environment Group, and Risk Governance Group. In addition to aligning with domestic and international sustainability trends and developments in corporate governance regulations, facilitating the effective functioning of the Board of Directors, and ensuring regulatory compliance, the responsibilities of each working group are as follows:</p> <p>Sustainable Technology Group: Responsible for the research and development of green products.</p> <p>Sustainable Supply Chain Group: Responsible for green procurement and ensuring that suppliers fulfill their social responsibilities.</p> <p>Sustainable Customer Group: Responsible for enhancing customer satisfaction and safeguarding customer privacy.</p> <p>Social Inclusion Group: Responsible for promoting a happy workplace and fostering a corporate culture of diversity, equity, and inclusion.</p> <p>Sustainable Environment Group: Responsible for greenhouse gas inventory, promoting energy conservation and carbon reduction, and addressing the physical impacts of climate change.</p>

Evaluation Criteria	Implementation Status			Reason for Non-implementation
	Yes	No	Explanation	
			<p>Risk Governance Group: Responsible for regularly identifying and preventing corporate risks, engaging with stakeholders, and responding to their expectations.</p> <p>3. The Board supervises strategy and implementation of sustainable development, and the Sustainable Development Unit reports the annual implementation priorities and performances, communication results of stakeholders to the Board at least twice per annum. The responsible units reported sustainability governance matters and implementation results to the Board of Directors on February 27, 2025 and April 17, 2025, respectively. The reports covered greenhouse gas inventory results, stakeholder engagement, and the identification of material sustainability topics, with the aim of ensuring that sustainability issues are incorporated into the Company's governance framework and enhancing the Company's sustainable business capabilities.</p>	
2. Does the company follow principles of materiality in evaluating the risks of environmental, social, and corporate governance, and establish relevant policies or strategies	✓		<p>The Company adopts a proactive policy for risk management. In addition to establishing rigorous internal control systems in accordance with applicable laws, our Internal Audit Department conducts both scheduled and unscheduled audits to ensure system implementation and regulatory compliance. Furthermore, the Company has established various functional committees-including Audit Committee, Compensation Committee and Nominating Committee to assist the Board of Directors in risk identification and oversight across compensation policies, financial and internal control systems, and director nominations, thereby strengthening overall governance effectiveness.</p> <p>On an annual basis, the corporate governance unit performs risk identification and assessment across operational, financial, and regulatory compliance dimensions, as well as Environmental, Social, and Governance (ESG) aspects, based on the principle of materiality. Based on the potential impact and likelihood of each risk, the Company formulates corresponding mitigation policies and management mechanisms to effectively minimize the impact of risks on corporate operations.</p> <p>Management Policy:</p>	None

Evaluation Criteria	Implementation Status			Reason for Non-implementation								
	Yes	No	Explanation									
			<table border="1"> <thead> <tr> <th>Risk Categories</th> <th>Management Policy</th> </tr> </thead> <tbody> <tr> <td>Environmental Risk (E)</td> <td> <ul style="list-style-type: none"> The Company conducts annual reviews of international environmental trends and formulates environmental protection strategies based on operational needs, including energy conservation and carbon reduction, resource recycling, and pollution prevention measures. The Company also conducts environmental education and awareness training for employees to enhance their understanding of climate change and strengthen their engagement, thereby supporting the implementation of the annual environmental initiatives. </td> </tr> <tr> <td>Social Risk (S)</td> <td> <ul style="list-style-type: none"> The Company regularly conducts human rights risk assessments for employees to prevent violations of labor regulations and deterioration of labor-management relations. The Company ensures that its labor policies comply with international human rights conventions and local legal requirements. Through labor-management meetings, it communicates with employees on matters such as labor rights, working conditions, and compensation policies, thereby enhancing transparency and promoting harmonious labor relations. </td> </tr> <tr> <td>Governance Risk (G)</td> <td> <ul style="list-style-type: none"> The Board of Directors plans continuing education and governance training based on operational developments and regulatory changes, and provides relevant policy and regulatory information accordingly. The Company continuously strengthens its internal control system to ensure compliance with laws and internal regulations by all personnel. Through various communication mechanisms, it engages in transparent dialogue with stakeholders to foster trust and enhance stakeholder relationships. </td> </tr> </tbody> </table>	Risk Categories	Management Policy	Environmental Risk (E)	<ul style="list-style-type: none"> The Company conducts annual reviews of international environmental trends and formulates environmental protection strategies based on operational needs, including energy conservation and carbon reduction, resource recycling, and pollution prevention measures. The Company also conducts environmental education and awareness training for employees to enhance their understanding of climate change and strengthen their engagement, thereby supporting the implementation of the annual environmental initiatives. 	Social Risk (S)	<ul style="list-style-type: none"> The Company regularly conducts human rights risk assessments for employees to prevent violations of labor regulations and deterioration of labor-management relations. The Company ensures that its labor policies comply with international human rights conventions and local legal requirements. Through labor-management meetings, it communicates with employees on matters such as labor rights, working conditions, and compensation policies, thereby enhancing transparency and promoting harmonious labor relations. 	Governance Risk (G)	<ul style="list-style-type: none"> The Board of Directors plans continuing education and governance training based on operational developments and regulatory changes, and provides relevant policy and regulatory information accordingly. The Company continuously strengthens its internal control system to ensure compliance with laws and internal regulations by all personnel. Through various communication mechanisms, it engages in transparent dialogue with stakeholders to foster trust and enhance stakeholder relationships. 	
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<p>3.Environment</p> <p>(1) Does the Company establish proper environmental management systems in line with its industry characteristics?</p>	✓		<p>The Company is a fabless company. All the production of wafers is outsourced. All the OEMs comply with the requirements of the environmental laws and regulations. The Company established the environmental management system according to ISO-14001 and continues to implement various environmental management systems through third-party certification.</p> <p>The Company obtained ISO-14001 Environmental Management System certification in 2022. Following the environmental management policy of 'Reducing</p>	None								

Evaluation Criteria	Implementation Status			Reason for Non-implementation
	Yes	No	Explanation	
			the Risk of Hazardous Substances' as the main focus, the Company pursues environmentally sustainable operations. The Company have set 'Managing CO2 Emissions', 'Reducing Waste Generation', and 'Green Procurement' as short-to medium-term performance indicators for environmental management. The latest certificate is valid until April 29, 2028.	
(2) Is the Company committed to improving the utilization efficiency of various resources and using recycled materials with a low environmental footprint?	✓		<p>The Company completed a comprehensive transition to energy-saving LED lighting in 2023. This was followed by the launch of the "Daily One-Hour Lunch Break Lights-Off" initiative in 2024 to reduce power consumption for lighting, implement green operations, and bolster energy-saving and carbon-reduction awareness among all employees. To achieve a year-on-year reduction in electricity consumption, we will actively promote the replacement of legacy equipment with high-efficiency alternatives, strengthen energy-saving advocacy, and progressively establish circular economy models to enhance overall energy efficiency.</p> <p>The Company places significant emphasis on the environmental impact of its products, committing to eco-friendly design throughout the product life cycle and to waste reduction. Regarding electronic waste (e-waste), packaging materials, and other accessories generated at the product disposal stage, we strictly adhere to international e-waste recycling regulations. Furthermore, we actively collaborate with recycling partners to transform previously non-recyclable waste into reusable resources. By ensuring sustainable resource circulation, the Company promotes sustainable production, maximizes resource efficiency, and drives resource value-addition, thereby realizing our commitment to a circular economy.</p>	None
(3) Does the Company evaluate the impact of climate change on the Company's current and future potential risks and opportunities, and adopt measures to respond to climate-related issues?	✓		In the annual ISO14001 management review meeting of the Company, relevant departments propose climate change strategies and objectives, countermeasures for managing climate change risks and opportunities, and continuously evaluate the potential risks and opportunities of climate change for the company. The Company continues to promote energy conservation, carbon reduction, Greenhouse gas reduction, reduction of water use and other waste management programs.	None

Evaluation Criteria	Implementation Status			Reason for Non-implementation																																										
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(4) Does the company collect information on greenhouse gas emissions, water consumption, and total weight of waste in the past two years, and formulate policies on energy conservation and carbon reduction, greenhouse gas reduction, water usage reduction, or other waste management policies?	✓		<p>1. The Company conducts greenhouse gas emission verification annually, greenhouse gas emission in the past two years:</p> <p style="text-align: right;">Unit: tCO2e</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Company</th> <th>Scope 1</th> <th>Scope 2</th> <th>Intensity Ratio (Note)</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td>APEC Group</td> <td>33.5747</td> <td>498.3744</td> <td>0.1823</td> </tr> <tr> <td>2025</td> <td>APEC Group</td> <td>34.3520</td> <td>520.1510</td> <td>0.1900</td> </tr> </tbody> </table> <p>Note: tCO2e per million New Taiwan dollars.</p> <p>The Company has set 2023 as the base year and established a five-year Greenhouse Gas (GHG) reduction target. By 2030, the Company aims to reduce Scope 1 and Scope 2 of GHG emissions by 10% in order to mitigate the impacts of climate change.</p> <p>2. The Company has long been paying attention to water resource environmental protection issues. In terms of water saving, by implementing daily water conservation, the effectiveness of water resource can be maximized. Water consumption in the past two years:</p> <p style="text-align: right;">Unit: ton</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Premises</th> <th>Total water Consumption</th> <th>Intensity ratio (Note)</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td>Hsinchu & Taipei office</td> <td>3,623</td> <td>1.2416</td> </tr> <tr> <td>2025</td> <td>Hsinchu & Taipei office</td> <td>3,582</td> <td>1.2276</td> </tr> </tbody> </table> <p>Note: tons per million New Taiwan dollars.</p> <p>3. The statistical breakdown of recycled waste by category in two years is as follows:</p> <table border="1"> <thead> <tr> <th>Recycled Category</th> <th>2024Quantity</th> <th>2025Quantity</th> </tr> </thead> <tbody> <tr> <td>Waste Plastics</td> <td>441 kg</td> <td>197 kg</td> </tr> <tr> <td>Plastic Pallets</td> <td>1,160 kg</td> <td>670 kg</td> </tr> <tr> <td>Waste Cardboard</td> <td>4,910 kg</td> <td>4,680 kg</td> </tr> <tr> <td>Wafer Transport Boxes</td> <td>612 EA</td> <td>692 EA</td> </tr> </tbody> </table>	Year	Company	Scope 1	Scope 2	Intensity Ratio (Note)	2024	APEC Group	33.5747	498.3744	0.1823	2025	APEC Group	34.3520	520.1510	0.1900	Year	Premises	Total water Consumption	Intensity ratio (Note)	2024	Hsinchu & Taipei office	3,623	1.2416	2025	Hsinchu & Taipei office	3,582	1.2276	Recycled Category	2024Quantity	2025Quantity	Waste Plastics	441 kg	197 kg	Plastic Pallets	1,160 kg	670 kg	Waste Cardboard	4,910 kg	4,680 kg	Wafer Transport Boxes	612 EA	692 EA	None
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4. Social Responsibilities (1) Does the Company formulate appropriate management policies and procedures in accordance with relevant regulations and international human rights conventions?	✓		<p>This Company supports the spirit of protecting human rights and basic principles held in the United Nations' Universal Declaration of Human Rights, Global Compact, and Guiding Principles on Business and Human Rights, as well as the International Labor Organization's Declaration of Fundamental Principles and Rights at Work and other international conventions – to ensure that basic human rights are not violated, and that all employees are treated with dignity and respect. The Company's human rights policy is available on our website.</p>	None																																										

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(2) Does the company formulate and implement reasonable employee benefits (including compensation, vacation, and other benefits), and appropriately reflect operating performance or results in employee compensation?	✓		<p>Employee compensation</p> <p>The Company regularly measures the market compensation level, links company performance to employee compensation and bonus, and refers to overall economic indicators to formulate reasonable compensation, and ensures the overall compensation and bonus are competitive. Meanwhile, through regular performance appraisal and a two-way communication and interaction platform, and corresponding rewards are given according to performance results, so as to encourage employees and the Company to grow together.</p> <p>The Company provides sustainable, reasonable, and competitive compensation to attract top-tier talent and strengthen retention of existing</p>	None						

Evaluation Criteria	Implementation Status			Reason for Non-implementation									
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			<p>employees. The Company has also established an employee shareholding trust to demonstrate the Company's goal of sharing operating results with employees. In addition to strengthening the retention of existing talents, it is also to attract outstanding talents to join the new bureau.</p> <p>Employee welfare measures In addition to offering a flexible working hours system for employees, the company currently implements the following welfare measures :</p> <p>(1) Holistic Employee Health Management: Annual Health Check-ups and Counseling: Establishing an integrated health management and promotion service comprising physicians and nurses to ensure employee safety and well-being; Providing access to an on-site gym for employees to engage in physical activity during their leisure time.</p> <p>(2) Varied Employee Welfare Programs: Enhanced annual leave entitlements beyond statutory requirements; subsidies for marriage, bereavement, and childbirth; assistance for employee education and training; discounted rates for employee and family health check-ups; employee stock ownership trust; travel opportunities for employees; year-end bonuses and holiday bonuses for Dragon Boat Festival, Mid-Autumn Festival, and Labor Day; birthday bonuses; childcare allowances and reduced working hours for parents; bonuses for long-serving employees; departmental dinner subsidies, and a range of other employee welfare initiatives.</p> <p>Diversity and equality in the workplace The Company is committed to creating a friendly and fair workplace, providing equal compensations and promotion opportunities to talents. The proportion of female employees at was 54.7% on December 31, 2025, details as follows:</p> <table border="1"> <thead> <tr> <th>Categories</th> <th>Female %</th> <th>Male %</th> </tr> </thead> <tbody> <tr> <td>Senior Management</td> <td>10.0%</td> <td>90.0%</td> </tr> <tr> <td>All Employees</td> <td>54.7%</td> <td>45.3%</td> </tr> </tbody> </table> <p>In addition, the Company value employee welfare, providing physical and mental healthcare for various employee groups to maintain a good working environment, including (1) maternal healthcare, such as setting up breastfeeding rooms; (2) providing professional consultation service in areas of work, family and mental health counseling through external Physicians.</p>	Categories	Female %	Male %	Senior Management	10.0%	90.0%	All Employees	54.7%	45.3%	
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	Yes	No	Explanation	
			<p>Business performance reflecting on employee compensation</p> <p>Article 22 of the Company's Articles of Incorporation promulgate that if the Company has profits in a fiscal year, it shall distribute no less than 3% of the Profits as Employees' Compensation. Of the employees' compensation allocated under the foregoing provision, no less than 5% shall be distributed to rank-and-file employees. However, when there are accumulated losses, the compensation amount shall be reserved in advance. Employees of the company meeting certain specific requirements are entitled to receive employee remuneration in shares or cash. The requirements are authorized to be determined by the Board.</p> <p>The Company's operating performance also reflects on employees' compensation, and employees' welfare expenses. The increase in employees' base salary and bonus expenses reflected from the link to the Company's operating performance demonstrates the spirit of profit sharing with employees and encourages all employees to make effort for the Company's target.</p> <p>According to statistics of the Taiwan Stock Exchange (TWSE), the average cost of employee remuneration, average salary and median salary of full-time non-managerial employees all exceed an annual salary of NT\$1,000 thousand.</p>	
(3) Does the Company provide a safe and healthy working environment, and provide training on health and safety and health for its employees on a regular basis?	✓		<p>The Company aims to provide a safe, healthy and comfortable working environment, promote health and safety management, so that employees can develop correct concepts and healthy minds and bodies. The Company purchased the Taipei office and renovated the Hsinchu office. In addition to the breastfeeding room, a gym and fitness facilities were added to create a high-quality and healthy working environment.</p> <p>The Company regularly implements work environment inspections and employee safety education. The Company established a "Procedure of the Occupational Safety and Health" and conducts annual health checks for employees to ensure their safety and health. In 2025, there were 156 trainees in occupational safety training, and the total number of training hours was 318 hours.</p> <p>In the past five years, there have been no occupational accidents in our company. From the year 2021 to 2025, the accumulated accident-free hours amounted to 1,172,356.5 hours.</p> <p>In the past five years, there have been zero instances of fire incidents in the company. From the year 2021 to 2025, the Company has consistently met the target of zero fire incidents.</p>	None

Evaluation Criteria	Implementation Status			Reason for Non-implementation
	Yes	No	Explanation	
(4) Does the Company establish effective career development programs for its employees?	✓		<p>The Company creates a good environment for the career development of employees, and establishes an effective career ability development training program, encourages employees to improve themselves, and participates in vocational training courses for different career abilities, so as to enhance their professional abilities and practice employees' careers. Development goals, and then achieve business goals.</p> <p>The Company plans a complete functional training, including newcomer training, professional advanced training, manager training, etc., to help employees continue to learn and grow through multiple learning methods, introduce corporate ethics, and cultivate colleagues' key capabilities.</p> <p>In the year 2025, the pre-employment training for new hires totaled 221 sessions, approximately 138.2 hours. Internal on-the-job training involved 1,016 sessions, approximately 975.2 hours. Additionally, external professional training involved 130 sessions, approximately 1,109.5 hours.</p>	None
(5) With respect to customer health and safety of products and services, customer privacy, marketing, and labeling, does the Company comply with relevant regulations and international standards, and formulate related consumer protection policies and appeal procedures?	✓		<p>The Company has established customer complaint handling procedures and established a customer-oriented quality system in order to achieve a win-win situation for the company and customers. In addition, the Company values customer opinions. In addition to individual visits, a special area for interested parties is also set up on the Company's website to provide contacts and methods for questions, complaints or suggestions to protect customer rights.</p> <p>The Company has a personal data protection management system to protect customer privacy. The Company protects customers' data through internal audits, crisis prevention and training.</p>	None

