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2025 Annual Report

Weltrend Semiconductor, Inc.

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Chapter 1 Letter to Shareholders

I. 2025 Business Performance Analysis

At the beginning of last year, we anticipated that 2025 would still be a favorable year marked by solid growth. Indeed, the explosive growth of AI became the dominant trend throughout the year.

According to World Semiconductor Trade Statistics (WSTS), the total revenue of the global semiconductor market in 2025 was US\$791.7 billion, which was a 25.6% growth compared to 2024. Meanwhile, the output value of Taiwan's IC industry, as estimated by the Industrial Technology Research Institute (ITRI), reached NT\$6.5225 trillion in 2025, representing a growth of 22.7% compared to 2024. Among them, TSMC alone recorded a remarkable annual revenue of NT\$3.8091 trillion, accounting for 58.4% of the entire industry's total, an increase from 54.45% in 2024. With a year-on-year business performance growth rate of 31.61%, the company's pivotal role as Taiwan's 'Silicon Shield' has become even more unquestionable. In addition, the output value of the IC design industry reached NT\$1.4245 trillion, representing a 12% growth compared to 2024. This growth momentum clearly fell behind that of the industry-leading TSMC. MediaTek Inc., the leading company in the IC design industry, reported revenues of NT\$596 billion with a 12.32% year-on-year growth, which significantly trailed behind the performance of TSMC. It is understandable that the growth of TSMC is primarily driven by AI leaders, such as NVIDIA, which are based in the United States.

The overall industry landscape for 2025 has been outlined as described above. From an individual perspective, small- and mid-cap stocks within the Taiwan IC design industry exhibited both growth and decline, primarily depending on the nature of their products and the base period of the previous year. It is worth noting that Aspeed Technology, dominated the IC design industry, saw its share price surpass NT\$10,000 on February 26, 2026, setting a new record in the Taiwan stock market. Aspeed Technology achieved a year-on-year business performance growth of 40.64% and a year-on-year profit growth of 52.76% in 2025; however, its share price saw a year-on-year increase of 118%. This provides us with three key insights: 1. Right products with applications targeting the high-demand AI server market. 2. Significant growth in business performance will drive even greater profit growth, leading to an even more pronounced increase in share price. 3. The share capital of the IC design industry should not be excessively large. Aspeed Technology is an entity that deserves our respect and emulation. The Company's key financial figures and explanations for 2025 are summarized as follows:

1. The comparison of the 2025 and 2024 business performance:

Unit: NT\$ thousands

	2025	2024	Growth rate
Net sales	3,568,640	3,094,619	15.32%
Gross profit	1,066,552	922,485	15.62%
Operating income	238,692	164,063	45.49%
Net non-operating income (loss)	353,299	181,768	94.37%
Income tax expenses	(28,957)	(50,966)	-43.18%
Net profit after tax	563,034	294,865	90.95%
EPS	3.02	1.57	92.36%

(These statistics are sourced from the consolidated financial statements, which are prepared in accordance with the regulations of the competent authority.)

Since Sentelic Corporation became a 100% owned subsidiary of the Company in September 2025, its consolidated revenue grew by 15.32% in 2025 compared to 2024, resulting in a significant increase of nearly 45.5% in operating profit. Its primary source of growth being the application of the currently most popular smart cooling fan control IC for AI servers in the market. The Company and its subsidiary, Sentelic Corporation, have achieved a leading position in terms of shipment volume within this sector. This product line has become another important product line for the Company following power management IC.

Non-operating income grew by 94.37%, primarily attributable to reinvestment. The after-tax net income for the entire year is approximately NT\$563 million, representing a growth of 90.95% compared to 2024. The EPS exceeded NT\$3, marking the best performance in the past four years.

2. In 2025, the research and development expenses amounted to NT\$473 million, representing a growth of 6.3% compared to 2024, primarily driven by investments in new product development across two major product lines, which are smart motor control and power management IC.
3. Budget implementation status: The Company did not prepare a financial forecast for 2025. Comparison of actual operating results with internal targets: Although revenue growth fell slightly short of the objectives, it still achieved a double-digit growth rate. Meanwhile, after-tax net income significantly exceeded expectations, nearly doubling the initial targets.

II. 2026 Business Plan Summary

Following more than three years of operation since the acquisition of Sentelic Corporation in 2022, the Company has seen substantial synergistic effects. Furthermore, the 100% acquisition was completed through a share swap last September, fully aligning the interests of the shareholders, resulting in smoother human resource integration. Following the Power IC product line, the Motor IC product line has established a firm foothold, with both lines now performing on a par with each other. Due to the perfect synergy in products, technology, and customers between the two companies in the motor control IC product line, the integration will provide greater scale and flexible arrangements in product manufacturing. More importantly, it will be applied in the current popular field of thermal solutions in AI servers. The Company anticipates that in 2026, revenue from the Motor IC product line will surpass that of the Power IC.

The Company experienced a 35% growth in performance two months prior to the beginning of spring in 2026, due to strong demand for the Motor IC product line. The Company holds an optimistic outlook for 2026. It is anticipated that revenue growth will exceed the average level of the industry peers.

III. Evaluation of the Company's Future Development Strategy and External Competition

The Company's future development will seize opportunities for growth in AI and strive to secure a leading position in smart fan motor control IC (more than just heat dissipation). Additionally, amid the prevailing trend of larger players dominating the market, the Company will continue to actively seek potential acquisition targets, with the aim of integrating resources, expanding operational scale or obtain new product lines to strengthen market competitiveness. As for maintaining a sound financial and ensuring a reliable and resilient supply chain, and continuously strengthen talent, these are efforts we must persist in regardless of how the global situation changes.

I wish to thank you, our shareholders, for your support.

Best wishes for your investment!

Chairman: Sam Lin
President: DS Lin

Chapter 2 Corporate Governance Report

I. Information on the Company's Directors, Supervisors, General Manager, Deputy General Managers, Associate Managers, and the Supervisors of All the Company's Divisions and Branch Units

Title	Nationality/ Place of Incorporation	Name	Gender Age	Date of election (inauguration)	Term	Date first elected	Number of shares held when elected		Current shareholding		Shares currently held by spouse and minors		Shares held in the name of others		Education and professional background	Current positions at the Company and other companies	Spouses or relatives within the second degree of kinship who hold the position of manager, director or supervisor			Note
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Chairman	Taiwan	Sam Lin	Male 71~80	2025.5.29	3 years	1989.6.16	2,809,000	1.58%	2,967,000	1.48%	155,982	0.08%	1,924,320	0.96%	Department of Electrophysics, National Yang Ming Chiao Tung University Institute of Business Administration, National Taiwan University Head of Planning Team, Industrial Technology Research Institute President and CEO of Weltrend Semiconductor	Chief Investment Officer of Weltrend Semiconductor Chairman of Sentelic Corporation Chairman of Yingquan Investment Co., Ltd. Director of Weltrend International Co., (BVI) Ltd.	Director	Tony Lin	Father and son	
Director	Taiwan	James Chou	Male 71~80	2025.5.29	3 years	1989.6.16	2,433,829	1.37%	2,433,829	1.22%	-	-	-	-	Department of Business Administration, National Chung Hsing University Chairman of Weltrend	Supervisor of Chairman of Yingquan Investment Co., Ltd.	-	-	-	
Director	Taiwan	Paul Liao	Male 71~80	2025.5.29	3 years	2016.6.8	1,078,468	0.61%	1,729,468	0.86%	799	0.00%	-	-	Master of Electrical Engineering, Rensselaer Polytechnic Institute Master of Business Administration, University of San Francisco Chairman of China Electric Manufacturing Corp. Chairman of Howard Hotels	Chairman of Gain First Investments Limited Director of Howard Hotels Independent Director of Kinik Company, Director of Yingquan Investment Co., Ltd.	-	-	-	Note 1)
Director	Taiwan	JC Liu	Male 61~70	2025.5.29	3 years	2001.5.25	1,808,013	1.02%	1,818,013	0.91%	-	-	-	-	Institute of Communications Engineering, National Yang Ming Chiao Tung University Industrial Technology Research Institute	Chief R&D Officer of Weltrend Semiconductor	-	-	-	
Director	Taiwan	Cindy Guo	Female 61~70	2025.5.29	3 years	2007.6.15	1,270,200	0.71%	1,320,200	0.66%	-	-	-	-	Department of Public Finance, Feng Chia University Auditor of Tseng Hsien-Cheng Accounting Firm Section Manager of FCF Co., Ltd.	Chief Financial Officer and Corporate Governance Officer of Weltrend Semiconductor, Inc. Director of Sentelic Corporation Supervisor of Dongguan Prosil Electronics Co., Ltd.	-	-	-	

Title	Nationality/ Place of Incorporation	Name	Gender Age	Date of election (inauguration)	Term	Date first elected	Number of shares held when elected		Current shareholding		Shares currently held by spouse and minors		Shares held in the name of others		Education and professional background	Current positions at the Company and other companies	Spouses or relatives within the second degree of kinship who hold the position of manager, director or supervisor			Note
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Director	Taiwan	Tony Lin	Male 41~50	2025.5.29	3 years	2016.6.8	631,000	0.35%	741,000	0.37%	30,000	0.01%	405,120	0.20%	Department of Science in Electrical Engineering, University of Illinois at Urbana-Champaign Institute of Operations Research, Columbia University Assistant Manager of European Business Department of Global Unichip Corporation Assistant Vice President of Securities Research Department of Macquarie Group Special Assistant to the Chairman and President of Weltrend Semiconductor	CEO of Weltrend Semiconductor Director of Sentelic Corporation	Director	Sam Lin	Father and son	
Director	Taiwan	Jeff Tsai	Male 61~70	2025.5.29	3 years	2001.5.25	1,018,362	0.57%	1,018,362	0.51%	-	-	-	-	Department of Transportation & Logistics Management, National Yang Ming Chiao Tung University EMBA from National Yang Ming Chiao Tung University President of Weltrend Semiconductor Industrial Technology Research Institute	None	-	-	-	