Evaluation Criteria	Implementation Status		Reason for Non-implementation							
	Yes	No		Explanation						
(6) Does the Company have a supplier management policy that requires suppliers to comply with and implement relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights?	✓		<p>The Company requires suppliers to fulfill their corporate social responsibilities and not to have negative impacts on the environment and society.</p> <p>The Company has a " Procedure for Supplier Control " to ensure that suppliers meet the ethical standards and integrity management requirements for environmental protection, human rights and sustainable development without endangering basic rights.</p> <p>Implementation of supplier management:</p> <table border="1"> <tr> <td style="writing-mode: vertical-rl; transform: rotate(180deg);">Supplier evaluation</td> <td> <ol style="list-style-type: none"> Suppliers must pass supplier assessment and comply with the Supplier Code of Conduct. The supplier must comply with the local government's relevant environmental protection regulations on air pollution prevention and control, water pollution prevention and control, waste and resource management, etc. In response to the results of risk assessments, the Company has adopted various risk response measures, including internal verification and review of inventory levels, as well as risk avoidance and mitigation actions. </td> </tr> <tr> <td style="writing-mode: vertical-rl; transform: rotate(180deg);">Supplier audit</td> <td> <ol style="list-style-type: none"> Carry out supplier audits every six months, track deficiencies and improvement situations, and provide counseling and suggestions for improvement. An annual on-site audit and evaluation are conducted to perform quality and environmental audits of suppliers. In 2025, the on-site supplier audit completion rate reached 100%, and the document review completion rate also reached 100%. </td> </tr> <tr> <td style="writing-mode: vertical-rl; transform: rotate(180deg);">Supplier praise</td> <td> <p>In addition to delivering sustainability concepts and goals to suppliers every year, the company also strengthens its cooperative relationship with suppliers that have been well evaluated (such as quality improvement, cost reduction, delivery assurance, sustainable performance, etc.).</p> </td> </tr> </table>	Supplier evaluation	<ol style="list-style-type: none"> Suppliers must pass supplier assessment and comply with the Supplier Code of Conduct. The supplier must comply with the local government's relevant environmental protection regulations on air pollution prevention and control, water pollution prevention and control, waste and resource management, etc. In response to the results of risk assessments, the Company has adopted various risk response measures, including internal verification and review of inventory levels, as well as risk avoidance and mitigation actions. 	Supplier audit	<ol style="list-style-type: none"> Carry out supplier audits every six months, track deficiencies and improvement situations, and provide counseling and suggestions for improvement. An annual on-site audit and evaluation are conducted to perform quality and environmental audits of suppliers. In 2025, the on-site supplier audit completion rate reached 100%, and the document review completion rate also reached 100%. 	Supplier praise	<p>In addition to delivering sustainability concepts and goals to suppliers every year, the company also strengthens its cooperative relationship with suppliers that have been well evaluated (such as quality improvement, cost reduction, delivery assurance, sustainable performance, etc.).</p>	None
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Evaluation Criteria	Implementation Status			Reason for Non-implementation
	Yes	No	Explanation	
5. Does the company refer to internationally accepted reporting standards or guidelines for compiling reports on non-financial information, such as ESG reports? Did the previous release reports obtain a confirmation or assurance opinion from a third party verifier?		✓	The Company published its 2024 Sustainability Report in 2025. This report has been prepared with reference to the Global Reporting Initiative (GRI) Sustainability Reporting Standards (2021 edition) issued by the Global Reporting Initiative, and disclosures have also been made in accordance with the standards of the Sustainability Accounting Standards Board (SASB). The Company's 2024 Sustainability Report has not yet obtained third-party verification or assurance. The Company plans to obtain third-party verification and assurance for the 2026 Sustainability Report in order to comply with applicable laws and regulations.	As explained on the left.
6. If the Company has established the ESG principles based on " Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies ", please describe any discrepancy between the Principles and their implementation: None.				
7. Other important information to facilitate better understanding of the Company's ESG practices: <p>To be philanthropic with our employees, the “Guidelines for Donations to Welfare Organization” are established. The employees may decide the amount and the counterparties they want to contribute to, and the Company will join the contribution. The Company will contribute the same amounts as the donations of the employees to the public welfare organizations. As of the end of 2025, employees and the Company have jointly contributed a total of NT\$6,530,150 to social welfare and charitable initiatives. Beneficiaries include disadvantaged groups, education in underserved and remote areas, religious organizations, and animal welfare causes, among others.</p> <p>In addition, the Company pays close attention to community development in areas where it operates as well as the needs of disadvantaged groups. In 2025, the Company partnered with the Hsinchu County Ailin Community Care Association to provide book-purchasing funds of NT\$50,000 for science education programs benefiting disadvantaged children enrolled in the Green Light Classroom along the Xinpu and Zhudong Townships. Employees also donated a total of 59 Christmas gifts, which were delivered to the institution by employee volunteers to help fulfill the children’s wishes. Through engaging and educational science activities, the program introduced children to semiconductor knowledge in a practical and accessible manner, inspiring their curiosity and interest in learning.</p> <p>The Company has donated NT\$ 3 million to the Yageo Foundation to support its ongoing efforts in organizing medium- to large-scale art and cultural events in collaboration with major museums worldwide, as well as in collecting works by prominent Taiwanese artists.</p> <p>The foundation also focuses on the collection of works by multiple Taiwanese artists, including prominent early Western-style painter Mr. Chang Wan-Chuan, the artistic virtuoso Mr. Kuo Po-Chuan, contemporary artist Mr. Huang Chia-Ning, Mr. Lee Shu-Mei, who captures the beauty of Taiwanese women's labor, and Mr. Yang Mao-Lin.</p> <p>In 2025, through sponsorship from the YAGEO Foundation, Taiwanese artist Tehching Hsieh will present Tehching Hsieh: One Year Performances 1978-1999 at Dia Beacon in New York, USA. This two-year exhibition will comprehensively showcase his most representative performance art works created between 1978 and 1999. The exhibition aims to foster exchanges between Taiwanese artists and international art institutions, thereby enhancing the global visibility of contemporary Taiwanese art.</p>				

3.6 Climate-Related Information

1.Information on Implementation of Climate-Related Initiatives

Item	Execution
<p>1. Describe the Board of Directors and management's oversight and governance of climate-related risks and opportunities.</p>	<p>1. The Board of Directors serves as the highest governing authority for managing climate change, who is responsible for guiding our company's responses and decisions regarding climate change. This ensures that the Company has appropriate measures in place to address and adapt to climate-related risks and opportunities. In accordance with the TCFD (Task Force on Climate-related Financial Disclosures, TCFD) framework, climate risks are identified, and based on the results, each department develops, integrates, and manages corresponding response strategies.</p>
<p>2. Describe how the identified climate risks and opportunities affect the Company's business, strategy and finances (in the short, medium and long term).</p>	<p>2. Short-term is defined as 1 to 3 years in the future, medium-and long term as 3 to 5 years, and as 5 years or longer.</p> <p>According to the assessments conducted by the responsible units, the climate risks currently having a greater impact on the Company's business development include: rising raw material costs, changes in rainfall (water resource) patterns, extreme climate pattern variations, and the burden imposed by carbon taxes.</p> <p>In the short term (within the next three years), the most likely risks include:</p> <p>Physical Risks: Changes in rainfall (water resource) patterns and extreme variations in climate patterns.</p> <p>Regulatory Risks: Strengthened obligations for greenhouse gas emissions reporting.</p> <p>Economic Risks: Increases in raw material costs and cost transfers from upstream suppliers, which may lead to higher procurement costs and reduced profitability.</p> <p>In the medium to long term (three to five years or more), the primary potential risks include:</p>

Item	Execution
<p>3. Describe the financial impact of extreme weather events and transition actions</p>	<p>strengthened climate-related regulations and government promotion of low-carbon manufacturing processes.</p> <p>3. Extreme weather events may lead to operational disruptions or flooding that causes property damage at production sites, while prolonged heatwaves may result in increased electricity costs. Transition actions stemming from climate change such as equipment replacement for carbon reduction or future taxes and internalized external costs due to the EU Carbon Border Adjustment Mechanism may reduce profitability. Additionally, financial institutions may assess climate-related financial performance when making lending decisions; failure to meet their requirements could negatively impact the Company. The Company plans to incorporate climate change risks into its internal management procedures.</p>
<p>4. Describe how the process of identifying, assessing and managing climate risks is integrated into the overall risk management system.</p>	<p>4. Enhance climate change awareness across all departments and implement relevant policies through cross-departmental mechanisms, progressively integrating climate change considerations into the Company's sustainability strategy and risk management framework. It is proposed to incorporate climate change risk into the internal management procedures.</p>
<p>5. If scenario analysis is used to assess resilience to climate change risks, describe the scenarios, parameters, assumptions, analysis factors and key financial impacts used.</p>	<p>5. The Company conducted risk simulations using three scenarios :</p> <p>(1) National Net-Zero Pathway in Taiwan, which mainly assesses domestic regulatory risks;</p> <p>(2) The SSP1-1.9 scenario from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report, which</p>

Item	Execution						
<p>6. If there is a transition plan to address and manage climate-related risks, describe the content of the plan, and the metrics and targets used to identify and manage physical and transition risks.</p> <p>7. If internal carbon pricing is used as a planning tool, describe the basis for setting carbon price.</p>	<p>represents an extremely low-emissions scenario; and</p> <p>(3) an annual reduction rate of 4.2% as required by the Science-Based Targets Net-Zero (SBT-NZ) Standard for carbon emissions. We analyzed how potential climate risks under the different scenarios can affect regulations, technologies, markets, and brand reputation, and determined the related parameters, assumptions, analytical factors, and main financial impacts. For more information, please refer to the Sustainability Report.</p> <p>6. Management of Metrics and Targets of Physical and Transition Risks</p> <table border="1" data-bbox="816 871 1385 1801"> <thead> <tr> <th data-bbox="821 877 1065 961">Issue</th> <th data-bbox="1065 877 1380 961">Description of the Current Situation</th> </tr> </thead> <tbody> <tr> <td data-bbox="821 961 1065 1312">(1) Disclosure of greenhouse gas emissions and associated risks in Scopes 1, 2, and 3</td> <td data-bbox="1065 961 1380 1312">The Company completed the ISO 14064-1 greenhouse gas emissions inventory for both the Company and its subsidiaries. Moving forward, the Company will continue to collect carbon emissions data based on the established methodology and set reduction targets for greenhouse gas emissions.</td> </tr> <tr> <td data-bbox="821 1312 1065 1795">(2) Describe the targets that the organization employs to manage climate-related risks and opportunities, as well as the performance in implementing these targets.</td> <td data-bbox="1065 1312 1380 1795">In response to global net-zero goals and upcoming carbon border taxes in the EU and US, the Company is promoting carbon neutrality, aiming for net-zero emissions by 2050 with related climate targets. The Company plans to actively promote carbon neutrality to mitigate climate change, aiming to achieve net-zero emissions within the organization by 2050 and setting related climate targets.</td> </tr> </tbody> </table> <p>7. Currently unavailable, as internal carbon pricing is currently under development.</p>	Issue	Description of the Current Situation	(1) Disclosure of greenhouse gas emissions and associated risks in Scopes 1, 2, and 3	The Company completed the ISO 14064-1 greenhouse gas emissions inventory for both the Company and its subsidiaries. Moving forward, the Company will continue to collect carbon emissions data based on the established methodology and set reduction targets for greenhouse gas emissions.	(2) Describe the targets that the organization employs to manage climate-related risks and opportunities, as well as the performance in implementing these targets.	In response to global net-zero goals and upcoming carbon border taxes in the EU and US, the Company is promoting carbon neutrality, aiming for net-zero emissions by 2050 with related climate targets. The Company plans to actively promote carbon neutrality to mitigate climate change, aiming to achieve net-zero emissions within the organization by 2050 and setting related climate targets.
Issue	Description of the Current Situation						
(1) Disclosure of greenhouse gas emissions and associated risks in Scopes 1, 2, and 3	The Company completed the ISO 14064-1 greenhouse gas emissions inventory for both the Company and its subsidiaries. Moving forward, the Company will continue to collect carbon emissions data based on the established methodology and set reduction targets for greenhouse gas emissions.						
(2) Describe the targets that the organization employs to manage climate-related risks and opportunities, as well as the performance in implementing these targets.	In response to global net-zero goals and upcoming carbon border taxes in the EU and US, the Company is promoting carbon neutrality, aiming for net-zero emissions by 2050 with related climate targets. The Company plans to actively promote carbon neutrality to mitigate climate change, aiming to achieve net-zero emissions within the organization by 2050 and setting related climate targets.						

Item	Execution
8. If climate-related targets are set, describe information such as the activities covered, the scope of greenhouse gas emissions, the planning timeline, and the progress made in achieving them each year; if carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, describe the source and quantity of carbon offset credits or renewable energy certificates (RECs) to be offset.	8. The Company's climate action objectives focus primarily on reducing greenhouse gas emissions. The Company targets a 6% reduction in greenhouse gas emissions by fiscal year 2026, compared to the base year of 2023. The scope of greenhouse gas emissions covered includes Scope 1 and Scope 2 emissions.
9. Inventory of greenhouse gases and assurance and reduction targets, strategies and specific action plan.	9. The organizational greenhouse gas inventory for the year 2024, in accordance with ISO14064-1:2018, has been verified by the third-party Bureau Veritas Certification (Taiwan) Co., Ltd, and the Company has obtained a statement of assurance. The verification of organizational greenhouse gas inventory for the year 2025 has not yet been completed.

1-1 Greenhouse gas inventory and assurance status for the past two years

1-1-1 Information of Greenhouse gas Inventory

Providing the emissions (tCO₂e), intensity (tCO₂e/NT\$ million), and data coverage of greenhouse gas for the past two years.

Organizational Boundary	Advanced Power Electronics Corp. and Subsidiaries included in the Consolidated Financial Statements
Organizational Boundary Applied for GHG Inventory	Operational Control
Inventory Period	2025/1/1~2025/12/31

Basic information of the Company	Scope	Emission Category	2024		2025(Note)	
			Total emissions (tCO ₂ e)	Intensity (tCO ₂ e/NT\$ million)	Total emissions (tCO ₂ e)	Intensity (tCO ₂ e/NT\$ million)
Advanced Power Electronics Corp. and Subsidiaries included in the Consolidated financial Statements	Scope 1	Category 1	33.5747	0.0115	34.3520	0.0118
	Scope 2	Category 2	498.3744	0.1708	520.1510	0.1783
	Scope 3	Category 3	408.6845	0.1401	393.213	0.1348
Total			940.6336	0.3224	947.7162	0.3284

Note: The data for Year 2025 has not yet been externally verified.

1-1-2 Information of Greenhouse Gas Assurance

Providing the assurance status for the past two fiscal years as of the printing date of the annual report including the scope of assurance, the institution of assurance, assurance criteria and assurance opinion.

Year	Scope	Assurance Scope	Assurance Institution	Description of Assurance Status
2024	Scope 1 Scope 2 Scope 3	Advanced Power Electronics Corp. and Subsidiaries included in the Consolidated Financial Statements	Bureau Veritas Certification (Taiwan) Co., Ltd.	Scope 1: Direct Greenhouse Gas (GHG) Emissions Reasonable Assurance Scope 2: Energy Indirect Greenhouse Gas (GHG) Emissions – Reasonable Assurance Scope 3: Indirect Greenhouse Gas (GHG) Emissions from Transportation Limited Assurance
2025	Scope 1 Scope 2 Scope 3	Advanced Power Electronics Corp. and Subsidiaries included in the Consolidated Financial Statements	Bureau Veritas Certification (Taiwan) Co., Ltd.	Verification has not yet been completed.

1-2 Greenhouse Gas Reduction Goals, Strategies, and Specifications Action Plans

Explanation of the baseline year and its data for greenhouse gas reduction, reduction goals, strategies, and specific action plans, as well as the status of achieving the reduction goals

1. The base year of absolute reduction of greenhouse gas emissions: 2023
2. Climate change and Energy Management Target:
Based on the 2023 inventory results, further promote voluntary reduction programs to achieve a 10% reduction in Scope 1 and Scope 2 greenhouse gas emissions by 2030.
3. GHG reduction Strategies : Promote energy efficiency improvements to reduce greenhouse gas emissions.
4. Reduction Actions:
 - (1) Starting from Year 2024, the Company has implemented a one-hour daily power-off activity during lunch breaks as an energy-saving and carbon-reduction initiative. By reducing lighting electricity consumption, the company practice green operations and raise energy-saving awareness among all employees.
 - (2) In Year 2025, the Company plans to gradually replace the old split-type air conditioner outdoor units in the laboratories with energy-efficient equipment rated at Level 1, achieving the sustainable goal of energy-saving and carbon reduction alongside equipment upgrades.
 - (3) In Year 2026, the Company will establish phased carbon reduction targets and implement corresponding carbon reduction strategies and actions.
 - (4) Climate-related targets: In the Year 2025, a total of approximately 5,093 kWh of electricity was saved, effectively achieving the annual energy-saving target.