(I) Information on directors

March 31, 2026

Title	Nationality/ Place of Incorporation	Name	Gender Age	Date of election (inauguration)	Term	Date first elected	Number of shares held when elected		Current shareholding		Shares currently held by spouse and minors		Shares held in the name of others		Education and professional background	Current positions at the Company and other companies	Spouses or relatives within the second degree of kinship who hold the position of manager, director or supervisor			Note
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Independent Director	Taiwan	Hsu Wen-Tsung	Male 61~70	2025.5.29	3 years	2010.6.15	-	0%	-	0%	21,998	0.01%	-	-	Department of Law, National Taiwan University Incomplete Master's Program, Graduate Institute of National Development, National Taiwan University Judge of Tainan District Court, Judge of Taoyuan District Court	Managing Partner of Hanwe Law Firm	-	-	-	
Independent Director	Taiwan	Yeh Wei-Kun	Male 61~70	2025.5.29	3 years	2016.6.8	-	0%	-	0%	-	-	-	-	Department of Electrophysics, National Yang Ming Chiao Tung University Department of Electrical Engineering, Michigan State University Chairman and President of Leadtrend Technology Corporation Department Manager of Taiwan Semiconductor Manufacturing Company Limited	Chairman of PowerMate Electronics Co., Ltd. Director of ICE Technology Director of Caremind Independent Director of Cheng Mei Instrument Technology Co., Ltd	-	-	-	

Title	Nationality/ Place of Incorporation	Name	Gender Age	Date of election (inauguration)	Term	Date first elected	Number of shares held when elected		Current shareholding		Shares currently held by spouse and minors		Shares held in the name of others		Education and professional background	Current positions at the Company and other companies	Spouses or relatives within the second degree of kinship who hold the position of manager, director or supervisor			Note
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Independent Director	Taiwan	Chuang Ming-Je n	Male 61~70	2025.5.29	3 years	2025.5.29	15,000	0.01%	18,200	0.01%	-	-	-	-	Bachelor of Electrical and Electronic Engineering, Musashi Institute of Technology, Japan Independent Director of Greatek Electronics Inc. President of Calin Technology Co., Ltd. President of HOYA Corporation Optics Section Taiwan Branch Director and President of HIKARI Glass (H.K.) Limited	Chairman of Jen Yao Technology Co., Ltd.	-	-	-	

Note 1: If the Chairperson of the Company, the President or persons in an equivalent position (top-level executive) of the Company are the same person or each other's spouses or first-degree relatives, the reasons, rationality, necessity and countermeasures for such circumstances (e.g., increasing the number of independent directors, and having more than half the directors who do not concurrently serve as employees or managers, etc.) shall be explained:

To enhance corporate governance, on November 8, 2023, the Board of Directors approved the adjustment of the management structure. DS Lin was appointed as the new President. Sam Lin, the Chairman, ceased to concurrently hold the position of Chief Executive Officer. Tony Lin, the President, was appointed as the Chief Executive Officer to assist the Chairman in overseeing the overall operation of the Company.

Major corporate shareholder: None.

(II) Disclosure of professional qualifications of directors and independence of independent directors:

Criteria Name	Professional qualifications and experience	Status of independence	Number of other public companies in which the individual concurrently serves as an independent director
Chairman Sam Lin	Main experience: He used to be the head of Planning Team, Industrial Technology Research Institute, President and Chief Executive Officer of Weltrend, currently serves as Chairman and Chief Investment Officer of the Company. At least five years of working experience in the Company's business. Not under any of the circumstances as set forth in the subparagraphs of Article 30 of the Company Act.	Not applicable	None
Director James Chou	Main experience: Chairman of Weltrend. At least five years of working experience in the Company's business. Not under any of the circumstances as set forth in the subparagraphs of Article 30 of the Company Act.	Not applicable	None
Director Paul Liao	Main experiences: He used to be Chairman of China Electric Manufacturing Corp., Chairman of Howard Hotels. Currently, he is Chairman of Gain First Investments Limited, Director of Howard Hotels, Independent Director of Kinik Company. At least five years of working experience in the Company's business. Not under any of the circumstances as set forth in the subparagraphs of Article 30 of the Company Act.	Not applicable	1
Director JC Liu	Main experience: He used to work for the Industrial Technology Research Institute. Currently, he serves as Chief R&D Officer of the Company. At least five years of working experience in the Company's business. Not under any of the circumstances as set forth in the subparagraphs of Article 30 of the Company Act.	Not applicable	None
Director Cindy Guo	Main experience: He used to be Auditor of Tseng Hsien-Cheng Accounting Firm, Section Manager of FCF Co., Ltd. Currently, he serves as CFO and Corporate Governance Officer of the Company. At least five years of working experience in the Company's business. Not under any of the circumstances as set forth in the subparagraphs of Article 30 of the Company Act.	Not applicable	None
Director Tony Lin	Main experience: He used to be Assistant Manager of European Business Department of Global Unichip Corporation, Assistant Vice President of Securities Research Department of Macquarie Group, Special Assistant to Chairman of Weltrend Semiconductor, LTD., President of Weltrend Semiconductor. Currently, he serves as Chief Executive Officer of the Company. At least five years of working experience in the Company's business. Not under any of the circumstances as set forth in the subparagraphs of Article 30 of the Company Act.	Not applicable	None
Director Jeff Tsai	Main experience: President of ERSO of the Industrial Technology Research Institute and Weltrend Semiconductor. At least five years of working experience in the Company's business. Not under any of the circumstances as set forth in the subparagraphs of Article 30 of the Company Act.	Not applicable	None

Criteria Name	Professional qualifications and experience	Status of independence	Number of other public companies in which the individual concurrently serves as an independent director
Independent Director Hsu Wen-Tsung	Main experience: Judge of Tainan District Court, Judge of Taoyuan District Court. Currently, he serves as Managing Partner of Hanwe Law Firm. Professional personnel who have passed the national examinations procurator and attorneys and have accumulated more than five years of working experience. Not under any of the circumstances as set forth in the subparagraphs of Article 30 of the Company Act.	(1) An employee of the company or any of its affiliates. (2) A director or supervisor of the company or any of its affiliates. (3) 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 of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.	None
Independent Director Yeh Wei-Kun	Main experiences: He used to be Department Manager of Taiwan Semiconductor Manufacturing Company Limited and Chairman and President of Leadtrend Technology Corporation. Currently, he is Chairman of PowerMate Electronics Co., Ltd., Director of ICE Technology, Director of Caremind, and Independent Director of Cheng Mei Instrument Technology Co., Ltd. At least five years of working experience in the Company's business. Not under any of the circumstances as set forth in the subparagraphs of Article 30 of the Company Act.	(4) Not the manager listed in (1) or the spouse, relative within the second degree of kinship, or direct blood relatives within the third degree of kinship of the person listed in (2) and (3). (5) A director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act.	1
Independent Director Chuang Ming-Jen	Main Experience: Director and President of HIKARI Glass (H.K.) Limited, President of HOYA Corporation Optics Section Taiwan Branch, President of Calin Technology Co., Ltd., Independent Director of Greatek Electronics Inc., currently serving as Chairman of Jen Yao Technology Co., Ltd. At least five years of working experience in the Company's business. Not under any of the circumstances as set forth in the subparagraphs of Article 30 of the Company Act.	(6) If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company. (7) If the chairperson, president, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution. (8) A director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. (9) A professional individual who, or an owner, partner, director, 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 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof;	None

(III) Diversity and independence of the Board of Directors:

1. Diversity of the Board of Directors:

To implement the diversity policy of the Board of Directors, strengthen corporate governance and promote the sound development of the composition and structure of the Board of Directors, the Company's Corporate Governance Best Practice Principles sets out the policy of diversifying the composition of the Board of Directors, based on the Company's operation, business mode and development needs. In accordance with Article 20 of the Principles, the Board of Directors shall possess abilities to perform operational judgment, conduct accounting and financial analysis, carry out operating and crisis management, and have industry-related knowledge, international market perspective, leadership and decision-making ability.

The Company's Board of Directors consists of members of the management team, managers of related industries, and professionals with professional backgrounds, professional skills and industrial experience in accounting, industry, finance, marketing, technology and law. They perform the duties of board members in different fields and under different working backgrounds.

Currently, the Board of Directors consists of one female and nine male members, with no restrictions on age, nationality, or culture. All members are Taiwanese, with a bachelor degree or higher. In terms of age distribution, 3 directors are over 70 years old, 6 directors are between 61 and 70 years old, and 1 director is below 50 years old. The Company places emphasis on gender equality in the composition of the Board of Directors and aims to have a female director ratio of 10% or more. Currently, the proportion of female directors is 10%.

Where the number of directors on the Company's Board of Directors of either gender does not reach one-third of the board seats, the reason and measures to improve gender diversity among directors shall be stated: Due to the characteristics of the industry, it is not easy to recruit suitable talent in a short period. At present, there is one female director appointed. Going forward, the Company will seek talent recommendations through various channels such as the industry and academia, gradually increasing the number of female directors. This aims to enhance corporate governance effectiveness and implement the policy of board member diversity.

The implementation of the diversity policy on board members by the Company

Core Items of Diversity Name	Nationality	Gender	Age				Operating Management	Leadership & Decision-making	Industry Knowledge	Finance & Accounting	Research & Development	Legal Regulations
			41-50	51-60	61-70	71-80						
Sam Lin	Republic of China	Male				✓	✓	✓	✓			
James Chou		Male				✓	✓	✓				
Paul Liao		Male				✓	✓	✓				
JC Liu		Male			✓		✓	✓		✓		
Cindy Guo		Female			✓		✓	✓	✓			
Tony Lin		Male	✓				✓	✓	✓			
Jeff Tsai		Male			✓		✓	✓	✓			
Hsu Wen-Tsung		Male			✓		✓	✓	✓		✓	
Yeh Wei-Kun		Male			✓		✓	✓	✓		✓	
Chuang Ming-Jen		Male			✓		✓	✓	✓			

2. Independence of the Board of Directors:

The current Board of Directors of the Company consists of a total of 10 members, including 3 independent directors. The proportion of directors with employee status in the current board is 40%, while independent directors constitute 30%. Independent director Yeh Wei-Kun has served for more than three consecutive terms. While this remains in compliance with the "no more than half of the independent Directors may serve more than three consecutive terms," stipulated by the competent authorities to enhance corporate governance and strengthen the independence of the Board of Directors, Independent Director Yeh will resign from his position as Independent Director on May 29, 2026 to prevent a decline in their independence due to prolonged tenure. The Company will hold a by-election for one Independent Director at the 2026 Annual Shareholders' Meeting. The Company intends to gradually improve the composition of the board, ensuring its independence.