3.7 Ethical Corporate Management and Differences and Causes of CSR Practices

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary Description	
<p>1. Enactment of ethical corporate management policies and programs</p> <p>(1) Does the Company disclose its ethical corporate management policies and procedures in its official charter and material documents issued externally, as well as the commitment of the Board of Directors and management team to its implementation?</p>	✓		The Company has enacted the " Ethical Management Best Practice Principles." Its formulation and amendments were approved by the Board of Directors. It clearly stipulates that the directors, managers and employees of the company should abide by laws and regulations and prevent dishonest behaviors in performing business. The Company has set up various internal guidelines to ensure ethical corporate management and compliance.	None
<p>(2) Has the Company established a mechanism to assess the risks of non-ethical conduct, regularly analyze and assess relatively high-risk non-ethical conduct and activities within its scope of business, and formulate policies to prevent unethical conduct, which at minimum covers measures to prevent the conduct mentioned in Article 7.2 of "the Ethical Corporate Management Best- Practice Principles for TWSE/ TPEX Listed Companies"?</p>	✓		The Company abides by the operational philosophies of honesty, transparency and responsibility, bases policies on the " Ethical Management Best Practice Principles", analyzes and assesses on a regular basis the business activities within their business scope which are at a higher risk of being involved in unethical conduct, and formulates measures to prevent offering and acceptance of bribes. The Company further established " Measures for Reporting Cases of Illegal, Unethical or Dishonest Behavior" and Whistleblowing System to reinforce the implementation.	None
<p>(3) Do the Company's measures to prevent high-risk unethical misconduct clearly specify operating procedures, conduct guidelines, disciplinary and appeal mechanisms for violations? Are they implemented and are regularly reviewed for amendment?</p>	✓		The internal control systems and regulations established in accordance with " Ethical Management Best Practice Principles" set preventive measures against involvement in unethical conduct, including standard operating procedures, conduct guidelines, and the disciplinary and appeal system, and should be regularly reviewed and improved.	None
<p>2. Implementation of ethical corporate management</p> <p>(1) Does the Company evaluate business partners' ethical records and clearly indicate ethical conduct clauses in business contracts?</p>	✓		In order to avoid unethical misconduct activities, the Company also conducts due diligence on counterparties' integrity records and includes ethical principles in relevant contracts before trading with upstream and downstream companies to minimize the risks.	None
<p>(2) Has the Company established a dedicated unit to promote ethical corporate management under the Board of Directors, and regularly (at least once a year) report to the Board of Directors on its ethical corporate management policy, measures to prevent unethical conduct, and monitor implementation?</p>	✓		The Company is promoted by the Investor Relations Department of ethical corporate management in accordance with the "Ethical Management Best Practice Principle". The unit is responsible for policymaking and execution supervision of integrity management policies, and prevention of unethical behavior, reporting at least annually to the Board of Directors.	None

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary Description	
(3) Does the Company establish policies to prevent conflicts of interest, provide suitable channels to report such conflicts, and implement such policies?	✓		The Company's internal rules covering business conduct and the conduct of Directors and Officers clearly define policies to prevent conflicts of interest. In addition, the Company also designates a contact window for each department to consult, communicate or resolve relevant issues in order to achieve results rapidly and effectively.	None
(4) Has the Company established an effective accounting system and internal control system to facilitate ethical corporate management? Does its internal audit team provide risk assessment results and formulate audit plans related to unethical conduct, and audit compliance of nonethical conduct measures, or does the Company engage external CPAs to implement such audits?	✓		The Company has built up an effective accounting system and internal control systems that is constantly under review and evaluation to ensure the system's design and execution remains effective. The internal auditors formulate relevant audit plans based on the assessment results of the risk of unethical behavior, and prepare an audit report and submit it to the board of directors.	None
(5) Does the Company regularly hold internal and external educational trainings on ethical corporate management?	✓		The Company regularly conducts training courses related to integrity management. The course contents, delivered through the online Education and Training Platform, cover global and domestic information security development trends, prevention of insider trading, and occupational health and safety, among other topics. 1.Prevention of Insider Trading: A total of 28 participations by newly hired employees completed the training courses. 2.Sustainability Courses: A total of 100 participations were recorded in the training programs. 3.Integrity Management: A total of 122 participations completed the courses, with aggregate training hours of approximately 49 hours.	None
3. Reporting ethical violations (1) Has the Company formulated a concrete whistleblowing and incentive system, established a convenient whistleblowing channel, and assigned appropriate personnel to handle the cases of those who have reports raised against them?	✓		The Company establishes and announces an independent mailbox in accordance with the "Measures for Reporting Cases of Illegal, Unethical or Dishonest Behavior" for internal and external personnel to use. E-mail: audit@a-power.com.tw	None
(2) Has the Company established standard operating procedures for handling whistleblowing claims and, after a complete investigation, follow-up measures and mechanisms related to maintaining confidentiality?	✓		The Company has formulated the "Measures for Reporting Cases of Illegal, Unethical or Dishonest Behavior", and in accordance with relevant measures, subsequent review and improvement measures will be reported to the board of directors. The identity and content of the whistleblowers are indeed confidential.	None
(3) Does the Company provide proper whistleblower protection?	✓		The Company established precautions in order to protect whistleblowers.	None

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary Description	
4. Enhancing information disclosure Does the Company disclose its established ethical corporate management policies and promotion results on its website and MOPS?	✓		The Company has disclosed the "Code of Integrity Management" and "Code of Ethical Conduct" on its official website and on MOPS. Please refer to the company's website: Corporate Governance for information on the effectiveness of promoting integrity management, education and training, and handling of complaints.	None
5.If the Company has established ethical corporate management policies based on the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies," please describe any discrepancies between the policies and their implementation: With no discrepancies.				
6. Other important information to facilitate a better understanding of the company's ethical corporate management policies: (1) The Company strictly abides by the Company Act, the Securities and Exchange Act, Business Entity Accounting Act, publicly traded relevant rules and other relevant laws and regulations of business conduct as the basis for the implementation of the integrity management. (2) Please refer to the Company's official website http://www.a-power.com.tw/ for the Ethical Corporate Management Best Practice Principles.				

3.8 Other Important Information to Facilitate Better Understanding of the Company's Corporate Governance Practices:

3.8.1 Key Management Continuing Education Records for fiscal year 2024

Name	Training Period	Organizer	Course Name	Course Hours
Chairman Tie-Min Chen	October 30, 2025	Taiwan Corporate Governance Association	Defensive and Offensive Measures in Hostile Takeovers and the Legal Responsibilities of Corporate Officers	3
	October 30, 2025	Taiwan Corporate Governance Association	Corporate Group Governance and Performance Management	3
Vice Chairman & CSO Fu-Chi Teng	July 9, 2025	Taiwan Stock Exchange Corporation	2025 Cathay Sustainable Finance and Climate Change Summit	6
President Chia-Shuai Chang	October 30, 2025	Taiwan Corporate Governance Association	Defensive and Offensive Measures in Hostile Takeovers and the Legal Responsibilities of Corporate Officers	3
	October 30, 2025	Taiwan Corporate Governance Association	Corporate Group Governance and Performance Management	3
Vice President of Finance & HR Administration Division Mei-Ying Tan	June 26 to June 27, 2025	Accounting Research and Development Foundation	Continuing Development Course of Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges	12
Corporate Governance Officer Mei-Ying Tan	June 10, 2025	Taiwan Institute for Sustainable Energy (TAISE)	CDP Taiwan Conference: Enhancing Climate Disclosure to Strengthen Corporate Climate Resilience	3
	June 10, 2025	Taiwan Institute for Sustainable Energy (TAISE)	CDP Taiwan Information Session: Strengthening Climate Disclosure to Enhance Corporate Climate Resilience	3
	August 13, 2025	Taiwan Institute for Sustainable Energy (TAISE)	Forum on Green and Transition Finance: Policies, Practices, and Future of Green Securities	2

Name	Training Period	Organizer	Course Name	Course Hours
	September 9, 2025	Taiwan Institute for Sustainable Energy (TAISE)	Exploratory Seminar on Nature Materiality: BCSD Nature and Biodiversity Initiative Platform	3
	November 21, 2025	Securities and Futures Institute	Compliance Briefing on Insider Equity Trading for Fiscal Year 2025	3
Hsin-Chien Lee Head of Internal Audit	September 9, 2025	The Institute of Internal Auditors-Chinese Taiwan	Operational Audit Focus and Integration of Cross-Cycle Processes	6
	September 9, 2025	The Institute of Internal Auditors-Chinese Taiwan	Management of Sustainability Information and Key Practices of Internal Control and Internal Audit	6

3.9 Internal Control Systems

(1). Statement of Internal Control System :

Please refer to the Market Observation Post System (MOPS) / Corporate Governance – Internal Control Section / <https://mops.twse.com.tw>.

(2). Auditor Review Report: None.

3.10 Major Resolutions of Shareholders' Meetings and Board Meetings for the Most Recent Year and Up To the Publication Date of This Annual Report

(1). Major Resolutions and Execution Status of 2025 General Shareholders' Meeting

The 2025 Annual General Shareholders' Meeting was held at Zhubei City, Hsinchu County on May 29, 2025. Major resolutions and execution Status are as follows:

A. The Company's 2024 business report and financial statements and the 2024 earnings distribution of the Company.

Status: The shareholders' meeting approved the consolidated revenues for 2024 was NT\$2.918 billion, the net profit was NT\$565 million, and earnings per share of NT\$4.8. For 2024 earnings distribution, cash dividend paid to the shareholders NT\$3.19059065 per share; July 14, 2025 is the ex-dividend date and July 28, 2025 is the dividend payment record date.

B. To approve revisions to Rules and Procedures of Shareholders' Meeting.

Status: Resolution passed and announced on the Company's website.

C. To approve revisions to the Articles of Incorporation.

Status: Resolution passed. Registration approved by the Ministry of Economic Affairs and to be announced on the company's website on August 6, 2025.

(2). Major Resolutions of Board Meetings

The Board of Directors convened 7 meetings (A) in fiscal year 2025 and up to the publication date of this annual report, of which major resolutions are as follows :

A. The 1st meeting of the 10th Board of Directors in 2025 on February 27, 2025

- Approved the Company's budget for Year 2025.
- The 2024 independence and suitability evaluation report of the CPAs appointed by the Company.
- The distribution of the 2024 employees' and directors' compensation.
- The 2024 Business report and Financial Statements of the Company.
- The 2024 earnings distribution of the Company.

- The 2024 Internal Control Statement of the Company.
 - The revisions to the Articles of Incorporation.
 - The date and agenda of 2025 Annual General Shareholders' Meeting and proposals from the shareholders.
- B. The 2nd meeting of the 10th Board of Directors in 2025 on April 17, 2025
- The Company's consolidated financial report for the first quarter of 2025.
 - The Board of Directors approved the record date of exercising employee stock option certificates.
 - The revisions to Rules and Procedures of Shareholders' Meeting.
 - The revisions to the Articles of Incorporation.
 - The addition of discussion items to the agenda of 2025 Annual General Shareholders' Meeting and the change of the meeting venue.
- C. The 3rd meeting of the 10th Board of Directors in 2025 on June 20, 2025
- The Company has set the record date for the capital reduction by cancellation the restricted employee shares issued in the year 2022.
 - Approved to the ex-dividend base date and ratio for the cash dividends of 2024.
- D. The 4th meeting of the 10th Board of Directors in 2025 on July 29, 2025
- The change of Certified Public Accountant of the Company.
 - The independence and suitability evaluation report of the CPAs appointed by the Company.
 - The Company's consolidated financial report for the second quarter of 2025.
 - Approved the Company's Sustainability Report for Year 2024.
 - Approved the establishment of the Company's subsidiary in Japan and matters related to the establishment of the Japanese subsidiary.
- E. The 5th meeting of the 10th Board of Directors in 2025 on October 30, 2025
- The Company's consolidated financial report for the third quarter of 2025.
 - The Board of Directors approved the record date of exercising employee stock option certificates.
 - The revisions to Code of Corporate Governance.
 - Amendments to the Company's Internal Control System and the Implementation Rules for Internal Audit.
 - The revisions to Accounting System.
 - 2026 Internal Audit Plan.
 - The adoption of the Company's Risk Management Policies and Procedures.
 - 2025 the delegation compensation of CPAs.
 - Approved the Company's Corporate Value Enhancement Plan.
 - Approved the evaluation of the definition of non-managerial entry-level employees of the Company.
- F. The 1st meeting of the 10th Board of Directors in 2026 on February 25, 2026
- Approved the Company's budget for Year 2026.
 - The distribution of the 2025 employees' compensation.
 - The distribution of the 2025 directors' compensation.
 - The 2025 Business report and Financial Statements of the Company.
 - The 2025 earnings distribution of the Company.
 - The 2025 Internal Control Statement of the Company.
 - The 2025 independence and suitability evaluation report of the CPAs appointed by the Company.
 - Amendments to Internal Control System and the Implementation Rules for Internal

Audit.

- Amendments to the definition of 'Non-managerial Entry-level Employees' of the Company.
 - The revisions to Ethical Corporate Management Best Practice Principles.
 - The adoption of Operating Procedures Governing Financial and Business Affairs Between Related Parties.
 - Approved the exemption for the subsidiary Advanced Power Electronics Japan Co., Ltd. from establishing its own operating procedures for Loaning of Funds, Endorsements and Guarantees, and Derivative Transactions.
 - The change of the custodian for the Company's official seal used for endorsements and guarantees.
 - The revisions to Procedures for Acquisition or Disposal of Asset.
 - To proceed with the public offering of the Company's privately placed shares for year 2022.
 - The election of the Company's 11th term of Directors.
 - The date and agenda of 2026 Annual General Shareholders' Meeting and proposals from the shareholders.
- G. The 2nd meeting of the 10th Board of Directors in 2026 on April 15, 2026
- The Company's consolidated financial report for the first quarter of 2026.
 - Approved the nomination of the director candidates.
 - Approved the lifting of director of non-competition restrictions.
 - Adoption of Policy on Succession Planning for Directors and Senior Executives.
 - The distribution of the 2025 directors' compensation. (revision)
- The Board of Directors approved the record date of exercising employee stock

3.11 Major Dissenting Comments Among Directors Over Board Meeting Resolutions for the Most Recent Year and Up To the Publication Date of This Annual Report:

None.

4. Certified Public Accountant, or CPA, Professional Fees

Unit: NT\$'000

Accounting Firm	Name of CPA	Audit Period	Audit Fee	Non-audit Fee (Note)	Total	Remarks
Deloitte & Touche	Wen-Chin Lin Hsin-Wei Tai	January 1, 2025 to March 31, 2025	2,300	586	2,886	-
	Wen-Ling Liu Chih-Feng Yu	April 1, 2025 to December 31, 2025				

Note: It consists of corporate income tax certification services, establishment services for the Company's Japanese subsidiary, the salary checklist for full-time employees who are not in managerial positions, and the amended filing of undistributed earnings.

4.1 If the audit fees of the year in which the Company changes CPA firm is lower than that of the prior year, specify the amount of audit fee before and after, the fee reduction percentage, and the reasons:

None.

4.2 If the audit fee dropped year on year by more than 10%, specify the amount, percentage, and reasons for the reduction:

None.

5. Change of Certified Public Accountant

5.1 Former CPAs

Date of change	Approved by Board of Directors on July 29, 2025		
Reasons and Explanation of Changes	In order to maintain the independence of the CPAs and adhere to the rotation mechanism of the CPA firm, the engagement starting from 2025 Q2.		
State whether the Appointment is Terminated or Rejected by the Consignor or CPAs	Status	Client	Consignor
	Appointment terminated automatically	CPA	Not applicable
	Appointment rejected (discontinued)	CPA	Not applicable
The Opinions other than Unmodified Opinion Issued in the Last Two Years and the Reasons for the Said Opinions	Not applicable		
Is there any disagreement in opinion with the issuer	Yes	Accounting principle or practice	
		Disclosure of financial statements	
		Auditing scope or procedures	
		Others	
	No	✓	
	Explanation		
Supplementary Disclosure (Disclosures Specified in Article 10.6.1.4~7 of the Regulations Governing Information to be Published in Annual Reports of Public Companies)	None		

5.2 Successor CPAs

Accounting Firm	Deloitte & Touche
CPA	Wen-Ling Liu and Chih-Feng Yu CPA
Date of Engagement	Approved by Board of Directors on July 29, 2025
Prior to the Formal Engagement, Any Inquiry or Consultation on the Accounting Treatment or Accounting Principles for Specific Transactions, and the Type of Audit Opinion that Might be Rendered on the Financial Report	Not applicable
Written Opinions from the Successor CPAs that are Different from the Former CPA's Opinions	Not applicable

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

None.

6. Audit Independence for the Most Recent Year

None.

7. Shareholding Changes of Directors, Management, and Major Shareholders with Shareholding of 10% and More for the Most Recent Year and up to the Publication Date of this Annual Report

7.1 Shareholding Changes of Directors, Managers and Major Shareholders

Title	Name	2025		As of March 31, 2026	
		Shares Increase (Decrease)	Pledged Shares Increase (Decrease)	Shares Increase (Decrease)	Pledged Shares Increase (Decrease)
Chairman	Tie-Min Chen	0	0	0	0
Vice Chairman	Future Technology Consulting, Inc. Representative: Fu-Chi Teng	0	0	0	0
Director & Major Shareholders with Shareholding of 10%	XSemi Corporation Representative: Chia-Shuai Chang	0	0	0	0
Director	Ying-Shi Huang	0	0	0	0
Independent Director	Pao-Shi Sheng	0	0	0	0
Independent Director	Nai-Jen Yeh	0	0	0	0
Independent Director	Chien-Wei Chen	0	0	0	0
CSO	Fu-Chi Teng	72,000	0	0	0
President	Chia-Shuai Chang	0	0	0	0
Vice President of Finance & HR Administration Division & Corporate Governance Officer	Mei-Ying Tan	96,000	0	0	0
Vice President of Sales Division	Chien-Hsueh Lin	56,000	0	0	0
Director of R&D Division (Note)	Yen-Yuan Huang	-	-	-	-

Note: Yen-Yuan Huang, Director of R&D Division, retired and resigned on December 10, 2025. Changes in shareholding for the year are not applicable.