The matters stipulated in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act are explained as follows:

Sam Lin, Chairman of the Company, and Tony Lin, Director of the Company, are relatives within the second degree of kinship. There are no circumstances where the other directors are related to each other as spouses or to the second degree of kinship.

(IV) Information of President, Vice Presidents, Assistant Vice Presidents, Heads of Departments and Branches

March 31, 2026

Title (Note 1)	Nationality	Name	Gender	Date of election (inauguration)	Shareholding		Shares held by spouses and minors		Shares held in the name of others		Experience (Education) (Note 2)	Positions currently held in the Company or other companies	Spouse or relatives within the second degree of kinship who hold the position of manager			Note
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Chief Investment Officer	Taiwan	Sam Lin	Male	2023.11.8	2,967,000	1.48%	155,982	0.08%	1,924,320	0.96%	Department of Electrophysics, National Yang Ming Chiao Tung University Institute of Business Administration, National Taiwan University Head of Planning Team, Industrial Technology Research Institute President and CEO of Weltrend Semiconductor	Chairman of Sentelic Corporation, Chairman of Yingquan Investment Co., Ltd., Director of Weltrend International Co., (BVI) Ltd.	Chief Executive Officer/CEO	Tony Lin	Father and son	(Note 1)
President	Taiwan	DS Lin	Male	2023.11.8	201,497	0.10%	168	0.00%	-	-	Department of Electrical Engineering, Chung Yuan Christian University Institute of Electrical and Computer Engineering, Syracuse University Assistant Vice President of Marketing Department, Jettech System Technology Co., Ltd. Senior Vice President of Weltrend Semiconductor	-	-	-	-	
Chief Executive Officer/CEO	Taiwan	Tony Lin	Male	2023.11.08	741,000	0.37%	30,000	0.01%	405,120	0.20%	Department of Science in Electrical Engineering, University of Illinois at Urbana-Champaign Institute of Operations Research, Columbia University Assistant Manager of European Business Department of Global Unichip Corporation Assistant Vice President of Securities Research Department of Macquarie Group Special Assistant to the Chairman of Weltrend Semiconductor President of Weltrend Semiconductor	Director of Sentelic Corporation	Chief Investment Officer	Sam Lin	Father and son	

Title (Note 1)	Nationality	Name	Gender	Date of election (inauguration)	Shareholding		Shares held by spouses and minors		Shares held in the name of others		Experience (Education) (Note 2)	Positions currently held in the Company or other companies	Spouse or relatives within the second degree of kinship who hold the position of manager			Note
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Chief Operation Officer/COO	Taiwan	Robby Tsai	Male	2019.11.06	556,000	0.28%	-	-	-	-	Department of Electrical Engineering, National Cheng Kung University Institute of Electrical Engineering, National Cheng Kung University Director of the Audio and Video Applications Division, MStar Semiconductor, Inc. President of Signal Test Division, Integrated Service Technology Inc. President of Grenergy Inc.	President and CEO of Sentelic Corporation	-	-	-	
Chief R&D Officer	Taiwan	JC Liu	Male	2003.03.17	1,818,013	0.91%	-	-	-	-	Institute of Communications Engineering, National Yang Ming Chiao Tung University Industrial Technology Research Institute	-	-	-	-	
Vice President of R&D	Taiwan	ST Kuo	Male	2020.02.12	285,410	0.14%	105,767	0.05%	-	-	Department of Electronic Engineering, Feng Chia University Graduate Institute of Electrical Engineering, National Taiwan University Senior Engineer of R&D Division, Princeton Technology Corporation Vice President of R&D Division, Jettech System Technology Co., Ltd.	-	-	-	-	
Vice President of R&D	Taiwan	Vincent Lu	Male	2022.07.04	65,094	0.03%	-	-	-	-	College of Electrical Engineering of National Tsing Hua University Senior Director of Research & Development, Weltrend Semiconductor Assistant Manager of Digital Design of Andatek Technology Ltd., Digital Department Manager of Leadtrend Technology Corporation	-	-	-	-	
Vice President of Product Development and Technology Application Engineering	Taiwan	Wayne Lo	Male	2022.07.04	19,000	0.01%	-	-	-	-	Department of Electrical Engineering, National Taiwan University of Science and Technology Department of Electrical Engineering, Florida Polytechnic	-	-	-	-	

Title (Note 1)	Nationality	Name	Gender	Date of election (inauguration)	Shareholding		Shares held by spouses and minors		Shares held in the name of others		Experience (Education) (Note 2)	Positions currently held in the Company or other companies	Spouse or relatives within the second degree of kinship who hold the position of manager			Note
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
											University Business Lead of Elan Corporation, Senior Director of Weltrend Semiconductor					
Vice President and Chief Financial Officer as well as Corporate Governance Officer	Taiwan	Cindy Guo	Female	2010.03.01	1,320,200	0.66%	-	-	-	-	Department of Public Finance, Feng Chia University Auditor of Tseng Hsien-Cheng Accounting Firm Section Manager of FCF Co., Ltd.	Director of Sentelic Corporation Supervisor of Dongguan Prosil Electronics Co., Ltd.	-	-	-	
Vice President of Manufacturing	Taiwan	Cheng-Hsu Lu	Male	2026.11.6	-	-	-	-	-	-	Department of Water Resources Engineering, Feng Chia University Graduate Institute of Civil Engineering and Water Resources Engineering, Feng Chia University Quality Assurance Manager of Champion Microelectronic Corp., Senior Director of Weltrend Semiconductor	-	-	-	-	

Note 1: If the Chairperson of the Board of Directors, the President or persons in an equivalent position (top-level executive) of the Company are the same person or each other's spouses or first-degree relatives, the reasons, rationality, necessity and countermeasures for such circumstances (e.g., increasing the number of independent directors, and having more than half the directors who do not concurrently serve as employees or managers, etc.) shall be provided:
To enhance corporate governance, on November 8, 2023, the Board of Directors approved the adjustment of the management structure. DS Lin was appointed as the new President. Sam Lin, the Chairman, ceased to concurrently hold the position of Chief Executive Officer. Tony Lin, the President, was appointed as the Chief Executive Officer to assist the Chairman in overseeing the overall operation of the Company.

II. Remuneration paid to directors (including independent directors), presidents and vice presidents in the most recent year

(I) Remuneration to Directors and Independent Directors

December 31, 2025

Unit: NT\$ thousands

Title	Name	Director's remuneration								Sum of A, B, C, and D as a percentage of net income after tax (%) (Note 3)				Relevant remuneration received by directors who are also concurrently employed employees								Sum of A, B, C, D, E, F and G as a percentage of net income after tax (%) (Note 3)				Remuneration received from investee or parent company other than the Company's subsidiaries
		Compensation (A)		Severance pay and pension (B)		Directors' remuneration (C) (Note 2)		Allowances (D)		Salary, bonus, and allowance (E) (Note 4)		Severance pay and pension (F)		Employee compensation (G) (Note 5)				The Company		Consolidated entities						
		The Company	Consolidated entities	The Company	Consolidated entities	The Company	Consolidated entities	The Company	Consolidated entities	The Company	Consolidated entities	The Company	Consolidated entities	The Company	Consolidated entities	The Company	Consolidated entities	Cash	Shares	Cash	Shares	The Company	Consolidated entities			
Director	Sam Lin																									
	James Chou																									
	JC Liu																									
	Cindy Guo	-	-	-	-	14,705	15,605	1,008	1,118	15,713	16,723	2.85%	3.04%	14,662	15,097	841	841	2,757	-	2,757	-	33,973	35,418	6.17%	6.43%	-
	Tony Lin																									
	Paul Liao																									
	Jeff Tsai																									
Independent Director	Gerald Kuo (Note 1)																									
	Yeh Wei-Kun																									
	Hsu Wen-Tsung	-	-	-	-	5,514	5,514	432	432	5,946	5,946	1.08%	1.08%	-	-	-	-	-	-	-	-	5,946	5,946	1.08%	1.08%	-
	Chuang Ming-Jen (Note 2)																									
<p>1. Please state the policies, systems, standards, and structure of independent directors' remuneration payment and describe the relevance of their responsibilities, risks, and time of investment to the amount of remuneration. In accordance with the Company's Regulations Governing the Remuneration of Directors and Managers, the remuneration of the company's directors (including independent directors) includes monthly fixed remuneration and director's remuneration stipulated in accordance with the Articles of Association. The remuneration of directors shall be no more than 4% of the current pre-tax net profit in accordance with the Articles of Association, and shall be submitted to the Shareholders' Meeting for report after being examined by the Remuneration Committee and approved by the Board of Directors. In addition to referring to the industry standards for payment, reasonable compensation shall be given based on factors such as time invested, degree of operational participation, responsibilities undertaken, contribution to the Company, risk events, personal performance, corporate operational performance, and future risks.</p> <p>2. Except as disclosed in the above chart, remuneration to directors received due to the services (e.g. acting as a consultant, instead of an internal employee, of the parent company/all companies listed in the financial reports/reinvestment business) provided to all companies listed in the financial statement in the most recent year: NT\$ 360 thousand</p>																										

Note 1: Independent Director Gerald Kuo left his position after the comprehensive re-election on May 29, 2025.

Note 2: Independent Director Chuang Ming-Jen was elected as an Independent Director after the comprehensive re-election on May 29, 2025. The information prior to his appointment will not be disclosed.

Note 3: Directors' remuneration distributed by the Board of Directors in the most recent year.

Note 4: Net profit after tax means net profit after tax in the most recent year; If IFRS has been adopted, this term means net profit after tax stipulated in the individual financial reports in the most recent year.

Note 5: The salary and expenses recognized in accordance with IFRS2 "Share Based Payment" include the acquisition of stock warrants for employees, new shares with limited rights for employees and participation in the cash increase for shares, etc.

Note 6: The employee remuneration (including stock and cash) obtained by directors who are concurrently employed employees in the most recent year shall disclose the amount of employee remuneration distributed by the Board of Directors in the most recent year. If it fails to be estimated, the proposed distribution amount for the current year shall be calculated based on the actual distribution amount last year.

Note 7: The remuneration disclosed in this table is different from the concept of income in the Income Tax Act. This table is for information disclosure and not for taxation purposes.

Table of Remuneration Range

Range of remuneration paid to the Company's directors	Name			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company	Consolidated entities	The Company	Consolidated entities
Less than NTD 1,000,000	-	-	-	-
NT\$1,000,000 –NT\$1,999,999	James Chou, Paul Liao, JC Liu, Cindy Guo, Tony Lin, Jeff Tsai, Gerald Kuo, Yeh Wei-Kun, Hsu Wen-Tsung, Chuang Ming-Jen	James Chou, Paul Liao, JC Liu, Jeff Tsai, Gerald Kuo, Yeh Wei-Kun, Hsu Wen-Tsung, Chuang Ming-Jen, Tony Lin, Cindy Guo	James Chou, Paul Liao, Jeff Tsai, Gerald Kuo, Yeh Wei-Kun, Hsu Wen-Tsung, Chuang Ming-Jen	James Chou, Paul Liao, Jeff Tsai, Gerald Kuo, Yeh Wei-Kun, Hsu Wen-Tsung, Chuang Ming-Jen
NT\$2,000,000 –NT\$3,499,999	-	-	-	-
NT\$3,500,000 –NT\$4,999,999	Sam Lin	Sam Lin	-	-
NT\$5,000,000 –NT\$9,999,999	-	-	Sam Lin, JC Liu, Tony Lin, Cindy Guo	Sam Lin, JC Liu, Tony Lin, Cindy Guo
NT\$10,000,000 –NT\$14,999,999	-	-	-	-
NT\$15,000,000 –NT\$29,999,999	-	-	-	-
NT\$30,000,000 –NT\$49,999,999	-	-	-	-
NT\$50,000,000 –NT\$99,999,999	-	-	-	-
Above NT\$ 100,000,000	-	-	-	-
Total	11	11	11	11

(II) Remuneration for President and Vice Presidents

December 31, 2025
Unit: NT\$ thousands

Title	Name	Salary (A)		Severance pay and pension (B)		Bonuses and special expenses, etc. (C) (Note 3)		Employee compensation (D) (Note 4)				Sum of A, B, C, and D as a percentage of net income after tax (%)		Remuneration received from investee or parent company other than the Company's subsidiaries
		The Company	Consolidated entities	The Company	Consolidated entities	The Company	Consolidated entities	The Company		Consolidated entities		The Company	Consolidated entities	
								Cash	Shares	Cash	Shares			
Chief Investment Officer	Sam Lin	21,624	23,319	1,617	1,617	8,344	9,294	5,884	-	7,063	-	37,469 6.80%	41,293 7.50%	-
President	DS Lin													
Chief Executive Officer/CEO	Tony Lin													
Chief Operation Officer/COO	Robby Tsai													
Chief R&D Officer	JC Liu													
Vice President and Chief Financial Officer as well as Corporate Governance Officer	Cindy Guo													
Vice President	ST Kuo													
Vice President	Wayne Lo													
Vice President	Vincent Lu													
Vice President (Note 1)	Cheng-Hsu Lu													

Note 1: Cheng-Hsu Lu was promoted to Vice Presidents on November 6, 2025, and the information about him before November 6, 2025 will not be disclosed.

Note 2: The salary and expenses recognized in accordance with IFRS2 "Share Based Payment" include the acquisition of stock warrants for employees, new shares with limited rights for employees and participation in the cash increase for shares, etc.

Note 3: The remuneration (including stock and cash) of those who are president and vice presidents distributed by the Board of Directors in the most recent year. If it fails to be estimated, the proposed distribution amount for the current year shall be calculated based on the actual distribution amount last year. This is the estimated amount of proposed distributions.

Note 4: The remuneration disclosed in this table is different from the concept of income in the Income Tax Act. This table is for information disclosure and not for taxation purposes.

Table of Remuneration Range

Range of remuneration paid to the Company's president and vice presidents	Name of President and Vice Presidents	
	The Company	Consolidated entities
Less than NTD 1,000,000	Cheng-Hsu Lu	Cheng-Hsu Lu
NT\$1,000,000 –NT\$1,999,999	-	-
NT\$2,000,000 –NT\$3,499,999	Cindy Guo, Robby Tsai, ST Kuo, Wayne Lo	Cindy Guo, ST Kuo, Wayne Lo
NT\$3,500,000 –NT\$4,999,999	Tony Lin, DS Lin, Vincent Lu	Tony Lin, DS Lin, Vincent Lu
NT\$5,000,000 –NT\$9,999,999	Sam Lin, JC Liu	Sam Lin, JC Liu, and Robby Tsai
NT\$10,000,000 –NT\$14,999,999	-	-
NT\$15,000,000 –NT\$29,999,999	-	-
NT\$30,000,000 –NT\$49,999,999	-	-
NT\$50,000,000 –NT\$99,999,999	-	-
Above NT\$ 100,000,000	-	-
Total	10	10

Employee remuneration distributed to managers and status of distribution

December 31, 2025 Unit: NT\$ thousands

	Title	Name	Shares	Cash	Total	Ratio of total remuneration to net income (%)
Manager	Chief Investment Officer	Sam Lin	-	5,884	5,884	1.07%
	President	DS Lin				
	Chief Executive Officer/CEO	Tony Lin				
	Chief R&D Officer	JC Liu				
	Chief Operation Officer/COO	Robby Tsai				
	Vice President and Chief Financial Officer as well as Corporate Governance Officer	Cindy Guo				
	Vice President	ST Kuo				
	Vice President	Wayne Lo				
	Vice President	Vincent Lu				
	Vice President	Cheng-Hsu Lu				

Note: The employee remuneration (including stock and cash) obtained by those who are managers in the most recent year shall disclose the amount of employee remuneration distributed by the Board of Directors in the most recent year. If it fails to be estimated, the proposed distribution amount for the current year shall be calculated based on the actual distribution amount last year. Net profit after tax means net profit after tax in the most recent year; If IFRS has been adopted, this term means net profit after tax stipulated in the individual financial reports in the most recent year.

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

Title	Total remuneration as a percentage of net income after tax stipulated in individual financial reports			
	2025		2024	
	The Company	All companies included in the consolidated financial statements	The Company	All companies included in the consolidated financial statements
Director	7.25%	7.51%	10.15%	10.41%
President and Vice president	6.80%	7.50%	11.27%	12.32%

2. Remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

- (1) According to the Company's Regulations Governing the Remuneration of Directors, Supervisors and Officers, the remuneration of the Company's directors and supervisors includes traveling expenses and the salary of directors and supervisors. The amount of traveling expenses is set by the Board of Directors with reference to industry standards in accordance with the Company's Articles of Incorporation. The remuneration of the directors and supervisors shall be allocated in accordance with Article 20 of the Articles of Association, and shall be submitted to the Shareholders' Meeting for report after being examined by the Remuneration Committee and approved by the Board of directors.

The remuneration of the president and vice presidents of the Company shall include salary, bonus and employee compensation, etc. It also takes into account the personal performance, corporate operational performance, and future risk, and refers to the standards set by peers for positions of the same nature. The remuneration shall be reviewed by the Compensation Committee and approved by the Board of Directors

- (2) In accordance with Article 20 of the Company's Articles of Incorporation, the Company shall set aside 11-15% of the net income before tax for employee compensation and not more than 4% for director compensation. Of the total employee remuneration, an amount of no less than 1% shall be allocated for distribution to grassroots employees. However, if the Company has accumulated losses (including adjustment on non-distributed earnings), the Company shall set aside a part of the profit first to make up for the losses.

The employees' remuneration specified in the preceding paragraph may be paid in stocks or cash, and may be paid to employees of parents or subsidiaries of the Company who meet the requirements stipulated by the Board of Directors. The Directors' remuneration specified in the preceding paragraph shall only be distributed in cash.

The procedures in the two preceding paragraphs must be approved by the Board of Directors and reported to the shareholders' meeting.

- (3) In addition to the industry standards, the performance evaluation and compensation of directors, supervisors and managers shall be based on their abilities, time invested, degree of operational participation, responsibilities undertaken, contribution to the Company, achievement of personal goals, personal performance, performance in other positions, and risk events such as violations of the Code of Ethical Conduct and personnel fraud. The Company evaluates the relationship between individual performance and the Company's operating performance, operational status and future risks and give reasonable remuneration based on the achievement of short-term and long-term business objectives, the Company's financial condition, etc. The remuneration system for directors and managers is reviewed from time to time in accordance with the Company's operating conditions and changes in laws and regulations.

III. Operation of corporate governance:

(I) Information on the operation of the Board of Directors

The Board of Directors held 10 meetings (A) in 2025, and the attendance of directors are as follows:

Title	Name	Number of attendances (presence) in person (B)	Proxy attendances	Attendance (presence) rate (%) (B/A)	Note
Chairman	Sam Lin	10	-	100%	Serve for another term of office
Director	James Chou	10	-	100%	Serve for another term of office
Director	JC Liu	9	1	90%	Serve for another term of office
Director	Cindy Guo	10	-	100%	Serve for another term of office
Director	Tony Lin	10	-	100%	Serve for another term of office
Director	Paul Liao	8	2	80%	Serve for another term of office
Director	Jeff Tsai	10	-	100%	Serve for another term of office
Independent Director	Gerald Kuo	3	-	100%	Predecessor
Independent Director	Yeh Wei-Kun	10	-	100%	Serve for another term of office
Independent Director	Hsu Wen-Tsung	10	-	100%	Serve for another term of office
Independent Director	Chuang Ming-Jen	7	-	100%	Newly-appointed

Other matters:

- I. With regard to the operations of the Board of Directors, if any of the following circumstances occur, the dates, terms of the meetings, contents of motions, all independent directors' opinions, and the Company's response shall be specified:
- (I) Matters stipulated in Article 14-3 of the Securities and Exchange Act
The Company has established the Audit Committee in accordance with Article 14-5 of the Securities and Exchange Act, thus exempting it from the requirement. For further details, please refer to the operation of the Audit Committee in this year's annual report, available on P.27 - P.33.
- (II) Other resolutions of the Board to which independent director(s) voiced objection or reservation that are documented or issued through a written statement in addition to the above: None.