7.2 Stock Trade with Related Party

None.

7.3 Stock Pledge with Related Party

None.

8. Relationship among the Top Ten Shareholders

As of March 29, 2026

NAME	Current Shareholding		Spouses' and Minors' Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
XSem Corporation	35,000,000	29.44	0	0.00	0	0.00	Tie-Min Chen	Chairman of the Company	
XSem Corporation Representative: Tie-Min Chen	0	0.00	0	0.00	0	0.00	XSem Corporation	Chairman of the Company	
Future Technology Consulting, Inc.	3,169,899	2.67	0	0.00	0	0.00	Fu-Chi Teng	Chairman of the Company	
Future Technology Consulting, Inc. Representative: Fu-Chi Teng	2,199,694	1.85	0	0.00	0	0.00	Future Technology Consulting, Inc.	Chairman of the Company	
Fu-Chi Teng	2,199,694	1.85	0	0.00	0	0.00	Future Technology Consulting, Inc.	Chairman of the Company	
HSBC Bank (Taiwan) Limited, in custody for Morgan Stanley International Limited Investment Account.	1,838,588	1.55	0	0.00	0	0.00	None	None	
HSBC Bank (Taiwan) Limited, in custody for Goldman Sachs International Investment Account	883,131	0.74	0	0.00	0	0.00	None	None	
Ko-Yu Yu	850,896	0.72	0	0.00	0	0.00	None	None	
Standard Chartered Bank (Taiwan) Limited, Business Banking Division, in custody for J.P. Morgan Securities Limited Investment Account	686,733	0.58	0	0.00	0	0.00	None	None	
Yuanta Securities Co., Ltd.	669,320	0.56	0	0.00	0	0.00	None	None	
Tsung-Yuan Huang	626,000	0.53	0	0.00	0	0.00	None	None	
Shou-Yan Liu	590,000	0.50	0	0	0	0.00	None	None	

9. Comprehensive Shareholding Information Relating to Company, Directors, Management, and Companies Affiliated through Direct and Indirect Investment

As of December 31, 2025

Affiliated Companies	Investments of the Company		Direct or Indirect Investments		Total Investments	
	Shares	%	Shares	%	Shares	%
Future Technology Consulting (B.V.I.), Inc.	2,350,000	100.00	0	0.00	2,350,000	100.00
Perfect Prime Limited (SAMOA)	450,000	100.00	0	0.00	450,000	100.00
Shenzhen Fucheng Electronics Corp. (Note 1)	Note 3	100.00	0	0.00	Note 3	100.00
Green Power Semiconductor Corp.	1,715,250	87.96	0	0.00	1,715,250	87.96
OPC Microelectronics Co., Ltd. (Note 2)	Note 3	100.00	0	0.00	Note 3	100.00
Fuhong Investment Co., Ltd.	11,848,984	100.00	0	0.00	11,848,984	100.00
Advanced Power Electronics Japan Co., Ltd.	5,000	100.00	0	0.00	5,000	100.00

Note 1: An indirect investment through Perfect Prime Limited (SAMOA).

Note 2: An indirect investment through Green Power Semiconductor Corp.

Note 3: Limited company is expressed in terms of capital contribution.

3 Capital and Shares

1. Capital and Shares
2. Corporate Bonds
3. Preferred Shares
4. Overseas Depository Receipts
5. Employee Stock Options
6. Restricted Employee Shares
7. Shares Issuance for Mergers and Acquisitions
8. Funding Use Plan and Execution

Capital and Shares

1. Capital and Shares

1.1 Source of Capital

As of March 29, 2025

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount (NT\$'000)	Shares	Amount (NT\$'000)	Sources of Capital	Capital Increased by Assets Other than Cash	Other
2018.03	10	200,000,000	2,000,000	81,340,493	813,404.93	Cash	-	Note 1
2022.06	82.48	200,000,000	2,000,000	116,340,493	1,163,404.93	Private placement/ Cash	-	Note 2
2022.11	10	200,000,000	2,000,000	117,340,493	1,173,404.93	Restricted Employee Shares	-	Note 3
2023.03	10	200,000,000	2,000,000	117,890,493	1,178,904.93	Employee stock options	-	Note 4
2024.03	10	200,000,000	2,000,000	118,681,193	1,186,811.93	Employee stock options	-	Note 5
2024.08	10	200,000,000	2,000,000	118,443,193	1,184,431.93	Employee stock options/ cancellation of Restricted Employee Shares	-	Note 6
2025.05	10	200,000,000	2,000,000	118,832,493	1,188,324.93	Employee stock options	-	Note 7
2025.09	10	200,000,000	2,000,000	118,792,493	1,187,924.93	Cancellation of Restricted Employee Shares	-	Note 8
2025.11	10	200,000,000	2,000,000	118,878,393	1,188,783.93	Employee stock options	-	Note 9

Note 1: The MOEA No. 10701017590 on March 9, 2018.

Note 2: The MOEA No. 11101101780 on June 14, 2022.

Note 3: The MOEA No. 11101205860 on November 10, 2022.

Note 4: The MOEA No. 11230098560 on June 12, 2023.

Note 5: The MOEA No. 11330073160 on May 15, 2024.

Note 6: The MOEA No. 11330129030 on August 15, 2024.

Note 7: The MOEA No. 11430061660 on May 23, 2025.

Note 8: The MOEA No. 11430109250 on September 8, 2025.

Note 9: The MOEA No. 11430179980 on November 13, 2025.

As of March 29, 2026

Share Type	Authorized Capital			Unissued shares	Total	Remark
	Outstanding shares					
	Listed	Private placement	Total			
Common stock	83,878,393	35,000,000	118,878,393	81,121,607	200,000,000	

Shelf-registration system: None.

1.2 Major Shareholders

As of March 29, 2026

Major Shareholder	Shareholding (shares)	Shareholding (%)
XSemi Corporation	35,000,000	29.44
Future Technology Consulting, Inc.	3,169,899	2.67
Fu-Chi Teng	2,199,694	1.85
HSBC Bank (Taiwan) Limited, in custody for Morgan Stanley International Limited Investment Account.	1,838,588	1.55
HSBC Bank (Taiwan) Limited, in custody for Goldman Sachs International Investment Account	883,131	0.74
Ko-Yu Yu	850,896	0.72
Standard Chartered Bank (Taiwan) Limited, Business Banking Division, in custody for J.P. Morgan Securities Limited Investment Account	686,733	0.58
Yuanta Securities Co., Ltd.	669,320	0.56
Tsung-Yuan Huang	626,000	0.53
Shou-Yan Liu	590,000	0.50

1.3 Dividend Policy and Distribution of Earnings

(1). Dividend policy under Articles of Incorporation

In light of the fact that the Company is in the business growth phase, to go with the demand for capital in the future and the long-term financial planning as well as to fulfill the demand of shareholders for cash flows, the Company appropriates and assigns dividends to shareholders according to the earnings available for distribution. Cash dividends, in particular, may not be below 10% of the total dividends distributed in a single year. The dividend payout proposed by the Board of Directors has to be approved at the annual shareholders' meeting.

(2). Proposed dividend allocation for approval at annual shareholders' meeting

The Board meeting passed the proposal of dividend distribution as NT\$ 5 per share in cash on February 25, 2026; the proposal is not yet approved by the annual shareholders' meeting.

(3). The Company's dividends for the most recent five years have been distributed at no less than 40% of the net profit after tax for the current year, and cash dividends have been distributed for the most recent five years. For the dividend distribution over the years, please refer to the company's website for dividend distribution.

1.4 Impact of Stock Dividend Distribution on Business Performance and EPS

None.

1.5 Employees' and Directors' Compensation

(1). Earnings distribution plan according to the Company's Articles of Incorporation

If the Company records annual profits, it shall appropriate no less than 3% of such profits as employee compensation. Of the total amount of employee compensation appropriated, no less than 5% shall be allocated for distribution to rank-and-file employees, and no more than 3% shall be allocated as directors' remuneration, and not more than 3% of the profit as compensation for directors. However, if the Company posts a loss, it shall first reserve a certain amount to offset the losses, then allocate the remainder for employees' and directors' compensation.

(2). Accounting treatment for the deviation between the estimated and actual distribution amount of employees' and directors' compensation

The Company accrues employee bonuses and directors' compensation proportionally from the pre-tax income before deducting employee bonuses and directors' compensation. Should there be a deviation between the actual distribution amount and the accrued amount in the annual financial reports after their publication date, the difference should be treated as changes in accounting estimates and adjusted in the following year.

(3). 2024 employees' and directors' compensation proposals adopted by the Board of Directors

A. For fiscal year 2025, the employee compensation amounted to NT\$42,380,000, of which no less than 5% was allocated for distribution to rank-and-file employees, representing an amount of no less than NT\$2,119,000. The directors' remuneration amounted to NT\$23,868,349. The foregoing employee compensation and directors' remuneration were approved by the Board of Directors on February 25, 2026 and April 15, 2026, to be distributed in cash, and there is no difference between the amounts distributed and those recognized in the financial statements for fiscal year 2025.

B. Employee bonuses paid in the form of shares and as a percentage of total net income on a stand-alone basis and of total employee bonuses: None.

(4). Actual distribution of compensation to employees, and directors (including the number, sum, and price of shares distributed), and treatment of the discrepancy:

There is no difference between the actual distribution and the accrued amount.

1.6 Share Repurchase by the Company

None.

2. Corporate Bonds

None.

3. Preferred Shares

None.

4. Overseas Depository Receipts

None.

5. Employee Stock Options

5.1 Status of employee stock options that have yet to mature

As of March 29, 2025

Type	6th (2020) Employee Stock Options
Date of Effective Registration and Number of Options	December 1, 2020 2,000,000
Issue (Grant) Date	March 9, 2021
Number of Options Granted	2,000,000
Number of Options not Granted	0
Percentage of Shares Exercisable to Outstanding Common Shares	1.68%
Option Duration	6 years
Source of Option Shares	New Common Share
Vesting Schedule	2nd Year: Up to 40% 3rd Year: Up to 70% 4th Year: Up to 100%
Shares Exercised	1,829,900
Value of Shares Exercised	69,380,660
Shares Unexercised	0
Adjusted Exercise Price Per Share (NT\$)	0
Percentage of Shares Unexercised to Outstanding Common Shares	0
Impact to Shareholders' Equity	Dilution to shareholder's equity is limited

5.2 Names, acquisition, and subscription of managerial officers who have obtained employee stock options as well as employees who rank among the top ten in terms of the number of shares obtained via employee stock options

Unit: NT'000; thousand Shares

	Title	Name	Number of Option Acquired	Number of Option Acquired / Number of Option Issued	Exercised			Not exercised				
					Number of Option	Exercise Price (NT\$)	Option amount	Number of Option / Number of Option Issued	Number of Option	Exercise Price (NT\$)	Option amount	Number of Option / Number of Option Issued
Managerial Officer & Employee	Managerial Officer	Fu-Chi Teng Mei-Ying Tan Chien-Hsueh Lin Former Managerial Officer	480	0.40%	408	39.60 ~ 35.10	15,242	0.34%	0	0	0	0.00%
	Employee	Qing-tian Zhao Qing-xun Zheng Jun-yuan Zheng Former Employee	570	0.48%	555	39.60 ~ 35.10	21,013.3	0.46%	0	0	0	0.00%

Note: Former employees and managerial personnel are not included herein.

6. Restricted Employee Shares

6.1 Status of New Restricted Employee Shares

As of March 29, 2026

Type of New Restricted Employee Shares	2022 New Restricted Employee Shares										
Date of Effective Registration and Total Shares of issuance	May 20, 2022 1,000,000										
Issue date	October 13, 2022										
Number of New Restricted Employee Shares Issued	1,000,000										
Number of New Restricted Employee Shares to be Issued	0										
Issued Price (NT\$)	None										
New Restricted Employee Shares as a Percentage of Shares Issued	0.85%										
Vesting Conditions of New Restricted Employee Shares	<p>An employee's continuous employment with the Company through the vesting dates; no breach by the employee of any terms of any agreement with the Company to which the employee is subject, including, without limitation, the employee's employment terms and conditions or any other employment-related agreement, any non-competition or confidentiality agreements; no violation by the employee of employee handbook; and, the achievement by the employee of the employee's individual performance goals, and the Company's achievement of operational objectives during the applicable Performance Period. The maximum percentage of granted RSAs that may be vested each year shall be as follows: one-year anniversary of the grant: 30%; two-year anniversary of the grant: 30%; and three-year anniversary of the grant: 40%.</p> <p>a. The individual performance goals are the employee's year-end performance rating for the year preceding the vesting date at "A" rating or higher for the performance year preceding each vesting date.</p> <p>b. The Company's operating operational objectives indexes include the revenue growth rate and operating margin ("OPM%"); provided that the achievement level of the indexes in each year will be calculated based on the achievement of the Company's business performance metrics, as detailed in the following point. The achievement of one of the indexes is deemed to have achieved. The judgement of the achievement level of the indexes shall be based on the Company's consolidated financial statements certified by a certified public accountant for the corresponding performance periods. The actual percentage and number of the RSAs to be vested in each year will be calculated based on the achievement of the Company's business performance metrics and the employee's achievement of job performance criteria, which will be set by the Company and agreed with the employee.</p> <table border="1"> <thead> <tr> <th>Company's Operation Objectives</th> <th>Operating Target A</th> <th>Operating Target B</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>Increase \geq 5% YoY</td> <td rowspan="2">Higher than the average of previous three years</td> </tr> <tr> <td>Operating Margin (%)</td> <td>Increase \geq 2% YoY</td> </tr> </tbody> </table>			Company's Operation Objectives	Operating Target A	Operating Target B	Revenue	Increase \geq 5% YoY	Higher than the average of previous three years	Operating Margin (%)	Increase \geq 2% YoY
Company's Operation Objectives	Operating Target A	Operating Target B									
Revenue	Increase \geq 5% YoY	Higher than the average of previous three years									
Operating Margin (%)	Increase \geq 2% YoY										
Restricted Rights of New Restricted Employee Shares	<p>a. Except for inheritance, employees are prohibited from and shall not sell, pledge, transfer, give to another person, create any encumbrance on, or in any other way dispose of any unvested RSAs.</p> <p>b. Rights to attend the Company's shareholder's meeting, submit proposals, or speak and vote at the meeting attributed to ownership of stock with respect to any unvested RSAs will be the same as those of the common shares of the Company but shall be subject to and performed in accordance with the trust agreement.</p> <p>c. Rights to dividends, interest, capital reserve, and share subscription warrants attributed to ownership of stock with respect to any unvested RSAs will be the same as those of the common shares of the Company and shall be subject to and performed in accordance with the trust agreement.</p> <p>d. If any Shares vest on a date that falls during a period in which the Company is prohibited from altering the Company's shareholders' roster, including but not limited to, for reasons pertaining to the Company's issuance of bonus or cash dividends, or conducting a rights offering, convening shareholder's meeting pursuant to paragraph 3 of Article 165 of the Company Act, the release of the restrictions on such RSAs set forth in this Article 6 shall be in accordance with the trust agreement and applicable laws and regulations.</p>										

Type of New Restricted Employee Shares	2022 New Restricted Employee Shares
Custody Status of New Restricted Employee Shares	<p>a. All Shares under each RSAs under these Rules shall be deposited in a trust/custody governed by the trust agreement immediately after the granting of the RSAs and execution of Company-required documentation. The employee shall have no right to request and shall not request that the trustee(s) release unvested RSAs held in the trust account for any reason or in any method.</p> <p>b. During the period when the granted RSAs are deposited in a trust/custody account, each employee must enter into an agreement authorizing the Company to, among others, negotiate, execute, modify, extend, rescind, and terminate the trust/custody agreement with the trustee/custodian, and give instructions to deliver, use, and dispose of any of the properties under the trust/custody, on their behalf, with full power and authority.</p>
Measures to be Taken When Vesting Conditions are not Met	<p>a. All unvested RSAs will be forfeited and canceled by the Company without consideration in accordance with these Rules.</p> <p>b. Any unvested RSAs will be forfeited on the effective date of separation due to a voluntary separation, separation with a severance, or retirement of such executives. The Company will reclaim the RSAs granted to them and cancel the same at no extra cost to the Company.</p>
Number of New Restricted Employee Shares that have been Redeemed or Bought Back	292,000
Number of Released New Restricted Employee Shares	708,000
Number of Unreleased New Restricted Employee Shares	0
Ratio of Unreleased New Restricted Employee Shares to Total Issued Shares (%)	0
Impact on possible dilution of shareholdings	Dilution of original shareholders' holding is limited.

6.2 List of Executives Receiving New Restricted Employee Shares and the Top Ten Employees with New Restricted Employee Shares

As of March 29, 2026; Unit: shares

	Title	Name	No. of New Restricted Shares	New Restricted Shares as a Percentage of Shares Issued (Note)	Released			Unreleased				
					No. of Shares	Issued Price (NT\$)	Amount	Released Restricted Shares as a Percentage of Shares Issued (Note)	No. of Shares	Strike Price (NT\$)	Amount	Unreleased Restricted Shares as a Percentage of Shares Issued (Note)
Managerial officer and employee	CSO Vice President Vice President	Fu-Chi Teng Mei-Ying Tan Chien-Hsueh Lin Former Managerial Officer	680,000	0.57%	428,000	0	0	0.36%	0	0	0	0
	Employee	Qing-tian Zhao Qing-xun Zheng Jun-yuan Zheng Chi-chih Yu Former Employee	320,000	0.27%	280,000	0	0	0.23%	0	0	0	0

Note: Former employees and managerial personnel are not included herein.

7. Shares Issuance for Mergers and Acquisitions

None.

8. Funding Use Plan and Execution

None.