- II. When a director abstains due to being a stakeholder in certain proposals, the name of the director, the content of motion, reasons for abstentions, and the results of vote counts should be stated: None.
- III. For information on the evaluation cycle, duration, scope, method, and content of the Board of Directors' self (or peer) review, please refer to P.25 - P.26.
- IV. Assessment of the objectives and performance of strengthening the functions of the Board of Directors (such as establishing the Audit Committee, enhancing information transparency, etc) in the current and recent years: The Company has formulated the Rules of Procedure for Meetings of Board of Directors in accordance with the Regulations Governing Procedure for Board of Directors Meetings of Public Companies, and disclosed the attendance of directors at Board meetings on the Market Observation Post System and the important decisions of the Board of Directors on the Company's website. The Company has carried out the performance evaluation of the Board of Directors since 2020, and established the Audit Committee after the re-election of directors at the Shareholders' Meeting in 2022. Additionally, the Company has conducted the performance evaluation of the Audit Committee since 2022. The Board of Directors of the Company appointed the members of the 6th Remuneration Committee on June 10, 2025. The three members are all independent directors. The Committee is responsible for formulating and regularly reviewing the policies, systems, standards and structure of performance objectives and compensation for directors and managers. Besides, it regularly evaluates and reviews the reasonableness of the remuneration of directors and managers, staff remuneration and other incentives of employees. The Company has implemented the performance evaluation of the Remuneration Committee since 2020.

Note: The Company held a comprehensive re-election of Directors on May 29, 2025.

Performance Evaluation of Board of Directors and Functional Committee

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Content of evaluation
Once a year	2025.01.01~2025.12.31	Performance evaluation of the Board of Directors, board members and functional committees	Internal questionnaire survey was adopted to conduct internal self-evaluation of the Board of Directors, board members and functional committees	<p>The performance evaluation of Board of Directors involve the following five aspects:</p> <ol style="list-style-type: none"> 1. Level of involvement in company operations 2. Improvement in the quality of decision making by the Board of Directors 3. Composition and structure of the Board of Directors 4. Selection and continuing education of directors 5. Internal control <p>The performance evaluation of board members involve the following six aspects:</p> <ol style="list-style-type: none"> 1. Mastery of company goals and missions 2. Understanding of directors' duties and responsibilities 3. Level of involvement in company operations 4. Internal relationship management and communication 5. Professional and continuing education for directors 6. Internal control <p>The performance evaluation of functional committee involve the following five aspects:</p> <ol style="list-style-type: none"> 1. Level of involvement in company operations 2. Understanding of the duties and responsibilities of the functional committee 3. Improvement in the quality of decision-making within the functional committee 4. Composition of functional committee and selection of committee members 5. Internal control

The results of the performance evaluation of the Board of Directors, board members and functional committees for 2025 were presented to the Board of Directors on March 11, 2026. The overall score of this evaluation is between 4 points (good) and 5 points (excellent), indicating that the overall operation of the Board of Directors and the Functional Committee IS in good condition and meets the requirements of corporate governance. The Company will constantly strengthen and enhance the effectiveness of corporate governance based on the evaluation results of the Board of Directors and the Functional Committee.

(II) The operation of Audit Committee

1. The operation of the Audit Committee primarily aims to assist the Board of Directors in supervising the following matters:
 - (1) The appropriateness of the Company's financial statements.
 - (2) The selection (appointment) and independence and performance of the Certified Public Accountant.
 - (3) The effective implementation of internal controls within the Company.
 - (4) Compliance with relevant laws and regulations by the Company.
 - (5) The management and control of existing or potential risks faced by the Company.
2. The main matters deliberated by the Audit Committee include:
 - (1) Formulate or amend the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
 - (2) Assess the effectiveness of the internal control system.
 - (3) Adopt or amend, pursuant to Article 36-1 of the Securities and Exchange Act, the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and provision of endorsements or guarantees for others.
 - (4) Matters in which a director is an interested party.
 - (5) Asset transactions or derivatives trading of a material nature.
 - (6) Loans of funds, endorsements, or provision of guarantees of a material nature.
 - (7) Offering, issuance or private placement of any equity-based securities.
 - (8) Appointment, dismissal or compensation of CPAs.
 - (9) Appointment or dismissal of finance manager, accounting manager or chief internal auditor.
 - (10) The annual financial report signed or sealed by the chairman, the manager and the accounting supervisor and the quarterly financial report signed or sealed by the chairman, the manager and the accounting supervisor and examined by CPAs.
 - (11) Other major matters stipulated by the Company or the competent authorities.

4. The Audit Committee held 7 meetings (A) in 2025. The independent directors present are as follows:

Title	Name	Attendance in person (B)	Proxy attendances	Attendance rate (B/A)	Note
Independent Director (Convener) (Stepped down on May 29, 2025)	Gerald Kuo	3	0	100	Predecessor
Independent Director (Convener)	Hsu Wen-Tsung	7	0	100	Serve for another term of office
Independent Director	Yeh Wei-Kun	7	0	100	Serve for another term of office
Independent Director	Chuang Ming-Jen	4	0	100	Newly-appointed

Other matters:

- I. With regard to the operation of the Audit Committee, the date and session of meeting, content of motions, content of dissenting opinions, qualified opinions or major recommendations from independent directors, resolutions passed by the Audit Committee, and the Company's actions in response to opinions from members of the Audit Committee shall be specified if any of the following circumstances occurs:

(I) Matters stipulated in Article 14 -5 of the Securities Exchange Act.

Date and term of the Board of Directors	Date and term of the Audit Committee	Content of the motion and subsequent handling	Matters stipulated in Article 14 -5 of the Securities Exchange Act	Resolutions not approved by the Audit Committee but agreed by more than two-thirds of all directors
-	2025.2.24 15th meeting of the 1st term	1. Review of the Company's proposal to appoint independent experts in accordance with the law. Resolution of the Audit Committee: Approved by all members of the Audit Committee. The Company's handling of the Audit Committee's opinion: No comments.	Yes	No
2025.3.7 19th meeting of the 12th term	2025.3.7 16th meeting of the 1st term	1. Review of the 2024 Business Report and Financial Statements of the Company. 2. Review of the distribution of earnings of the Company for 2024. 3. Reviewed the cash capital reduction for the Company's subsidiary, Weltrend International (BVI) Ltd. 4. Review on the report of reference items for the judgment of the effectiveness of the Company's internal control system for 2024 and the report on the	Yes	No

		<p>statement of internal control system for 2024.</p> <p>5. Review of the appointment and dismissal of CPAs and the independent and suitability assessment of CPAs in 2025.</p> <p>6. Review of the Company's plan to issue new shares through a share swap to acquire all the issued shares of Sentelic Corporation.</p>		
		Resolution of the Audit Committee: Approved by all members of the Audit Committee.		
		The Company's handling of the Audit Committee's opinion: Approved by all the directors present.		
2025.5.8 21st meeting of the 12th term	2025.5.8 17th meeting of the 1st term	<p>1. Review of the financial report of the Company for Q1 2025.</p> <p>2. Review of the Company's formulation of "Risk Management Policy and Procedure."</p>	Yes	No
		Resolution of the Audit Committee: Approved by all members of the Audit Committee.		
		The Company's handling of the Audit Committee's opinion: Approved by all the directors present.		
2025.8.7 3rd meeting of the 13th term	2025.8.7 1st meeting of the 2nd term	<p>1. Review of the financial report of the Company for Q2 2025.</p> <p>2. Review of the ESG Report of the Company for 2024.</p> <p>3. Review of the Company's formulation of "Regulations Governing Climate Change Risk."</p> <p>4. Review of the "Audit Committee Charter."</p>	Yes	No
		Resolution of the Audit Committee: Approved by all members of the Audit Committee.		
		The Company's handling of the Audit Committee's opinion: Approved by all the directors present.		
2025.10.1 4th meeting of the 13th term	2025.10.1 2nd meeting of the 2nd term	<p>1. Review on matters related to the transfer of treasury shares to employees within the Company.</p>	Yes	No
		Resolution of the Audit Committee: Approved by all members of the Audit Committee.		
		The Company's handling of the Audit Committee's opinion: Approved by all the directors present.		
2025.11.6 5th meeting of the 13th term	2025.11.6 3rd meeting of the 2nd term	<p>1. Review of the financial report of the Company for Q3 2025.</p> <p>2. Review of the Company's internal audit plan for 2026.</p>	Yes	No
		Resolution of the Audit Committee: Approved by all members of the Audit Committee.		
		The Company's handling of the Audit Committee's opinion: Approved by all the directors present.		
2025.12.12 7th meeting of the 13th term	2025.12.12 4th meeting of the 2nd term	<p>1. Review on the proposal to amend the operational items of the Company's</p>	Yes	No

term		“Internal Control System.”		
		Resolution of the Audit Committee: Approved by all members of the Audit Committee.		
		The Company's handling of the Audit Committee's opinion: Approved by all the directors present.		

(II) Other resolutions not approved by the Audit Committee but agreed by more than two-thirds of all directors: None.

II. When an independent director abstains due to being a stakeholder in certain proposals, the name of the independent director, the content of motion, reasons for abstentions, and the results of vote counts should be stated: None.

III. Communication between independent directors and internal audit supervisors & CPAs (including important matters, methods and results of communication on the company's financial and business status): CPAs attend the meeting of Audit Committee held every quarter, and CPAs report on the examination or review results of the financial statements and other communication matters required by relevant laws and regulations, and communicate whether there are any material adjustment entries or statutory amendments affecting the accounts. A meeting may be called at any time in the event of a major anomaly.

Summary of communication between independent directors and CPAs in 2025:

Date	Communication method	Communication highlights	Suggestions and results
2025/3/7	16th meeting of the 1st term of the Audit Committee	<ol style="list-style-type: none"> Report on the Audit Results and Conclusions of the Consolidated Financial Statements for 2024. Audit Quality Indicator (AQI) Report. Introduction to upcoming applicable standards and regulations. 	The independent directors have expressed no objections or reservations.
2025/5/8	17th meeting of the 1st term of the Audit Committee	<ol style="list-style-type: none"> Report on the Audit Results of the Consolidated Financial Statements for Q1 2025. Introduction to regulatory updates. 	
2025/8/7	1st meeting of the 2nd term of the Audit Committee	<ol style="list-style-type: none"> Report on the Audit Results of the Consolidated Financial Statements for Q2 2025. Introduction to regulatory updates. 	
2025/11/6	3rd meeting of the 2nd term of the Audit Committee	<ol style="list-style-type: none"> Report on the Audit Results of the Consolidated Financial Statements for Q3 2025. 2025 Audit Plan. Explanation of key audit matters (KAM) and significant risks (SR). Introduction to regulatory updates. 	

The independent directors and the internal audit supervisor hold at least one communication meeting or symposium every year. The internal audit supervisor also presents reports on the Company's internal audit performance and internal control operations to the Audit Committee each quarter. A meeting may be called at any time in the event of a major anomaly.

Summary of communication between independent directors and internal audit supervisor in 2025:

Date	Communication method	Communication highlights	Suggestions
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			and results
2025/3/7	16th meeting of the 1st term of the Audit Committee	Review on the report on the reference items for the judgment of the effectiveness of the Company's internal control system for 2024 and the report on the discussion of internal control system for 2024.	The independent directors have expressed no objections or reservations.
2025/5/8	17th meeting of the 1st term of the Audit Committee	Internal Audit Performance for Q1 2025.	
2025/8/7	1st meeting of the 2nd term of the Audit Committee	Internal Audit Performance for Q2 2025.	The independent directors have expressed no objections or reservations.
2025/11/6	Symposiums	1. Report on internal audit performance. 2. Report on the implementation status of the 2025 Audit Plan. 3. Discussion on the internal audit plan for 2026.	
2025/11/6	3rd meeting of the 2nd term of the Audit Committee	Internal Audit Performance for Q3 2025.	

Note: The Company held a comprehensive re-election of Directors on May 29, 2025.

(III) Implementation of corporate governance, deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons therefore:

Evaluation items	Status of implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
I. Has the Company established and disclosed its corporate governance best practice principles based on the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company has established its Corporate Governance Best Practice Principles based on the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and disclosed it on the Market Observation Post System and its official website.	No deviation
II. Shareholding structure and shareholders' rights				
(I) Has the Company established an internal operating procedure for handling shareholder proposals, inquiries, disputes, and litigations? Are such matters handled according to the internal procedure?	✓		(I) The Company has established "Regulations Governing Shareholders Services" to incorporate the management of shareholder services into the internal control system. It has designated personnel for the roles of spokesperson and acting spokesperson to address shareholder suggestions or disputes in accordance with this Regulation.	No objections
(II) Does the Company maintain a register of the major shareholders with controlling power, as well as a register of the ultimate controller of those major shareholders?	✓		(II) The Company has a register of shareholders provided by the stock agent, which is appointed by the Company.	
(III) Does the Company establish and enforce the risk control mechanism and firewall mechanism between itself and its associates?	✓		(III) The assets and financial management rights and responsibilities between the Company and affiliates are quite clear, and are handled in accordance with relevant regulations. Besides, related matters are dealt with according to the established internal control operations.	
(IV) Does the Company stipulate internal rules that prohibit company insiders from trading securities using information not disclosed to the market?	✓		(IV) The Company has established the Code of Ethical Conduct, the Code of Ethical Conduct for Staff and the Internal Procedures for Handling Material Information to prohibit Company insiders from using unpublished information in the market to buy or sell the Company's shares.	

Evaluation items	Status of implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
<p>III. Composition and functions of the Board of Directors</p> <p>(I) Has the Board of Directors formulated a strategy to achieve diversity. If so, is such strategy being implemented?</p> <p>(II) In addition to establishing a Remuneration Committee and Audit Committee as required by law, has the Company voluntarily established other Functional Committees?</p>	<p>✓</p> <p>✓</p>		<p>(I) Article 20 of the Company's Corporate Governance Best Practice Principles propose the policy of diversity in the composition of the Board of Directors, which is formulated in relation to the Company's operations, business modes and development needs. It includes but not limited to the following two aspects:</p> <ol style="list-style-type: none"> 1. Basic conditions and values: gender, age, nationality, culture, etc. The Board of Directors consists of 1 female and 9 male members without any restriction on age, nationality or culture, etc. Currently, all board members are Taiwanese, with bachelor degrees or above. Among the 3 independent directors, 1 have over 9 years of relevant working experience, 1 has 4-6 years and 1 has 0-3 years of relevant working experience. The Company places emphasis on gender equality in the composition of board members and aims to have a female director ratio of 10% or more. Currently, the ratio of female directors is 10%. 2. To implement the company's policy of diversifying the board members, directors shall have different professional backgrounds in accounting, industry, finance, marketing, technology, law, etc. The provisions of the Company's Corporate Governance Best Practice Principles have been disclosed on the Market Observation Post System and its official website. Please refer to P.6 of this Annual Report for information on the implementation of the diversity policy by directors. <p>(II) The Company set up a special committee on mergers and acquisitions on December 29, 2020. There is no need to set up other functional committees for the time being, which will be handled in due course depending on the actual needs of the Company.</p>	<p>No deviation</p>

Evaluation items	Status of implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
(III) Has the Company established standards to measure the performance of the Board of Directors, and does the Company implement these standards on a regular basis? Are the results submitted to the Board of Directors and used as references for directors' remuneration and nominations for reappointment?	✓		(III) The Board of Directors adopted the Rules for Performance Evaluations of the Board of Directors and Functional Committee on March 12, 2020 to conduct the performance evaluation of the overall Board of Directors, board members, and the functional committee once a year. The results of the Company's performance evaluation for 2025 were presented to the Board of Directors in the first quarter of 2026, and recommendations for improvement were made. In accordance with the provisions of the competent authorities, the Company regularly conducts performance evaluation every year and applies the results of performance evaluation to the salary and compensation of directors and the nomination and renewal of their appointment. Please refer to P.13 for the implementation of performance evaluation of the Board of Directors and functional committee.	
(IV) Does the Company regularly assess the independence of its CPAs?	✓		(IV) The Company regularly evaluates the independence and suitability of CPAs every year, the Committee conducts the evaluation and report the evaluation results to the Board of Directors. In addition to referring to Communiqué No. 10: Integrity, Fairness, Objectivity and Independence of the Taiwan CPA Association, the Company has evaluated the independence and suitability of CPAs based on Audit Quality Indicators (AQI), and Statement of the Independent CPAs and Communication with Governance Units on AQI. After evaluation by the Company, it is confirmed that CPAs have no other financial interests and business relationship with the Company other than the fees for certification and financial tax, and CPAs' family members have not violated the independence requirement. According to AQI, it is confirmed that the auditing experience and training hours of CPAs and firms are better than the average level of the industry, and they constantly introduce digital audit tools to improve audit quality, and CPAs meet the requirements for independence and suitability. The latest evaluation was reviewed and approved by the Audit Committee on March 11, 2026, and then submitted to the Board of Directors for approval. Please refer to P.34 of this Annual Report for the evaluation criteria for the independence of CPAs.	

Evaluation items	Status of implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
IV. Does the TWSE/TPEX Listed Companies have sufficient qualified corporate governance personnel in place and assign a chief corporate governance officer to handle matters relating to corporate governance (including but not limited to providing directors and supervisors with materials necessary to perform their duties, assisting directors and supervisors in legal compliance, handling matters in connection with the Board Meeting and the Shareholders' Meeting in accordance with laws and regulations, and preparing meeting minutes for Board Meetings and Shareholders' Meetings)?	✓		Five employees from the Executive Office of the President, Finance Department and Human Resources Department are responsible for affairs related to corporate governance. On May 8, 2023, the Board of Directors resolved to appoint Ms. Cindy Guo, the Chief Financial Officer, as the Director of Corporate Governance Officer. Ms. Guo, the CFO, possesses over three years of experience in financial, accounting, and stock management operations of publicly traded companies. The main responsibilities of corporate governance officer include providing the information required by the directors to carry out business, assisting the directors to comply with laws and regulations, handling the relevant matters of the Board of Directors and the Shareholders' Meeting according to law, preparing meeting minutes for Board Meetings and Shareholders' Meetings, and helping the Board of Directors strengthen the implementation of functions and safeguard the rights and interests of stakeholders.	No deviation
V. Does the Company establish communication channels between stakeholders (including but not limited to shareholders, employees, clients and suppliers), set up a stakeholder section on the Company's website, and respond appropriately to important corporate social responsibility issues of concern to stakeholders?	✓		The Company respects the rights and interests of stakeholders, identifies stakeholders, understands their reasonable expectations and needs through appropriate communication, and appropriately responds to important CSR issues they are concerned about. Relevant departments are responsible for the communication with stakeholders, and a "Stakeholder Section" is set up on the Company's website under "Sustainable Development" to disclose the information on stakeholder interactions and business operations. The content includes stakeholders, major issues of concern, needs and expectations, communication channels and achievements of the year, which provides reference for stakeholders and the general public. The Company regularly reports to the Board of Directors in the fourth quarter of each year on its communication with stakeholders during the year. The contact information of stakeholders is available on the Company's website so that appropriate responses to stakeholder concerns can be made in a timely manner. The feedback from stakeholders is the basis for continuous improvement and progress of the Company. For information on stakeholder interactions and business operations, please refer to P.34 to P.40 of this Annual Report.	No deviation

Evaluation items	Status of implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and related reasons
	Yes	No	Summary	
VI. Does the Company commission a professional shareholder services agency to handle matters in connection with the Shareholders' Meeting?	✓		The Company commission Chinatrust Commercial Bank, a professional shareholder services agency to handle matters in connection with the Shareholders' Meeting.	No deviation
VII. Information disclosure (I) Does the company have a corporate website to disclose both financial standings and the status of corporate governance? (II) Does the company have other information disclosure channels (e.g. an English website, designated personnel to handle information collection and disclosure, a spokesman system, webcasting of investor conferences)? (III) Does the company have other information disclosure channels (such as building an English website, appointing designated personnel to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	✓ ✓ ✓		(I) The Company has set up a website to disclose information about its financial standings and the status of corporate governance. Website: www.weltrend.com.tw (II) In addition to regularly or irregularly disclosing relevant financial business information on the Market Observation Post System as required by the competent authorities, the Company reveals relevant information on its website. The Company has established an English website, and the Financial Department is responsible for collecting and disclosing corporate information. Additionally, the Company has spokesmen and acting spokesmen, and the spokesman system is under good operation. (III) In accordance with regulatory requirements, listed companies must file their annual self-assessed financial information within 75 days after the end of the fiscal year and publicly announce and file their annual financial reports within three months after the fiscal year-end. Although the Company did not announce its annual financial report within two months after the year-end, it completed the announcement and filing within the 75-day deadline. The Company's financial reports for the first, second, and third quarters of 2025, as well as monthly revenue figures, were announced and filed on the Market Observation Post System (MOPS) before the respective deadlines and were simultaneously uploaded to the Company's website.	Regarding the announcement and filing of the annual financial report within two months after the end of the fiscal year, the Company will handle the matter in a timely manner in accordance with the regulations of the competent authority.