4 Operational Highlights

1. Business Overview
2. Markets & Sales Overview
3. Human Resources
4. Environmental Protection Expenditure
5. Labor Relations
6. Cyber Security Management
7. Major Contracts

Operational Highlights

1. Business Overview

1.1 Business Scope

(1). The Main Business Activities

The main business scope of the Company and its subsidiaries is research, development, production, testing and sales of Power MOSFETs. Power MOSFETs are widely used in almost all electrical and electronic systems, such as server, automotive, consumer electronics, industrial automation and other related fields, including personal computers, switching power supplies, fan, motor drives, battery management systems, etc.

(2). Revenue Breakdown

Unit: NT\$'000

Item	Revenue in 2025	% of total
Low Voltage MOSFET	1,523,261	49.07
Middle Voltage MOSFET	994,349	32.03
High Voltage MOSFET	498,641	16.06
Others	88,062	2.84
Total	3,104,313	100.00

(3). Main products

- A. Low Voltage MOSFET
- B. Middle Voltage MOSFET
- C. High Voltage MOSFET
- D. IGBT
- E. Third-generation semiconductors: Silicon Carbide (SiC) and Gallium Nitride (GaN)

(4). New products to be developed

The Company, in collaboration with Korean semiconductor wafer factories, has developed a new generation SGT process platform optimized for Figure Of Merit (FOM). This new ultra-junction process platform offers higher cost-effectiveness for high, medium, and low-voltage Power MOSFETs. These are suitable for various applications such as personal computers, laptops, cloud/AI servers, next-generation gaming consoles, catering to the power supply needs of consumer and commercial markets. It also provides the optimal product solution for applications involving BLDC motors.

In collaboration with analog power IC design companies, we are developing DrMOS products slated for mass production in 2026. These products aim to meet the demands for high performance and system miniaturization in the consumer PC market, offering optimal solutions.

The increasing demand in the third-generation semiconductor market has led to the completion of product development for SiC SBD and fully developed SiC MOSFETs,

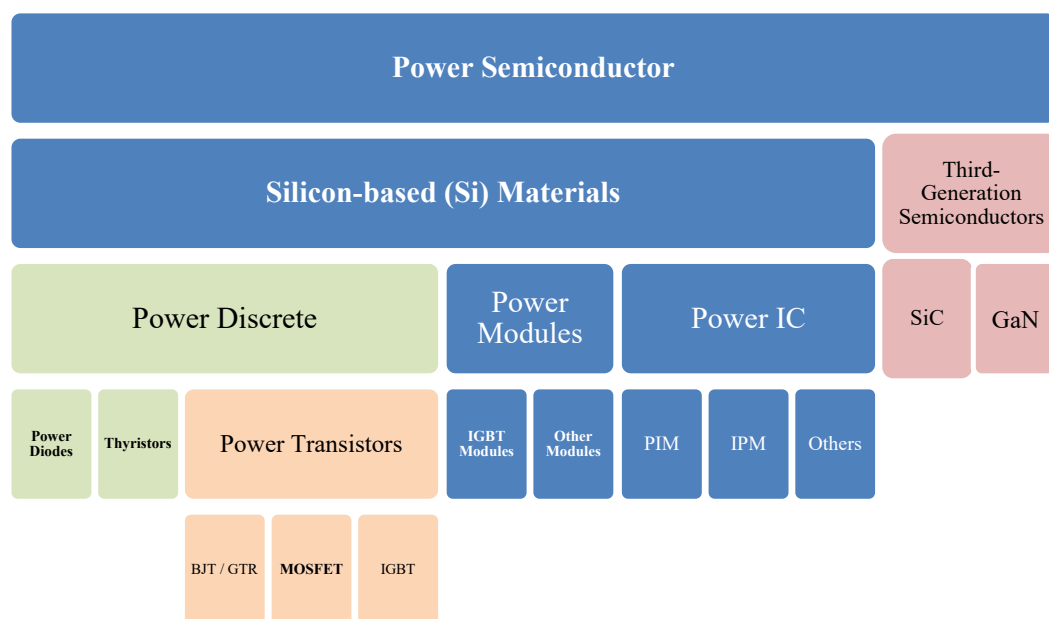
enabling us to provide trial production of these products to meet customer demands. In addition, the Company has commenced the development of high-voltage Gallium Nitride (GaN) products, which are expected to be introduced into the product portfolio and promoted in 2026.

1.2 Industry Overview

(1). Industry status and development

Power semiconductors can be divided into three categories, namely power discrete, power IC (Integrated Circuit) and power module. Among them, power discrete products comprise thyristors, rectifiers, diodes and power transistors. Power transistors mainly include power MOSFET (Metal Oxide Semiconductor Field Effect Transistors), IGBT (Insulated Gate Bipolar Transistors), bipolar power Transistor and third-generation semiconductors: SiC and GaN. They are widely used in the computer, communications, automotive and consumer electronics industries, serving as the indispensable components for power conversion and power management.

Power semiconductors can be categorized as follows:



Source: China Trust Construction; Omdia (2021/10)

Power discrete components, including Power MOSFETs, IGBTs, and Bipolars, play a vital role in various applications. Among these, Power MOSFETs have consistently accounted for over 50% of the market share. They find extensive use in power conversion systems, controlling and handling high currents and voltages. With the growing demand in hybrid electric vehicles, electric vehicles, power supplies, and photovoltaic (PV) systems, artificial intelligence (AI), cloud computing, and big data driven by the emergence of Silicon Carbide (SiC) and Gallium Nitride (GaN) power semiconductors alongside traditional silicon (Si) technology, the market share of Power.

The global MOSFET market is poised for significant growth, fueled by rising energy efficiency demands, the proliferation of electric vehicles, the expansion of renewable energy initiatives and the expansion of AI servers. Technological advancements in household appliances have further accelerated market momentum. Additionally, increased adoption of electronic devices among millennials, innovations in healthcare technologies, and the expected rise of hybrid and electric vehicles continue to reinforce a strong foundation for the MOSFET market, supported by ongoing innovation and technological evolution.

The power device market exhibits a highly concentrated oligopolistic structure. In 2025, the world's top five automotive and industrial semiconductor leaders collectively accounted for approximately 45.5% of global market share. Traditional silicon-based devices, benefiting from cost advantages and a mature supply chain, continue to generate over 77% of total revenue, thereby reinforcing the leading position of established IDMs (Integrated Device Manufacturers).

Major industry leaders and their development focus in 2025 include:

Infineon Technologies: The undisputed global leader in power semiconductors, holding a dominant market share in automotive and industrial applications. In recent years, through collaborations with companies such as ROHM, Infineon has actively strengthened its presence in Silicon Carbide (SiC) technologies and AI data center packaging.

ON Semiconductor: Leveraging its strong capabilities in image sensing and automotive power devices, ON Semiconductor remains firmly positioned among the industry's leading players. Its vertically integrated strategy in Silicon Carbide (SiC) modules has established ON Semiconductor as a key partner for major global electric vehicle manufacturers.

STMicroelectronics: As one of Tesla's early primary suppliers of SiC devices, STMicroelectronics has accumulated extensive experience in the mass production of third-generation semiconductors and continues to expand its influence in both consumer electronics and automotive applications.

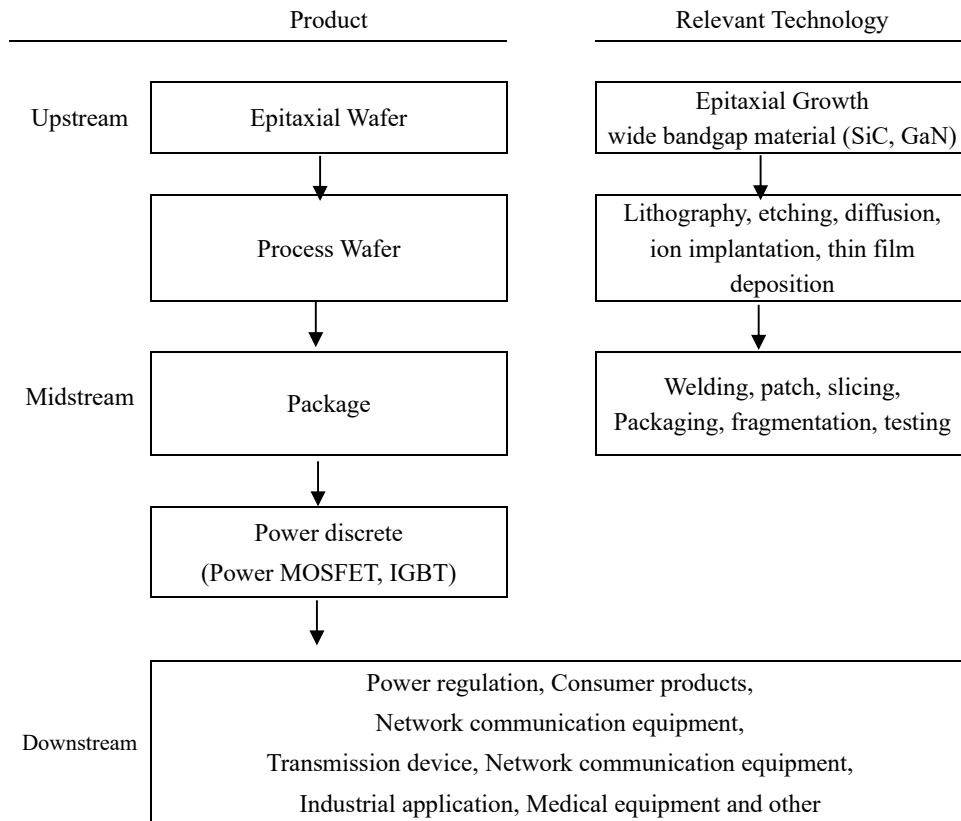
Texas Instruments: A dominant player in the power management IC (PMIC) and analog semiconductor markets. A major milestone in 2025 was the official commencement of 12-inch Gallium Nitride (GaN) wafer mass production at its Aizu facility, which is expected to significantly reduce GaN manufacturing costs.

Japanese manufacturers (Mitsubishi Electric, Fuji Electric, and Renesas): Japanese companies continue to maintain substantial technological barriers and market share in high-power IGBT modules required for applications such as high-speed rail, railway transportation, and heavy industrial systems.

Collectively, the top five manufacturers account for nearly half of the global market and represent the core forces driving industry standards as well as the technological direction of third-generation semiconductors (SiC/GaN)

Trade tensions and tariff disputes arising from ongoing conflicts between the United States and China have intensified cross-strait frictions between Taiwan and China, and have recently constrained global trade, thereby suppressing global economic growth. At the same time, both the U.S. and China are reshaping their respective supply chains, accelerating the polarization and regionalization of global supply networks. In response to U.S. restrictions on semiconductor technologies and industries, Chinese companies are pursuing indigenous innovation, expediting product substitution, and striving to establish a self-sufficient semiconductor supply chain in order to mitigate the impact of future risks. Driven by emerging technology demand and supportive government policies, the market share of Chinese Power MOSFET suppliers increased significantly in 2025. Among them, Hangzhou Silan Microelectronics achieved a market share of 4.6%, ranking tenth globally in the power discrete devices and modules market. Meanwhile, Taiwan's power semiconductor industry, amid the U.S.–China trade conflict, benefits from advantages in cost competitiveness and customization capabilities when competing with overseas peers. Taiwanese companies are accelerating the establishment of supply chain footprints outside China, with the expectation of capturing new growth opportunities amid the strategic rivalry between the two major powers.

(2). Industry value chain



(3). Various Development Trends and Competitions of Products

A. The Great Shift in End-Market Application Sectors

a. Net-zero emissions accelerate energy system transformation

As the world enters the next decade, the primary growth engine of the market will undergo a fundamental transition from Consumer Electronics to Energy and High-Performance Computing. Driven by the global shift toward electric vehicles and transportation electrification, the automotive sector accounted for approximately 31% of the total market share in 2025. Over the next ten years, it is projected to remain the largest single end-market for power semiconductors. Beyond the main traction inverter, demand for high-end power components in On-Board Chargers (OBCs) and Battery Management Systems (BMS) will continue to double. Green Energy and Grid (Energy & Power) is projected to be the fastest-growing end-application field over the coming decade. To achieve net-zero carbon emissions, nations are investing heavily in High-Voltage Direct Current (HVDC) transmission, Energy Storage Systems (ESS), and microgrids. These investments will drive robust demand for high-power modules.

b. New materials of the third-generation semiconductors

Although Silicon (Si) remains the current mainstream material, its physical limitations can no longer satisfy future demands. By 2035, the market for SiC and GaN power components is projected to surge with a Compound Annual Growth Rate (CAGR) of approximately 25.3%, with the market size reaching an estimated US\$38.9 billion. The development of SiC (Silicon Carbide) hinges on the core battleground of the next decade: the comprehensive adoption of 8-inch (200mm) wafers. While this requires massive capital expenditure, it will effectively reduce the cost per chip, driving the full-scale adoption of SiC in 800V+ high-voltage electric vehicle (EV) architectures and large-scale solar inverters. The development of GaN (Gallium Nitride) will transition from smartphone fast chargers to AI servers and 5G base stations. The extreme pursuit of high frequency and high power density in AI computing will establish GaN as a standard specification for data center power architectures.

B. Competitions of Products

In the development of global power semiconductors, major technologies have been dominated by global integrated devices makers (IDMs) such as Infineon, ON Semi, etc. which have complete wafer fabrication and packaging plants. The world's top five power semiconductor manufacturers accounted for more than 50% of the market share. The players in Taiwan are mainly focused in the low-voltage MOSFETs. Due to the limitation in capital, technologies and talents, the overall scale of the players is small, and the deployment of the industry is scattered. Under the impact of the US-China trade tensions, the trend of China and the United States forming their own supply chains has made the development of regional supply chains more polarized.

Under the influence of the U.S.-China trade war, the "decentralization" of supply chains and the rise of regional hubs have become prominent trends. The Asia-Pacific (APAC) region currently accounts for approximately 40% to 50% of the global market share. It

is projected to maintain its position as the largest center for both consumption and manufacturing through 2035. China and Taiwan will continue to leverage their respective advantages in the Electric Vehicle (EV) and foundry sectors. To mitigate geopolitical risks, the U.S., Europe, and Japan are aggressively subsidizing the construction of domestic fabs through initiatives such as the U.S. CHIPS Act and the European Chips Act. Future supply chains will transition from "global division of labor" toward "regionalized production." This involves manufacturing, packaging, and directly supplying products to local automotive or industrial customers. India and Southeast Asian nations are gradually emerging as new global hubs for semiconductor Outsourced Semiconductor Assembly and Test (OSAT) services.

1.3 Research and Development

- (1). Major R&D Expenditures which was NT\$137,508 thousand in 2025.
- (2). Major R&D Achievements in 2025:
 1. The 3rd generation of Medium and Low voltage Power MOSFET
 - A. The Company has developed a new generation of 30V Power MOSFET products designed for core voltage synchronous rectification power supplies used in CPUs and GPUs of personal computers and graphics cards. Featuring superior conduction and switching loss performance, these products have successfully passed customer performance validation and have been introduced into mass production.
 - B. 60V–150V Power MOSFET products have entered mass production and have been adopted in applications including power supplies, power battery systems, and BLDC motors.
 - C. The extra-low Rds(on) 30V Oring FET product line designed for AI server applications has also completed product qualification and validation.
 - D. A new generation of 100V N-channel and P-channel Power MOSFETs developed for 48V system cooling fan motor drive applications has passed customer performance validation and has been introduced into mass production.
 2. Next generation of High voltage Power MOSFET
The 600V/650V high-voltage process technology platform with super junction has been completed and entered the stage of mass production, and has been gradually designed into the power supply ODM manufacturers.
 3. Insulated Gate Bipolar Transistors (IGBT)
The 650V IGBT has completed development validation and is currently undergoing reliability qualification. The product is scheduled to be launched in the market in the first half of 2026 and will be promoted primarily for machine tool and air-conditioning inverter applications.
 4. SiC Power MOSFET
The Company is undertaking next-generation product optimization of Silicon Carbide (SiC) Power MOSFETs in the 650V, 750V, and 1200V voltage classes. Product development is currently ongoing, and this series of products will be developed in

response to market demand from power supplies, renewable energy systems, electric vehicles, and charging infrastructure applications.

5. GaN HEMT

GaN HEMT products in the 650V and 700V voltage classes have completed product development and are currently undergoing reliability qualifications. These products are planned to be incorporated into the Company's product portfolio in 2026, targeting high-efficiency power topologies and high-power-density power supply applications.

1.4 Corporate Development Plan

(1). Short-term Corporate Development Plan

A. Marketing Strategy: Deepening Regional Market Presence and Building Flexible Supply Chains.

In response to rising global protectionism and fluctuating tariff policies, the Company has adopted a dual strategy of 'Regionalized Services' and 'Diversified Channels.' Beyond strengthening our existing overseas distributor network, we are enhancing our triangular trade logistics capabilities to bolster supply chain resilience. By establishing real-time technical consultation centers in key global markets, we aim to bridge the distance with customers, ensuring competitiveness under high-tariff pressures while effectively increasing market penetration.

B. Production Strategy: Capacity Resource Integration and Supply Chain Strategic Synergy.

In 2025, the semiconductor industry faced capacity management challenges due to varying recovery speeds across terminal applications, ongoing inventory adjustments, and geopolitical uncertainties. To navigate these complexities, the Company has continued to deepen long-term strategic partnerships with foundries and OSAT (Outsourced Semiconductor Assembly and Test) providers. By implementing capacity reservations and rolling forecast mechanisms, we ensure a stable supply of key components. Furthermore, the Company actively optimizes our outsourced processing cost structures and flexibly adjusts production allocations to ensure precise delivery, achieving the dual objectives of stable capacity and price competitiveness.