Evaluation items	Status of implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
VIII. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of client relations policies, and purchasing insurance for directors and supervisors)?	✓		<p>(I) With respect to investor relations, the Company has spokesmen and acting spokesmen who engage in investor relations, so that investors can be fully informed of the Company's operations in real time and enjoy the best services.</p> <p>(II) Suppliers are important partners of the Company's business operation. The Company's main suppliers are world-class manufacturers of wafer manufacturing and high-quality packaging factories, which have a complete green supply chain system and are the benchmark and reliable partners. Besides, they have passed TS16949 and ISO14000, and the manufacturing services provided by them can ensure the quality of the Company's products. In line with client expectations and green quality requirements, the Company and suppliers jointly pursue sustainable business operations and growth through close cooperation, and actively achieve goals for quality and service standards, green products, labor management, and environmental safety and health management.</p> <p>(III) With respect to the rights of stakeholders, the Company has established a stakeholder section on its external website to disclose the interaction, operation, and contact information of stakeholders to establish a channel of communication between employees, clients, investors and other stakeholders and the Company, thus safeguarding the rights of stakeholders.</p> <p>(IV) The training hours and course content of all directors and independent directors in current year meet the requirements of the competent authorities. For further details regarding the "Director's Training Status," please refer to page 40 ~ page 41.</p> <p>(V) The Company has taken out liability insurance for the directors and supervisors. The directors and supervisors of the Company comply with the laws and act with prudence and integrity. In addition to the annual renewal of liability insurance, the Board of Directors was informed of the amount, coverage and premium rates of liability insurance for the current year in Q2 2025. Please check the Market Observation Post System for relevant information. The insurance situation for 2026 was also reported to the Board</p>	No deviation

Evaluation items	Status of implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
			of Directors in Q2 2026. (VI) For the succession planning of the Board members and key management personnel, please refer to page 42.	

IX. Based on the latest Corporate Governance Evaluation report released by the Corporate Governance Center of TWSE, please state the circumstances in which improvements have been made and propose priorities and measures for those that have not yet improved.

Priorities and measures for improvement of the unscored items in the Company's corporate governance evaluation for 2025:

Evaluation indicators	Priorities and measures
Has the Company established a Sustainable Development Committee at the Board of Directors level, consisting of no fewer than three members, with qualifications that include expertise and capability in corporate sustainability, and at least one director shall participate in the supervision? Furthermore, is there a disclosure of its composition, responsibilities, and status of implementation?	The Company plans to establish a Sustainable Development Committee in 2026.
Does the Company regularly conduct employee satisfaction surveys and disclose the implementation status and improvement plans?	The Company plans to conduct a satisfaction survey for employees in 2026 and will disclose the implementation status and improvement plans on the company website.

Standards for assessing the independence of CPAs

Evaluation items	Assessment outcome	Compliance with independence criteria
Whether CPAs and their spouses and dependent relatives have direct or indirect material financial relationship with the Company	No	Yes
Whether CPAs and their spouses and dependent relatives have any business relationship with the Company and its directors or managers that may affect independence	No	Yes
During the audit period, whether CPAs and their spouses and dependent relatives served as directors, managers of the Company or had direct and material influence on the audit work	No	Yes
Whether CPAs and the Company's directors or managers are spouses, direct relatives, relatives in-law or relatives within the second degree of kinship	No	Yes
Whether CPAs have received gifts or presents of great value from the Company or from a director, manager or substantial shareholder of the Company	No	Yes

Information on stakeholder interactions and business operations

Objects	Major concerns	Demands/ expectations	Communication channels and frequencies	2025 actual performance
Staff	<ol style="list-style-type: none"> Salary and benefits Talent development Operational performance 	<ol style="list-style-type: none"> Provide good salary and benefits Platform for expressing opinions Improve professional competence 	<ul style="list-style-type: none"> Hold quarterly labor-management meetings, Benefit Committee's meetings, and birthday celebrations. Internal website or internal email announcements: Important corporate information, information on the Benefit Committee, information on various legal compliance, education and training courses, performance management operations, quality management system related operations and legal updates, information security information, etc. Employee-only 	<ol style="list-style-type: none"> In 2025, four labor-management meetings and birthday celebrations were held on March 26, June 25, September 24, and December 17, with four events occurring each quarter. The Company published a total of 93 pieces of information on its intranet, as well as monthly revenue information and quarterly information on information security to all employees by

Objects	Major concerns	Demands/ expectations	Communication channels and frequencies	2025 actual performance
			<p>mailboxes, sexual harassment complaints, whistle-blowing mailboxes for fraud or violation of professional ethics.</p> <ul style="list-style-type: none"> Each department conducts weekly/monthly/quarterly work meetings or professional educational training as required. 	<p>Email.</p> <p>3. No employee complaints or violations of labor laws.</p> <p>4. A total of 2,006 person-times with 6,490.5 hours of educational training were held throughout the year. (including subsidiary)</p> <p>5. The 2024 ESG Report was officially published at the end of August 2025.</p>
Clients	<ol style="list-style-type: none"> Client services Supply chain management Compliance with laws and regulations 	<ol style="list-style-type: none"> Provide products and follow-up services to meet clients' requirements for quality 	<ul style="list-style-type: none"> Regular communication and discussion meetings. Irregular response to questions. An annual client satisfaction survey. 	<ol style="list-style-type: none"> Customer satisfaction survey 89.9% (comprehensive score integrates the delivery punctuality rate, performance achievement rate, customer complaint index). Satisfaction survey for hazardous substances 91.06% (comprehensive score integrates the total number of anomalies, achievement rate of business performance, and achievement rate of HSF requirements). The number of cases for client needs and HSF cases was 868, and 847 cases were completed, with a completion rate of 97.58%. Completed the ESG Report to meet customer needs.
Investors	<ol style="list-style-type: none"> Sustainable development strategy Operational 	<ol style="list-style-type: none"> Information transparency Compliance with laws 	<ul style="list-style-type: none"> Hold a Shareholders' Meeting every year. Hold at least two investor conferences a 	<ol style="list-style-type: none"> Hold the Shareholders' Meeting on May 29, 2025.

Objects	Major concerns	Demands/ expectations	Communication channels and frequencies	2025 actual performance
	performance 3. Risk management	and regulations 3. Corporate social responsibility	year and publish brief reports on the Market Observation Post System and the Company's external website. <ul style="list-style-type: none"> Regular publication of financial statements (monthly revenue, quarterly and semi-Annual Reports) on the Market Observation Post System and the company's external website. Update the Company's latest information on the Company's external website from time to time. Irregular participation in seminars held by domestic and overseas investment institutions. 	2. Three public investor conferences were held on March 17, August 13, and December 19, respectively. 3. Financial information is regularly posted on the company's website and Market Observation Post System. 4. The Company publishes 69 pieces of corporate information on its external website.
Suppliers	1. Sustainable development strategy 2. Operational performance 3. Innovation management	1. Compliance with quality requirements 2. Compliance with regulatory requirements 3. Compliance with supplier policies 4. Integrate the BOM of homogeneous products to reduce HSF-related control costs	<ul style="list-style-type: none"> Quarterly review report or meeting. Fixed annual audit procedures. Carry out environmental safety and sustainable development related cooperation plan with suppliers from time to time. 	1. The Quality Assurance Department carries out the supplier audit (including QSA/QPA/HSF) every year. A total of 15 suppliers performed audits this year. 2. Completed the due diligence questionnaires signed by suppliers and achieved 100% response rate.
Government agencies	1. Occupational safety and health 2. Ecological conservation 3. Environmental management 4. Government Regulation	1. Jointly maintain the work environment 2. Compliance with laws and regulations 3. Compliance with HSF-related laws and regulations	<ul style="list-style-type: none"> Participate in the functional organization and operation of park and Bureau of Science and Management regularly. Actively participate in public hearings of regulations and seminars held by competent authorities. 	1. Participated in the joint meeting of the Board of Directors and Supervisors of the Park Association and related seminars for 3 times. 2. Participated in 14 government-related public hearings, seminars and information sessions. 3. Sent employees to participate in

Objects	Major concerns	Demands/ expectations	Communication channels and frequencies	2025 actual performance
				<p>courses related to integrity management - attended the "Prosecutor Discusses Fraud: What You Don't Know About Fraud Syndicates" seminar organized by the Hsinchu Science Park Security & Defense Union Committee and the 2025 Trade Secret Intelligent Management Expo.</p> <p>4. Sent employees to participate in the Hsinchu Science Park Weltrend Semiconductor Inc. emergency response team basic training and the seminar on key points of various environmental permit review operations.</p> <p>5. Sent employees to participate in the seminar on labor laws and policies organized by the Ministry of Labor's Taoyuan, Hsinchu, and Miaoli Branch, seminar on 2025 labor retirement system and regulations organized by the Hsinchu Science Park Bureau, 2nd seminar on regulations related to industrial waste in Hsinchu County in 2025 and seminar on the safe use of chemical substances and the prevention of the illegal entry of</p>

Objects	Major concerns	Demands/ expectations	Communication channels and frequencies	2025 actual performance
				<p>toxic chemical substances with food safety risk concerns into the food chain.</p> <p>6. Sent employees to participate in the 2025 workplace equality and prevention of sexual harassment promotion activities organized by the Labor Affairs Bureau of Kaohsiung City, the occupational safety and health and construction safety seminar organized by the Labor Affairs Bureau of Kaohsiung City, and the 2025 occupational accident prevention seminar for the manufacturing industry organized by the Labor Standard Inspection Office of Kaohsiung City.</p>
Community (school) association	<ol style="list-style-type: none"> 1. Public welfare 2. Industry-academy cooperation 	<ol style="list-style-type: none"> 1. Talent recruitment 2. Talent cultivation 	<ul style="list-style-type: none"> • Actively participate in community activities or seminars. • Actively participate in industry-academy cooperation. • Public welfare activities. 	<ol style="list-style-type: none"> 1. Sponsored the Taiwan Industrial Technology Association (TITA) to promote various industrial activities. 2. Sponsored the Hsinchu City Police Department's "Combating Fraud with Technology" campaign and jointly promoted anti-fraud practices with the Hsinchu Industrial Park Association, for which Weltrend received a