C. R&D Strategy: Focusing on Frontier Material Applications and Low-Carbon Power Solutions.

In response to the robust demand from AI computing infrastructure, renewable energy, and the electric vehicle (EV) markets, our R&D remains focused on developing high-performance components utilizing third-generation semiconductors (SiC/GaN). The Company is committed to providing power management solutions characterized by high power density and low energy loss, supporting our customers in achieving their green energy-saving goals. By accelerating time-to-market and enhancing product functionalities tailored for High-Performance Computing (HPC) and automotive electronics, we continue to strengthen our core technologies.

D. Financial Planning: Optimizing Capital Structure and Strengthening Hedging Management.

The Company leverages diverse capital market financing tools to ensure a stable source of funding for both operations and expansion. Our financial operations are guided by the principles of prudence and soundness; we actively maintain robust cash flows to safeguard shareholder equity while striving to establish strategic investment

partnerships. In response to global exchange and interest rate volatility, the Company continues to optimize hedging operations and tax management. Furthermore, we are integrating ESG performance indicators to secure green financing resources, thereby reducing financing costs and maintaining long-term financial stability.

(2). Long-term Corporate Development Plan

A. Implementing Sustainable Governance and Talent Cultivation

The Company integrates ESG principles into its operational decision-making, actively promotes green supply chain management, and is committed to carbon neutrality transition initiatives. At the same time, the Company establishes an international talent pool and drives long-term innovation momentum through comprehensive performance-based incentive mechanisms and structured career development planning, with the ultimate goal of maximizing shareholder value.

B. Marketing Strategy: Product Diversification

The Company is committed to a high-value transformation of our product portfolio, strategically targeting high-entry-barrier markets such as AI computing servers, High-Performance Computing (HPC), and automotive electronics. By deepening the technical development of high-power MOSFETs and medium-to-high voltage power components, we meet the demand for ultimate energy efficiency in next-generation data centers. Concurrently, we are accelerating the implementation of Automotive Grade certifications. This strategic expansion across diverse product lines mitigates the risks associated with single-market volatility, ensuring the steady growth of operational gross margins.

C. R&D Strategy: Establishing Technological Leadership

The Company continues to advance the R&D and application of next-generation semiconductor materials, such as Silicon Carbide (SiC) and Gallium Nitride (GaN). By optimizing device structure designs to minimize conduction and switching losses, we provide customers with green power solutions that deliver both high performance and ultra-low energy consumption. Our objective extends beyond component supply; we are dedicated to driving industrial energy transition. Through technological innovation, we aim to realize a 'Green Premium' and establish a sustainable technological benchmark for the industry.

2. Markets & Sales Overview

2.1 Market Analysis

(1). Sales regions:

Unit: NT\$'000

Item \ Year		2024		2025	
		Amount	% of total	Amount	% of total
Domestic Sales	Taiwan	728,179	24.95	1,166,518	37.58
	Export Sales				
	Asia	2,186,408	74.92	1,932,356	62.25
	Others	3,820	0.13	5,439	0.17
Net sales		2,918,407	100.00	3,104,313	100.00

The export ratio of the Company and subsidiaries was 62.42% in 2025, mainly in mainland China and Thailand.

(2). Market share and future market supply & demand and growth

The global power semiconductor market was estimated to range between USD 53.0 billion and USD 56.0 billion in 2025. This market is characterized by a high degree of concentration, where leading players continue to dominate, and by significant technological barriers to entry. Looking ahead to the next decade (through 2035), driven by the growing adoption of electric vehicles, the expansion of AI infrastructure, and the modernization of global power grids, the overall market is expected to grow at a compound annual growth rate (CAGR) of approximately 4.9% to 5.8%, reaching an estimated market size of USD 86.0 billion to USD 97.5 billion by 2035.

Since the supply-demand reversal in the power semiconductor market in the third quarter of 2022, coupled with macroeconomic weakness that led to a decline in end-market demand for consumer electronics, industry participants have focused primarily on inventory digestion. Following inventory adjustments throughout 2023, overall inventory levels have gradually returned to normal. Beginning in 2026, the market is expected to resume gradual growth in line with prevailing industry trends.

The Company and its subsidiaries pay constant attention to developing technologies for our product lines. By taking advantage of the comprehensive semiconductor industry clusters in Taiwan and using flexible marketing strategies to expand our marketing channels, we can reinforce long-term collaborative relationships with current customers while also acquiring new customers in a variety of product fields. Through our active efforts, we can enhance the Company's market share.

(3). Competitive niche

A. Strong management and R&D team with a Global Perspective

The Company and subsidiaries have been devoted to the development of power semiconductor components since its establishment in 1998 for over two decades. The Company and subsidiaries' management team have practical experiences in mask design and allocation, technology development, and product applications for many years, with leading members as talents for power semiconductor components and process design. The Company and subsidiaries' management team's extensive experience through various market cycles has equipped us with exceptional market sensitivity and the ability to make accurate strategic judgments. The Company and its subsidiaries have accumulated over 92 domestic and international patents rights which have been acquired or that are under application. Through a system of professional specialization and highly efficient decision-making, we have successfully transformed our technical heritage into operational competitiveness, earning the profound trust of global Tier-1 customers.

B. Proprietary Core Technologies and Vertically Integrated R&D Capabilities

The Company and subsidiaries' core technologies are entirely developed in-house, enabling full control over key aspects of product design. This not only allows the Company to closely align its offerings with market trends, but also significantly

shortens the time-to-market for new products. In response to the growing demand for green energy solutions and AI computing power, the Company's R&D team is dedicated to the development of components featuring high power density and low energy consumption, resulting in a diversified yet comprehensive product portfolio. Furthermore, through sustained R&D investment and continuous technological iteration, the Company ensures that it maintains a leading position in third-generation semiconductor technologies and advanced power management applications.

C. Global Capacity Deployment and Exceptional Supply Chain Resilience

The Company and subsidiaries leverages the advantages of Taiwan's comprehensive semiconductor ecosystem. Through strategic investments in critical packaging equipment and capacity prepayments, we have forged long-term strategic partnerships with world-leading foundries and OSAT (Outsourced Semiconductor Assembly and Test) providers. In the face of post-pandemic shifts and geopolitical volatility, the Company and subsidiaries has demonstrated superior flexibility in capacity allocation, ensuring a stable supply even during industry-wide fluctuations. Through our 'Taiwan Core, Global Support' capacity model, we not only enhance production efficiency but also effectively mitigate trade risks associated with any single region.

D. Provide customers with excellent product development and after-sales service

The Company and its subsidiaries do not only sell electronic components but also provide comprehensive Total Solutions. Through precision simulation verification services and real-time technical support, the Company and its subsidiaries assist customers in optimizing system performance during the early stages of development, significantly shortening their product time-to-market. Facing the rapidly changing terminal application demands of 2025, the Company and its subsidiaries leverage a real-time response mechanism and a deep Co-Design model to establish long-term, mutually beneficial partnerships with global customers, further strengthening our market competitive advantage.

(4). Advantage and disadvantage factors of development vision and responsive measures

A. Advantage factor

a. Energy Transition Accelerates Demand for Green Semiconductors

As the global push for 'Net-Zero' emissions accelerates, the transformation of energy management systems has become a critical, non-discretionary demand. Compared to major international IDMs, the Company and its subsidiaries leverages its agile R&D mechanisms to continuously develop high-end power management components focused on energy efficiency and low power consumption. Currently, we offer a comprehensive product line spanning from low to high voltage, with quality on par with international leaders. This positioning significantly enhances our opportunities for import substitution within the green energy market and electric vehicle (EV) supply chains.

b. Excellent Brand Reputation and Strong Customer Relationships

With years of deep cultivation in the power semiconductor industry, the Company and its subsidiaries adopt a marketing strategy of seeking growth amidst stability. The Company and its subsidiaries have established long-term strategic partnerships with numerous landmark domestic and international enterprises. Leveraging exceptional product reliability and a distinguished industry reputation, our solid foundation of cooperation enables us to maintain market share stability even amidst cyclical economic fluctuations.

c. Comprehensive Product Portfolio and Responsive Technical Support

The Company and its subsidiaries offer comprehensive power management solutions that precisely align with the latest market trends, including AI servers and High-Performance Computing (HPC). Regarding wafer foundry capacity allocation, we possess rapid-response capabilities, enabling us to accelerate R&D cycles based on the requirements of our customers' next-generation products. Our exceptional product quality and supply stability have earned profound recognition and trust from our clients.

B Disadvantage factors and responsive measures

a. Geopolitical Conflicts and Global Trade Restrictions: The ongoing evolution of US-China trade tensions and technology export controls may impact supply chain configurations and market operational costs.

◆Responsive measures:

Leveraging the unparalleled advantages of Taiwan's comprehensive semiconductor clusters, the Company and its subsidiaries optimizes production allocation and logistics coordination to enhance operational efficiency. Concurrently, we have adopted a 'Regionalized Service' strategy, flexibly adjusting overseas distributor channels and triangular trade models to fortify supply chain resilience. Through a diverse product portfolio and high-value-added technologies, we are proactively expanding into multi-dimensional markets—turning crises into opportunities while expanding profit margins and bolstering market competitiveness.

b. Intense Competition for High-End Semiconductor Talent: The cultivation of specialized and senior R&D talent requires significant lead time, and the global scramble for technical expertise within the semiconductor industry has reached a fever pitch.

◆Responsive measures:

The Company and its subsidiaries regard its employees as its most valuable assets. In addition to providing competitive compensation, we have established a multi-tiered incentive framework—comprising "Employee Compensation (Bonus)," "Employee Stock Options," "Restricted Stock Awards (RSAs)," and "Employee Stock Ownership Trust (ESOT)"to enable our team to share in the fruits of our

operational success. Furthermore, we are committed to providing comprehensive on-the-job training and an exceptional work environment.

- c. Capacity Constraint Risk under the Fabless Model: As a fabless IC design company, our production capacity is subject to the allocation and scheduling of foundry partners. In the event of a surge in market demand or a cyclical upturn in the industry, the Company and its subsidiaries may encounter risks of insufficient capacity, which could adversely impact our delivery schedules.

◆Responsive measures:

The Company and its subsidiaries adopt a strategy of "Foundry Diversification and Strategic Collaboration." To secure long-term capacity, we utilize methods such as prepayments for goods and investments in key production equipment. Furthermore, we have entered into Long-Term Agreements (LTAs) with our major foundry partners. By leveraging precise market demand forecasting and capacity reservation mechanisms, we optimize order scheduling to ensure priority fulfillment for core customers during periods of capacity volatility, thereby minimizing the impact of potential supply shortages.

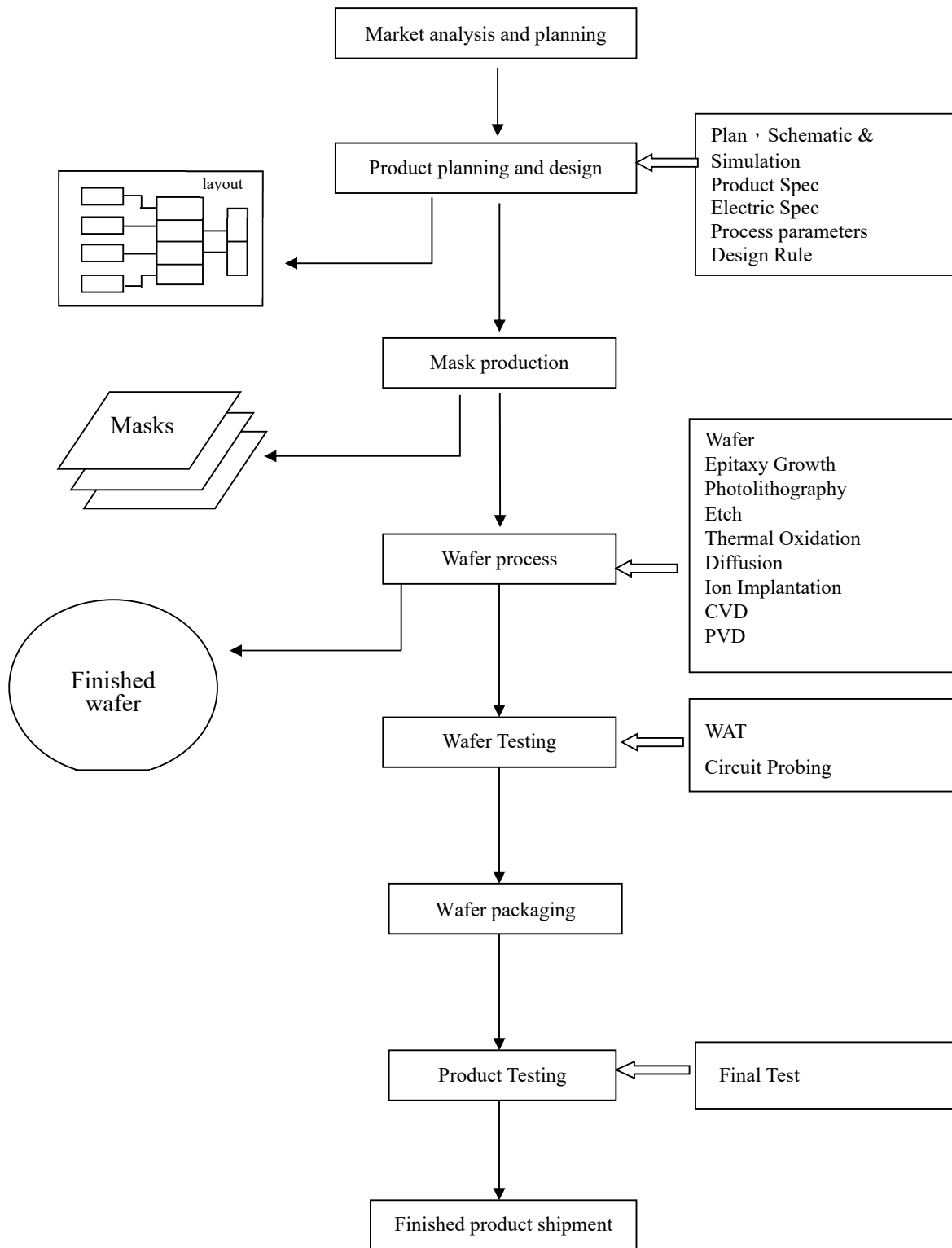
2.2 The key purposes and production process of the main products

- (1). The application of main products

Main Products	Application
Low Voltage MOSFET	This is a power control component for information products, with characteristics of low conduction internal resistance, high switching speed, low gate charging capability, high withstand voltage and high current. This is power control systems for portable products such as notebooks, tablets, mobile phones and server systems used in cloud computing.
Medium and High Voltage MOSFET	This type of products has the characteristics of high withstand voltage, high current, low conduction internal resistance, and high capability to endure avalanche breakdown. They are applied to the low-watt switching power supplies and adapters, such as the charger for mobile phone batteries, and the adapter of notebooks and monitors. Furthermore, they are widely applied to the high-watt switching power supplies for PFC, Lighting, HID lights for care and servers, satisfying the demands for main switching power loads.

Main Products	Application
<p style="text-align: center;">Insulated Gate Bipolar Transistor (IGBT)</p>	<p>It has the advantages of high switching speed, low switching loss, resistance to pulse current impact, reduced conduction voltage, high input impedance, voltage drive and low drive power, etc., and can be applied to electric vehicle motor inverters. The high-speed IGBT has high current drive and high withstand voltage capabilities, and through appropriate manufacturing processes, meets the requirements of rapid switching of components. It can be applied to power supplies for machine tools, electromagnetic heating and other home appliances.</p>
<p style="text-align: center;">Gallium Nitride (GaN)</p>	<p>Gallium Nitride (GaN) is a third-generation semiconductor material with superior physical properties compared to silicon (Si). It offers high power capability, high-temperature resistance, high breakdown voltage, high current density, and high-frequency performance. These advantages allow for significantly reduced chip size, simplified peripheral circuit design, and improved overall power density. GaN is now widely used in smartphone chargers, high-power AI server totem-pole PFC circuit architectures, as well as in 48V power applications such as DC-DC (D2D) converters and communication power supplies.</p>
<p style="text-align: center;">SiC MOSFET</p>	<p>Due to the very low switching loss of SiC MOSFET, the power system can support higher frequency operation, which can reduce the use of peripheral devices (transformers, capacitors). In addition to greatly reducing power loss, it has excellent operating characteristics in high temperature environments. It can simplify the heat dissipation design of the existing IGBT/Si MOSFET, thereby saving space and cost, and giving the product a greater competitive advantage.</p>

(2) The Production process of the main products



2.3 Supply of major raw materials

Major raw materials	Suppliers	Condition of supply
Epitaxial Wafer	EPISIL-PRECISION	Good
Process Wafer	PSMC, HHGrace	Good
Package Assembly	GEM, GTBF	Good

2.4 Major Customers with over 10% net sales and Suppliers with over 10% total purchases of the last two fiscal years

(1). Major Suppliers of the last two fiscal years

Unit: NTS'000

Item	2024				2025			
	Name	Amount	Percentage of net annual purchase (%)	Relation with issuer	Name	Amount	Percentage of net annual purchase (%)	Relation with issuer
1	FN012	470,910	26.28	None	FN012	617,220	28.94	None
2	PN011	291,635	16.27	None	PN011	411,819	19.31	None
3	FN013	243,106	13.57	None				
4	PN019	217,770	12.15	None				
	Others	568,724	31.73		Others	1,103,762	51.75	
	Total	1,792,145	100.00		Total	2,132,801	100.00	

Explanation of the increase or decrease:

The company and subsidiaries have maintained good relationships with major suppliers in the last two years.

The supply and demand have remained stable, and there have been no major increases or decreases.

(2). Major Customers of the last two fiscal years

Unit: NTS'000

Item	2024				2025			
	Name	Amount	Percentage of net annual sales (%)	Relation with issuer	Name	Amount	Percentage of net annual sales (%)	Relation with issuer
1	T130044	494,667	16.95	None	T110089	331,514	10.68	None
2	F110044	295,492	10.13	None				
	Others	2,128,248	72.92		Others	2,772,799	89.32	
	Total	2,918,407	100.00		Total	3,104,313	100.00	

Explanation of the increase or decrease:

The sales of the company and subsidiaries in 2025 increased compared with that in 2024, there was no major increase or decrease in the structure of major customers.

3. Human Resources

Unit: EA

Year		2024	2025	As of March 31, 2026
Employee	Manufacturing	42	43	45
	R&D	36	36	36
	Sales and Marketing	32	31	30
	General and Administrative	26	27	25
	Total	136	137	136
Average age		43.35	42.2	42.35
Average years of service		9.02	7.71	7.36
Education Distribution %	PhD Degree	0.74	1.46	1.47
	Master Degree	16.18	17.52	16.91
	College /University	80.88	78.83	79.41
	Senior High School	2.20	2.19	2.21

4. Environmental Protection Expenditure

Losses Related to Environmental Pollution for the Most Recent Year and Up To the Publication Date of this Annual Report

The Company and subsidiaries has taken into consideration any potential risks or breach of environmental regulations in formulating its environmental management system. The Company also closely monitors developments in the government's environmental policies or regulations to be able to design precautionary measures. It does not expect any substantial expenditure arising from environmental pollution.

5. Labor Relations

5.1 Any employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests

(1). Although the Company has established a labor-management meeting, it has not yet signed a Collective Agreement because the labor-management meeting has not requested to the Company so far.

(2). Employees' welfare package

The Company and subsidiaries have always held the philosophy of the union of the employer and the employees, co-existence and co-prosperity, and emphasizes the reasonable, systematic, and humane management that respects the needs of employees. Also on the basis of interests-sharing, everything is handled by the Laws and regulations, and through the full communications and coordination, the good relationship between employer and the employees is established. Therefore, the Company's employees shall unit together, work together, to achieve the business goals in a harmonious working environment.

Talents are the most important resources of the Company, as well as the critical keys for the future growth. Therefore, the except various benefit plans, the Employee Benefit

Committee and the Trust of the Employees' Shareholding are established to promote the harmonious relationship between the labor and the management and the best of the employees' benefits.

A. Comprehensive employee health management:

Annual health checkup and health consultation: establish physicians and nurses, provide integrated health management and health promotion services, and take care of employee safety and health. Build employee gyms so that employees don't forget to exercise after work.

B. Various employee benefit plans:

Annual leaves are better than the days specified in the Labor Standards Act; Subsidies for wedding, funeral, and birth; Subsidies for training; Health check, Employee's family health check discount; Employee share ownership trust; The bonuses at the year-end, Dragon Boat Festival, Autumn Moon Festival, and Labor Day; Birthday money; Childcare allowance; incentives for senior employees; and other employee welfare measures.

(3). Employee Communication Channel

The Company and its subsidiaries actively establish communication channels with employees, and conduct two-way communication through different channels to ensure immediate response and achieve labor-management harmony. The relevant communication channels are as follows:

- A. The Company's internal website: Publish the company's major events and recent promotional content to help employees quickly obtain company-related information.
- B. Labor-management meetings: Labor-management meetings are held quarterly to coordinate labor-management relations, promote labor-management cooperation, and prevent various labor problems from happening.
- C. Employee feedback and complaints: According to different matters, corresponding channels are provided on the company's internal website and Email, allowing employees to respond to work, environment and other related issues and suggestions, and respond immediately to ensure smooth feedback channels.

(4). Education and training

The Company and subsidiaries have established the "Procedures for Employee Trainings" to accommodate the guidelines of operations, enhance the knowledge and skills of the employees, for the purpose of improving the efficiency of works and quality of products. The trainings are divided into newcomer training and on-the-job training and conducted by focusing the features of the works and the demands in the professional areas.

The training expenses of the Company and subsidiaries for the year 2025:

Training Expenses (\$)	Training Hours (hour)	People Trained
648,496	2222.9	1367

(5). Code of employee's conducts and ethics

The Company and subsidiaries have established the related guidelines and rules for all the employees to understand the concepts of ethics, rights, obligations and the code of

conducts, so they may comply with them. The introductions to the guidelines are as the following:

- A. The Company's major divisions are separated by functions. Each division is tasked with specific job responsibilities and this separation of functions has strengthened the Company's core competency.
 - B. The Company's work rules clearly define the rights and obligations of management and employees. Its modern management approach has promoted cooperation among employees and benefited the Company.
 - C. The Company's "Work Rules" include regulations on preventing sexual harassment in the workplace and promoting gender equality. The Company disseminates information on laws and procedures for filing complaints on sexual harassment on the intranet to serve as a guideline for employees.
 - D. The Company and subsidiaries have a Code of Conduct in order to improve the behavioral quality, professional ethics and professional ability of all employees, and to pursue the interests of the company within the legal scope. Every employee has the responsibility to prevent the decrease and damage of the company's interests and to maintain the company's reputation to ensure the company's sustainable growth and development.
- (6). Working environment and worker's safety protection
- A. For the labor safety and health, the Company and subsidiaries have established the "Best Practices for Health and Safety" pursuant to the regulations of the competent authorities for the employee to adhere for health and safety issues. To coordinate, plan, supervise, and promote the labor health and safety affairs, pursuant to the "Directions of Occupational Safety and Health Management," the occupational health and safety personnel are established to promote the management of health and safety, as well as to conduct the automatic inspections.
 - B. The Best Practices for Health and Safety of the Company and subsidiaries is to prevent the accidents, promote the safety and health of the employees, and protect the assets of the Company through the spirit of management as planning, executing, inspecting, and acting. The safety management of the Company and subsidiaries, not only strives to prevent accidents, but also draft the contingency plans for disasters. In case of disasters, the plans will protect the safety of employees, and prevent or reduce the impacts from the accidents to the society and environment. Also, the Company and subsidiaries have improved the working environment based on the characteristics of the operation sites, to provide a safe and comfortable working environment.
 - C. The key points of the Best Practices for Health and Safety of the Company and subsidiaries are to construct a safe working environment, actively prevent the occupational injuries and diseases, protect the mental and physical health of employees, and deepen the awareness to environment, health and safety among the employees, as well as the responsibility assumptions and cultural cultivation. Besides, the regular health check is provided to all employees to ensure their health.
 - D. Except the regular fire extinguish system by the Company and subsidiaries, the regular fire drills are also conducted regularly along with the management center of the

building, to focus on the improvement of management and hardware. There is an access control. No entrance is allowed without permits, so the safety of the employees is secured.

(7). Retirement plan

The Company and subsidiaries have established the retirement guidelines for employees, covering all the permanent employees. The “Labor Pension Act” has been enforced from July 1, 2005, is a defined contribution plan for retirement. The amount of labor pension borne by the employer pursuant to the Act shall not be less than six percent of the worker's monthly wage.

The Company and subsidiaries withheld NT\$6,988 thousand for labor pensions in 2025.

(8). The Labor-Management Negotiation

The Company takes the humane management as the first priority, and recognizes the employees and the employer are an integral part, co-existing, and co-prosperous. The labor-management meetings are convened regular for the smooth communications between the two parties.

5.2 Losses Related to Labor Disputes for the Most Recent Year and Up To the Publication Date of this Annual Report

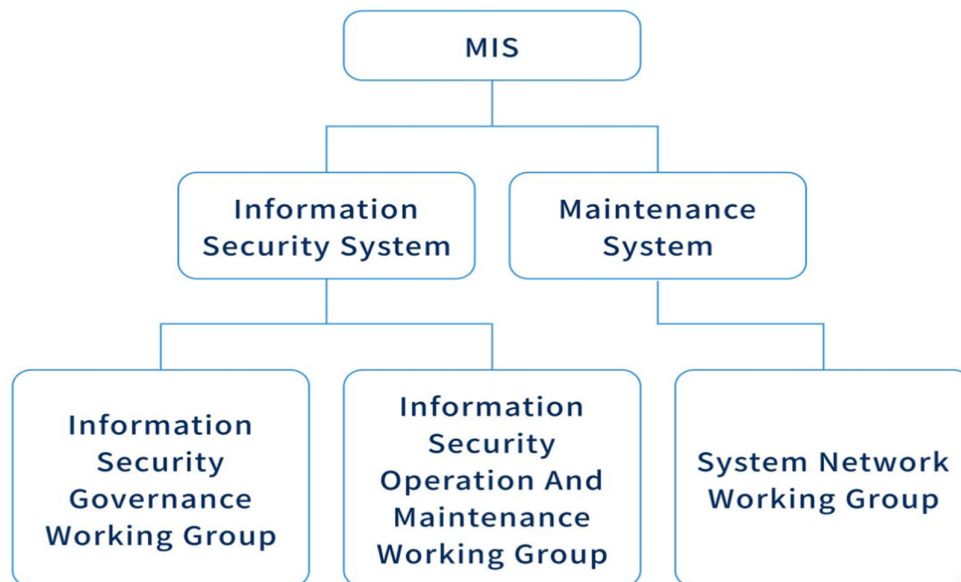
The Company maintains a harmonious management/employee relationship and there were no material disputes.

6. Cyber Security Management

6.1 The Company's Cyber security management framework, Cyber security policies, management plan and investments in resources for cyber security

1. The Company's Cyber security management framework

(1). The Company's Cyber Security Governance Organization



The Company has established a Cyber Security Promotion team and a Cyber Security Operations and Maintenance Task Force, which are responsible for coordinating the formulation, implementation, and risk management of information security and protection-

related policies. Every year, the internal and external audit conduct cyber security management audit, and regularly report to the board of directors on the effectiveness of cyber security management, issues and directions related to cyber security.

(2). Cyber Security Risk Management

The Company has gradually established risk assessment criteria for cyber security risks. From the organizational level, it will carry out risk management and control on important information assets and core systems according to the impact level and occurrence probability of risks such as value, weakness, and threat.

At the technical level, cyber security technical review is conducted through the management of system and software architecture, vulnerability scanning and review, setting and operation and maintenance, etc.

Through the process of risk management and continuous improvement, reduce the threat to corporate information security, and establish confidential cyber protection that complies with legal norms, customer needs, and corporate operations.

2. Cyber Security Policy

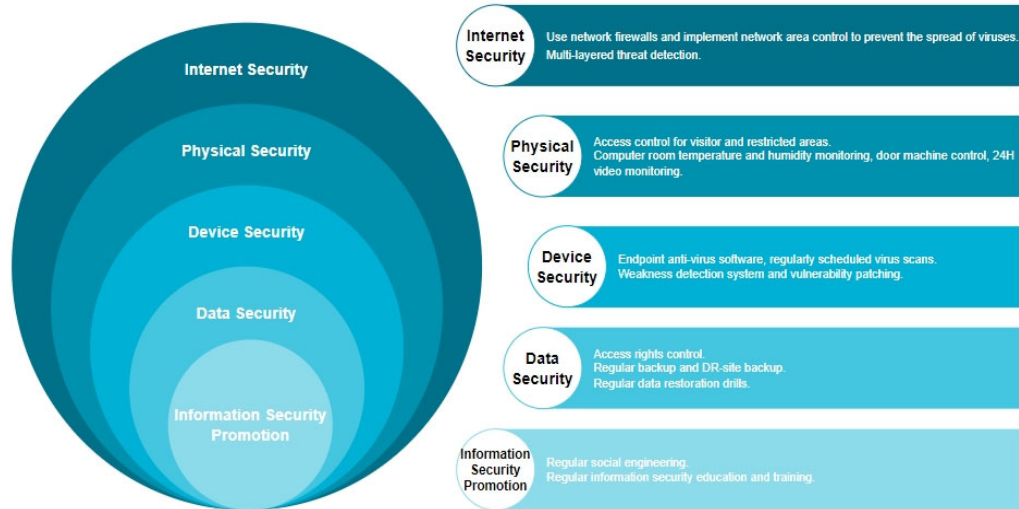
(1). Cyber Security Management Policy

Conduct cyber security risk management through risk assessment, and establish a complete cyber security management system based on the management cycle mechanism of planning, execution, checking and action (Plan-Do-Check-Act, PDCA).

Continuously review the applicability and protection measures of cyber security policies, effectively implement cyber security management, ensure the confidentiality, integrity and availability of cyber assets, and smoothly promote the Company's various businesses.



(2). Specific Management Plan



3. Cyber Security Risks and Countermeasures

(1) Enhance employees' cyber security awareness

To instill information security awareness among all employees, the Company provides e-Learning programs and conducts semiannual social engineering drills that simulate phishing emails sent by hackers to assess employees’ awareness of cybersecurity risks. These initiatives are supplemented by information security awareness campaigns and training programs to further enhance employees’ vigilance and understanding of information security.

In 2025, training programs for general employees were delivered through online courses or in-person sessions, with key topics including Cyber Survival Guidelines—Digital Literacy, Prevention of Email Social Engineering Attacks, and Mobile Payment Security. The Company completed a total of 418.4 hours of information security training for employees during the year.

Countermeasures	Objective	Result of 2025
Perform annual social engineering simulations	Social engineering simulation email, with an employee click rate of less than 10%.	5.33%

(2) Network and system vulnerability detection

To protect company and personal information, as well as internal and external communication systems from leaks, theft, destruction, or damage caused by human error or natural disasters, the company conducts monthly internal vulnerability scans and commissions third-party professionals to perform annual penetration tests. These measures aim to assess the security of the network and systems, validate the effectiveness of current cyber security defenses, and guide improvements to strengthen system security.

(3) Cyber Security Alert Notification and Incident Management

In line with cyber security incident management protocols, the Company ensures systematic reporting, classification, handling, and tracking of incidents. In the event

of a security breach, prompt notification and response are carried out to minimize disruption to business operations. The Company utilizes Advanced Persistent Threat (APT) monitoring and operates a Security Operations Center (SOC), supported by external experts. The cyber security team swiftly manages alerts and incidents, enhancing detection and response capabilities.

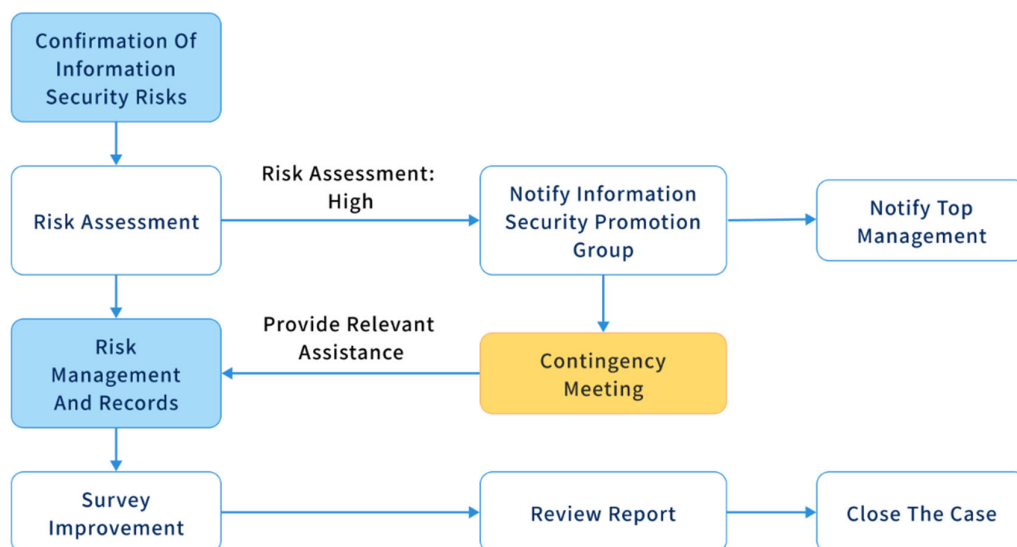
(4) Disaster Recovery Drill

To ensure business continuity and mitigate the risk of service disruption from major disasters, the Company conducts annual disaster recovery or cyber security incident response drills. These drills ensure the Company's ability to quickly restore operations to normal or acceptable levels, maintaining the functionality of critical systems and preventing operational downtime.

(5) Specific management plan

- A. Identify stakeholders of the information security management system and regularly assess their needs (including customer security requirements).
- B. Conduct social engineering drills and employee training to enhance cyber security awareness.
- C. Establish clear guidelines and procedures to institutionalize the information security management system.
- D. Perform regular risk assessments to identify high-risk items and allocate resources for mitigation or transfer.
- E. Use tools and technologies for effective identification, protection, detection, response, and recovery.
- F. Establish procedures for responding to and recovering from security incidents, minimizing impact.
- G. Conduct annual disaster recovery drills for critical systems to ensure effectiveness.
- H. Perform regular internal and external audits to ensure proper operation and continuous improvement.
- I. Stay updated on new security information and technologies to counter emerging threats and reduce risks.

(6) Documentation and Management



4. Investment in Cyber Security Management

The Company conducts information and cybersecurity awareness activities from time to time using current events and case studies. To further strengthen information security, an appropriate budget has been allocated in fiscal year 2026 to enhance information technology capabilities and security protection measures. The Company's information and cybersecurity management was reported to the Board of Directors on October 30, 2025.

6.2 Losses Related to Cyber Security for the Most Recent Year and Up To the Publication Date of this Annual Report

None.

7. Major Contracts

Contract Types	Contract Party	Contract Period	Major Content	Restrictions
Procurement	GEM Tech Ltd. Taiwan Branch. (Samoa)	Apr. 23, 2021 ~ October 22, 2028	Package capacity supply assurance	None
Procurement	Powerchip Semiconductor Manufacturing Corp.	Jan. 1, 2022 ~ Sept. 30, 2025	Foundry capacity supply assurance	None
Procurement	Mosel Vitelic Inc.	Jan. 1, 2023 ~ total refunded	Foundry capacity supply assurance	None

5 Financial Status, Operating Results and Status of Risk Management

1. Financial Position
2. Financial Performance
3. Cash Flow
4. Major Capital Expenditure
5. Investment Policies
6. Risk Management
7. Others

Financial Status, Operating Results and Status of Risk Management

1. Financial Position

1.1 Consolidated balance sheet analysis:

Unit: NT\$'000

Item	Year	2025	2024	YoY change	
				Amount	%
Current assets		5,671,008	4,866,944	804,064	16.52
Property, plant and equipment		432,104	441,776	(9,672)	(2.19)
Intangible assets		4,373	2,803	1,570	56.01
Other assets		544,044	928,905	(384,861)	(41.43)
Total assets		6,651,529	6,240,428	411,101	6.59
Current liabilities		712,941	618,436	94,505	15.28
Non-current liabilities		5,727	14,917	(9,190)	(61.61)
Total liabilities		718,668	633,353	85,315	13.47
Paid-in capital		1,188,784	1,184,432	4,352	0.37
Capital surplus		3,015,419	3,005,869	9,550	0.32
Retained earnings		1,800,021	1,499,524	300,497	20.04
Other equity		(71,429)	(81,652)	10,223	12.52
Equity attributable to owners of the parent		5,932,795	5,608,173	324,622	5.79
Non-controlling interests		66	(1,098)	1,164	106.01
Total equity		5,932,861	5,607,075	325,786	5.81

1.2 Analysis for any variation plus and minus (+/-) 20% and over NT\$ 10 million:

- (1). other assets decrease: Mainly due to a decrease in refundable deposits under other non-current assets.
- (2). Retained earnings increased: Mainly due to Net profit increased.

2. Financial Performance

2.1 Consolidated Statements of Comprehensive Income analysis

Unit: NT\$'000

Item	Year	2025	2024	YoY change	
				Amount	%
Revenues		3,104,313	2,918,407	185,906	6.37
Gross profit		1,160,548	833,932	326,616	39.17
Income from operations		783,869	473,633	310,236	65.50
Non-operating income and expenses		53,157	206,134	(152,977)	(74.21)
Income before income tax		837,026	679,767	157,259	23.13
Net income		680,080	565,960	114,120	20.16
Total comprehensive income		684,666	554,030	130,636	23.58
Net profit attributable to owners of the parent		678,956	565,220	113,736	20.12
EPS (NT \$)		5.73	4.80	0.93	19.38

2.2 Analysis for any variation plus and minus (+/-) 20% and over NT\$ 10 million:

- (1). Increase in gross profit and operating income: Mainly due to an increase in revenue for the current period and a favorable product mix.
- (2). Decrease in non-operating income and expenses: Mainly attributable to foreign currency exchange losses incurred during the current period.
- (3). Income before income tax, net income, total comprehensive income and net profit attributable to owners of the parent increased: Mainly due to revenues and gross profit increased.

3. Cash Flow

3.1 Analysis of Consolidated Cash Flows for the Recent Year

Unit: NT\$'000

Item	Year	Analysis
	2025	
Net cash generated from operating activities	576,955	Mainly due to pre-tax net profit increased and a significant decrease in inventories.
Net cash generated from/ (used in) investing activities	452,739	Mainly due to the disposal of financial assets measured at fair value through profit or loss and the recovery of refundable deposits.
Net cash generated from / (used in) financing activities	(368,229)	Mainly due to Payment of cash dividends.

3.2 Improvement Plan for Addressing Liquidity Shortfall: Not applicable.

3.3 Cash Flow Analysis for 2026:

Unit: NT\$'000

Cash balance, beginning of the year	Forecast net cash inflow from operations	Forecast cash outflow from investment and financing activities	Cash balance, end of the year	Source of funding for negative cash balance	
				Cash inflow from investment activities	Cash inflow from financing activities
1,318,850	709,301	669,981	1,358,170	-	-

(1). Cash Flow Analysis for 2026:

- A. Projected cash inflow from operating activities: Expected to remain relatively stable in 2026.
- B. Projected cash outflow from investment activities: For capital expenditure.
- C. Projected cash inflow from financing activities: From cash dividend distribution.

(2). Projected cash inflow from financing activities: From cash dividend distribution: Not applicable.

4. Major Capital Expenditure

4.1 Major Capital Expenditures and Source of Funding

Unit: NT\$'000

Plan	Actual or Planned Source of Capital	Estimated Capital Requirement	Status of Actual or Projected Use of Capital	
			2025	2024
Experimental Equipment and Machinery Equipment	Cash flow generated from operation	38,211	19,571	14,853

4.2 Expected Benefits

Experimental Equipment and Machinery equipment used for the Company's R&D process to shorten the product development cycle.

5. Investment Policies

The Company and its subsidiaries focus on making long-term and strategic investments. The objective is to strengthen and diversify its core business activities and expand into new fields to create synergies. The investment gain accounted for using equity method in 2025 is NT\$ 5,597 thousand. For future investments, the Company will continue to make decisions based on prudent strategic assessments.

6. Risk Management

6.1 Risks Associated with Interest Rate Fluctuation, Foreign Exchange Volatility, and Inflation:

(1). Impact on Company Profit and Loss

Unit: NT\$'000

Items	2025	2024
Interest Income, Net	74,327	60,075
Foreign Exchange Gains/(Loss)	(29,870)	101,846
Revenues	3,104,313	2,918,407
Income Before Income Tax	837,026	679,767
Interest Income, Net as % of Revenues	2.39%	2.06%
Interest Income, Net as % of Income Before Tax	8.88%	8.84%
Foreign Exchange Gains/(Loss) as % of Revenues	(0.96%)	3.49%
Foreign Exchange Gains/(Loss) as % of Income Before Tax	(3.57%)	14.98%

A. Impact of interest rate fluctuations

In fiscal year 2025, U.S. dollar interest rates continued the rate-cut cycle that began in the prior year, with the Federal Reserve implementing a total of three rate cuts during the year. As a result, U.S. dollar deposit interest rates were adjusted to a range of approximately 3.50%–3.75%. In contrast, New Taiwan dollar interest rates remained at approximately 1.20%–1.75%, supported by resilient domestic inflation and the Central Bank's prudent monetary policy.

As the U.S. dollar rate-cut cycle became established, the interest rate spread between the U.S. dollar and the New Taiwan dollar narrowed from approximately 4% in the prior year to around 2%. In response, the Company adopted a more prudent fund management strategy in fiscal year 2025 by flexibly adjusting the proportion of U.S. dollar holdings and enhancing the efficiency of New Taiwan dollar fund utilization, in order to mitigate the impact of the narrowing interest rate spread on interest income.

B. Impact of exchange rate fluctuations

As most of the products sold by the Company and its subsidiaries are priced in U.S. dollars, fluctuations in exchange rates have an impact on profit or loss for the period.

In May 2025, concerns over economic momentum and policy uncertainty were triggered by negative U.S. GDP growth in the first quarter and the expansion of tariff measures, resulting in weakened confidence in the U.S. dollar and a rebound and appreciation of the New Taiwan dollar. In addition, with expectations of U.S. dollar interest rate cuts becoming more certain, the Company continued to reduce its U.S. dollar exposure.

Although the appreciating trend of the New Taiwan dollar still led to certain foreign exchange losses, the Company's proactive adjustment of its U.S. dollar positions effectively mitigated the impact of exchange rate volatility. As a result, the overall effect on profit and loss remained relatively limited and within a manageable range.

However, overall, both the Company and subsidiaries continued to monitor market exchange rate fluctuations and adjust their foreign exchange positions in real-time. They maintained a natural hedge between foreign currency assets and liabilities to reduce exchange rate risks for both the Company and subsidiaries.

C. Impact of inflation

The 2025 consumer price index (CPI) increased by 1.31% compared with that in 2025. Raw material and energy prices are currently subject to substantial fluctuations due, among others, to inflation, which affects production prices and supply risks. The Company and its subsidiaries always pay attention to the fluctuation of market prices and maintain a good interaction with suppliers and customers to avoid the adverse impact of inflation on the Company's profit and loss.

(2). Mitigating Measures

To mitigate the impact of exchange rate fluctuations on the profit and loss of the Company and its subsidiaries, pricing considerations incorporate potential selling price adjustments arising from exchange rate movements in order to safeguard reasonable profit margins. The finance department works closely with partner banks to closely monitor global political and economic developments as well as foreign exchange market movements. In light of the anticipated U.S. dollar interest rate cut cycle in fiscal year 2026, the Company continues to maintain relatively low U.S. dollar exposure to mitigate the risks of New Taiwan dollar appreciation and valuation losses resulting from a weakening U.S. dollar.

With respect to U.S. dollar receipts and payments, the Company applies a natural hedging approach by maintaining U.S. dollar-denominated sales and settling import purchases in U.S. dollars, while continuously reducing timing mismatches between receivables and payables to minimize foreign exchange valuation differences. Regarding inflation, as market price volatility is expected to persist, the Company and its subsidiaries will continue to closely monitor changes in global supply chains and geopolitical and macroeconomic conditions. Through procurement strategy optimization and strengthened supply chain management, the Company aims to ensure sound cost control.

6.2 Risks Associated with High-Risk/High-Leveraged Investment; Lending, Endorsements, and Guarantees for Other Parties; and Financial Derivative Transactions:

- (1).High-risk, High-leverage Financial Instruments: None.
- (2).Loans, Debt Guarantees: The Company passed the Rules and Procedures on Lending and Making Endorsement/Guarantees to supervise its financing and endorsement activities. The Company and its subsidiaries are not conducted in Lending and Making Endorsement/Guarantees.
- (3).Derivatives transaction: In 2025, in order to enhance the efficiency of fund utilization, the Company held credit-linked notes (CLNs) in accordance with the established “Procedures for Acquisition or Disposal of Assets.

As part of the Company’s conservative financial management, it does not engage in investments that are either high-risk or highly leveraged. The Company has in place a complete and thorough policy and internal control scheme governing lending, endorsements, guarantees for other parties, and financial derivative transactions. The Finance Department is responsible for related risk management.

6.3 Future Research and Development Projects and Corresponding Budget

Unit: NT\$’000

R&D project	Plan description	Intellectual property rights	Projected Budget
1. Development of Low and Medium 3rd-generation semiconductor	Optimize material of POWER MOSFET	Material of Power MOSFET	15,072
	Optimize material of SiC MOSFET		
2. Development of Next-Generation High Power MOSFETs	Optimize semiconductor process parameters of POWER MOSFET	Fab process of Power MOSFET	42,849
3. Development of SiC MOSFET and 2nd-generation semiconductor	Optimize semiconductor process parameters of SiC MOSFET and 2nd-generation semiconductor		
4. Development of GaN HEMT Semiconductor Devices	Develop new package and optimize package structure of MOSFET	New package and package structure	52,557
	Optimize dynamic characteristics of SiC MOSFET	Integrated circuit architecture of Power MOSFET	36,141
	New Product Development of GaN HEMT	Market Technology Department	31,041

The progresses of the said development are expected to complete the process platforms and start to produce commercially.

6.4 Risk Associated with Changes in the Political and Regulatory Environment

The management teams of the Company and its subsidiaries consistently maintain a close watch on domestic and international policy and regulatory developments that may impact the Company's financial and business operations. We have established a comprehensive risk

management procedure to ensure that our daily operations strictly adhere to relevant domestic and foreign laws. The Company stays abreast of regulatory trends through our designated functional units, which collect and consolidate information for the senior management to serve as a reference for strategic decision-making and operational adjustments.

As of the date of this report, there have been no significant impacts on the financial or business operations of the Company and its subsidiaries resulting from major domestic or international policy or legal changes. The management and execution of this risk are overseen by the Human Resources & Administration Department and the Finance Department, which continuously conduct compliance assessments and formulate necessary response measures.

6.5 Impact of New Technology and Industry Changes

The Company maintains a dynamic monitoring approach toward technological evolution within the industry, with a particular focus on Generative AI, high-performance computing (AI Servers), autonomous electric vehicles, and green energy power generation. The explosive growth of the AI industry has catalyzed demand for high-efficiency and high-power-density power management solutions within data centers. Accordingly, the Company and its subsidiaries will continue to allocate R&D resources and enhance organizational efficiency, while staying highly attuned to market demand and trends, in order to consolidate and expand our market share.

The Company and subsidiaries have always valued the cultivation of R&D talents and the development of products and technologies. Currently, the Company and subsidiaries have a solid financial position with sufficient funds to react to the needs for future technology development.

To promote the cyber security policies, implement the cyber security incident reporting and contingency measures, the Company and subsidiaries regularly evaluate the cyber security risks, implement the cyber security education and training, and formulate an audit mechanism for the implementation of the security maintenance plan, and strictly implement the security risk management.

The Company's Business Units are responsible for risks associated with new technology and industry changes.

6.6 Changes in Corporate Image and Impact on Company's Crisis Management

The most essential image of the Company and subsidiaries is integrity without seeking illegal benefits. This is also the critical principle for corporate culture. Therefore, integrity has become the nature of the Company regarding corporate governance.

The Company's Business Units are responsible for risks associated with the Company's image and impact on the Company's crisis management.

6.7 Risks Associated with Mergers and Acquisitions

As of the most recent year and up to the publication date of this annual report, the Company and subsidiaries have no plan for M&A. However, shall there be any M&A plan in the future,

a rigorous assessment will be conducted to see if any tangible synergy will be achieved for the Company and subsidiaries so that the interests of the shareholders are protected.

6.8 Risks Associated with Facility Expansion

As of the most recent year and up to the publication date of this annual report, the Company and subsidiaries have no plan for facility expansion.

6.9 Risks Associated with Purchase Concentration and Sales Concentration

- (1). Purchasing: The Company and its subsidiaries are professional IC design houses, with core business operations focused on the research, development, and sales of power semiconductor components. Our primary procurement items include epitaxial wafers, foundry services, and assembly and testing services. Excessive concentration of procurement from a single supplier may pose risks; should such suppliers experience capacity constraints or manufacturing anomalies, it could adversely affect the Company's product lead times and cost structures.

Response Measures:

- A. Diversified Supply Sources: The Company actively develops qualified suppliers with proven quality both domestically and internationally, and maintains no fewer than two approved supply sources to mitigate the risk associated with reliance on a single supplier, thereby ensuring stable and uninterrupted production capacity.
 - B. Strategic Partnerships: The Company maintains long-term and stable strategic collaborations with wafer foundries and assembly and testing service providers. Through regular capacity reservations and ongoing technical exchanges, the Company ensures the timely development and mass production scheduling of a diversified product portfolio, including Super Junction MOSFETs, Trench MOSFETs, and other related products.
 - C. Dynamic Inventory Management: The Company regularly evaluates market supply and demand conditions and flexibly adjusts its inventory planning strategies to mitigate the impact of supply chain volatility on operating performance.
- (2). Sales: A high concentration of sales to a small number of customers could expose the Company to significant risks. Should any major customer experience operational difficulties or reduce order volumes, the Company's operating results and profitability could be materially affected.

Response Measures:

- A. Optimization of Customer Structure: To address the risks associated with customer concentration, the Company maintains stable and mutually beneficial relationships with existing customers based on principles of equality and reciprocity, while actively expanding into new application

areas such as AI servers, automotive electronics, industrial automation, and renewable energy power generation. By broadening its customer base to include leading customers across diverse industries, the Company aims to further diversify its sales composition and reduce potential risks arising from reliance on specific customers.

- B. Product Portfolio Diversification: The Company is committed to enhancing both the sophistication and diversity of its product offerings by expanding from consumer electronics applications to high-power and high-performance industrial-grade solutions. As the product portfolio becomes increasingly diversified, the Company's customer base correspondingly broadens, thereby effectively reducing the risks associated with sales concentration.
- C. Credit Review and Risk Management: The Company conducts periodic reviews of customers' credit ratings and operating conditions to safeguard the security of accounts receivable and to maintain a sound and stable financial structure.

6.10 Risks Associated with Sales of Significant Numbers of Shares by the Company's Directors and Major Shareholders Who Own 10% or more of the Company's Total Outstanding Shares

None.

6.11 Risks Associated with Change in Management

None.

6.12 Risks Associated with Litigations

None.

6.13 Other Material Risk

None.

7. Others : None.

6 Subsidiary Information and Other Special Notes

1. Affiliated Companies in 2025
2. Private Placement Securities in the Most Recent Year and up to the Publication Date of this Annual Report
3. Other Supplementary Information
4. Material Impact, pursuant to Article 36-3-2 of the Securities and Exchange Act, on Shareholders' Equity or Share Price in the Most Recent Year and up to the Publication Date of this Annual Report

Subsidiary Information and Other Special Notes

1. Affiliated Companies in 2025

1.1 Consolidated Operation Report of the Company and Affiliates

This information is available at the Market Observation Post System (MOPS)

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

1.2 Consolidated Financial Report of the Company and Affiliates : None.

1.3 Affiliation Report : None.

2. Private Placement Securities in the Most Recent Year and up to the Publication Date of this Annual Report : None.

3. Other Supplementary Information

None.

4. Material Impact, pursuant to Article 36-3-2 of the Securities and Exchange Act, on Shareholders' Equity or Share Price in the Most Recent Year and up to the Publication Date of this Annual Report

None.