Objects	Major concerns	Demands/ expectations	Communication channels and frequencies	2025 actual performance
				<p>certificate of appreciation from the Hsinchu City Police Department.</p> <p>3. Sponsored the "Taiwan Rice for Yamaguchi" campaign launched by Taiwan-Japan Friendship Association for Industrial Economics.</p> <p>4. Chairman Lin served as one of the keynote speakers at the "Workplace Matters: Work and Life" lecture, co-organized by the Tainan City Academy of Chinese Studies Traditional Culture Foundation and the Labor Bureau. He shared how to achieve a balance between work and life, and how to make timely suggestions to the government, fulfilling due social responsibilities and public welfare activities. The event attracted more than 200 people and the venue was packed.</p> <p>5. The company held a private screening of the film " A Chip Odyssey " in Hsinchu. As a member of the science park, we hope that this documentary will allow employees to gain a deeper understanding of how Taiwan's</p>

Objects	Major concerns	Demands/ expectations	Communication channels and frequencies	2025 actual performance
				semiconductor industry has grown from nothing to become an important driving force for global technological development. This will give employees a sense of honor in addition to their hard work. This is the first semiconductor chip documentary in Taiwan.
Media	<ol style="list-style-type: none"> 1. Operational performance 2. Corporate Governance 3. Sustainable development strategy 	<ol style="list-style-type: none"> 1. Company product release 2. Major topics 	<ul style="list-style-type: none"> • Publish press releases/material information on the Market Observation Post System and the Company's external website. • Hold at least two investor conferences a year and publish brief reports on the Market Observation Post System and the Company's external website. 	<ol style="list-style-type: none"> 1. The Company publishes 69 pieces of corporate information on its external website. 2. This year, 39 pieces of Chinese and English information were posted on the Market Observation Post System. 3. Three public investor conferences were held on March 17, August 13, and December 19, 2025 respectively.
Cooperation partners	<ol style="list-style-type: none"> 1. Sustainable development strategy 2. Risk management 3. Client services 	<ol style="list-style-type: none"> 1. Compliance with laws and regulations 2. Compliance with client requirements 	<ul style="list-style-type: none"> • Discuss at irregular meetings according to client requirements. • The relevant product information and technical support on the Company's website is updated from time to time. 	<ol style="list-style-type: none"> 1. Conducted ISO9001 regular external audit from August 20~21, 2025, and passed without any defects. 2. Conducted QC080000 regular external audit from August 20~21, 2025, and passed without any defects. 3. Completed the self-assessment of ISO 14064 by the end of June 2025. 4. Underwent an external audit for ISO 14001 from January 19~20,

Objects	Major concerns	Demands/ expectations	Communication channels and frequencies	2025 actual performance
				2026, and passed with no nonconformities.

Continuing Education of Directors and Key Managerial Personnel

Title	Name	Period of Training	Organizer	Course	Hours
Chairman	Sam Lin	2025.7.19	Taipei Exchange	Practicing Sustainability Development via the Taipei Exchange Market_ Benchmark in the Era of Co-Governance	3
		2025.7.31	Taiwan Stock Exchange	2025 Summit of Empowering Taiwan Capital Market	3
Director	James Chou	2025.6.27	Taiwan Corporate Governance Association	Corporate Governance, Organizational Culture, and Corporate Sustainability	3
		2025.8.8	Taiwan Corporate Governance Association	Fundamental Legal Concepts for TWSE/TPEX Listed Companies	3
Director	Paul Liao	2025.7.14	Taiwan Independent Director Association	Recent Developments in AML/CTF	3
		2025.7.30	Taiwan Corporate Governance Association	Key Perspectives on Mergers and Acquisitions and Financial Due Diligence: Risks and Opportunities that Directors Need to Know	3
Director	Jeff Tsai	2025.6.12	Securities and Futures Institute	Opportunities and Challenges for Taiwan's Industrial Transformation under Geopolitics - PMI/NMI Exclusive Analysis	3
		2025.7.17	The Allied Association for Science Park Industries	AI Application, Legal Issues and Auditing	3
Director, Vice President, Chief Financial Officer, and Corporate Governance Officer	Cindy Guo	2025.5.2	Securities and Futures Institute	2025 Insider Trading Prevention Seminar	3
		2025.7.30	Accounting Research and Development Foundation	Standards and Practical Analysis of IFRS 18 "Presentation and Disclosure in Financial Statements"	6
		2025.8.1	Accounting Research and Development Foundation	Preparation of the ESG Report and Analysis of Related Internal Controls	3
Director and Chief R&D Officer	JC Liu	2025.8.22	Chinese National Association of Industry and Commerce	2025 TS Holdings Net Zero Summit	3
		2025.12.3	Securities and Futures Institute	AI Development and Information Security Risks	3
Director and CEO	Tony Lin	2025.3.19	Taiwan Academy of Banking and Finance	Lecture on Corporate Governance	3
		2025.11.18	The Allied Association for Science Park	How Enterprises Plan ESG Sustainable Development Strategies	3

Title	Name	Period of Training	Organizer	Course	Hours
			Industries		
Independent Director	Yeh Wei-Kun	2025.8.22	Chinese National Association of Industry and Commerce	2025 TS Holdings Net Zero Summit	3
		2025.11.21	Taiwan Corporate Governance Association	An Analysis of Foreign Institutional Voting Behavior from the Perspective of Shareholder Activism to Fulfill Responsibilities of Directors and Supervisors with a Global Mindset	3
Independent Director	Hsu Wen-Tsung	2025.4.25	Securities and Futures Institute	Practical Analysis of Enterprises' Overseas Investment and Mergers and Acquisitions	3
		2025.7.25	Securities and Futures Institute	Discussion on Green and Transition Finance Action Plan - Sustainable Development Roadmap and Director Responsibilities	3
Independent Director	Chuang Ming-Jen	2025.6.11	Securities and Futures Institute	Discussion on Post-Merger Integration Issues and Establishment of Management Mechanisms	3
		2025.8.22	Securities and Futures Institute	Wealth Inheritance and Trust from the Perspective of Corporate Governance	3

Succession Planning for Board Members and Key Management Personnel

I. Succession Planning and Operations for Board Members

The Company's directors are elected at the shareholders' meeting in accordance with the Company's "Articles of Incorporation" and the "Board Member Election Rules," using a candidate nomination system. Candidates for the next board term are nominated by the Board of Directors or shareholders holding more than 1% of the Company's shares. Nominations are based on the Company's operational needs, future development strategy, candidates' professional expertise, and the board diversity policy. Suitable candidates may be selected from among current directors, senior executives, or external professionals to form the most optimal board structure and composition.

The structure of the Company's Board of Directors is determined by considering the scale of the Company's business development, respecting the shareholding ratio of major shareholders, and bringing in independent directors who can contribute to the Company. Decisions on board changes are not based on personal preferences, but rather on practical operational needs.

To implement the board diversity policy, strengthen corporate governance, and promote the sound development of the Board's composition and structure, the Company has established a diversity policy for board members in its "Corporate Governance Best Practice Principles." This policy is designed based on the Company's operations, business model, and development needs. In addition to emphasizing diversity in basic conditions such as gender, age, and values, it also includes professional backgrounds (e.g., accounting, industry, finance, marketing, technology, law), as well as diverse professional knowledge and skills, including industry experience.

To enhance corporate governance and improve the Board's effectiveness, the Company conducts an internal board performance evaluation at least once a year, in accordance with its "Rules for Performance Evaluations of the Board of Directors." This performance evaluation mechanism ensures the effectiveness of the board's operations and the results of the evaluation are used as a reference for future board member nominations and reappointments.

Regarding Board's succession planning, the Company arranges for key senior management members to join the board, allowing them to become familiar with and grasp the Board's operations and the operational status of various divisions within the Group.

II. Succession Planning and Operations for Key Management

The Company has always adhered to the business philosophy of honesty, integrity, transparency and selflessness, so it pays special attention to these personality traits when cultivating successors. Additionally, due to the fierce competition and rapid change of high-tech industry, the Company attaches great importance to young employees with professional abilities. Currently, the Company places potential successors in the position of senior executives to receive training, gain extensive exposure and take charge of specific operations.

Potential successors are trained in comprehensive business and management capabilities by participating in key management meetings, management function courses, and other training programs. In alignment with the Company's operational management challenges at various stages, potential successors undergo progressive training to ensure smooth transitions in key management positions. This ensures the achievement of the Company's operational goals at each stage and fulfills its corporate social responsibility for sustainable operations.

(IV) If the Company has the Remuneration committee, it shall disclose its composition, duties and operation:

1. Information on members of the Remuneration Committee

Title	Criteria Name	Professional qualifications and experience	Status of independence	Number of other public companies in which the individual concurrently serves as a member of the Remuneration Committee
Independent Director (Convener)	Hsu Wen-Tsung	Please refer to Page 5 of the Annual Report for information on professional qualifications of directors and independence of independent directors.		0
Independent Director	Yeh Wei-Kun			1
Independent Director	Chuang Ming-Jen			0

2. Information on the operation of the Remuneration Committee

- (1) The Remuneration Committee has three members.
- (2) Term of office: June 10, 2025 to May 28, 2028. The Remuneration Committee held 5 meetings (A) in the most recent year. The attendance is as follows:

Title	Name	Attendance in person (B)	Proxy attendances	Attendance rate (B/A)	Note
Convener (Stepped down on May 29, 2025)	Gerald Kuo	2	-	100%	Predecessor
Convener (Took office on June 10, 2025)	Hsu Wen-Tsung	5	-	100%	Serve for another term of office
Committee Member	Yeh Wei-Kun	5	-	100%	Serve for another term of office
Committee Member	Chuang Ming-Jen	3	-	100%	Newly-appointed

Other matters:

- I. In the case that the Board of Directors modifies or declines to adopt a recommendation of the Remuneration Committee, it shall specify the date of the meeting, session, content of motions, resolution by the Board of Directors, and the Company's response to the Remuneration Committee's opinions (e.g., the remuneration passed by the Board of Directors is higher than that recommended by the Remuneration Committee, the circumstances and cause for the difference shall be specified): N/A.
- II. Where there is any resolution of the Remuneration Committee to which a member objects or on which a member has a qualified opinion, and such objection or qualified opinion is documented or reduced to a written statement, it is required to disclose the meeting date, session, content of motions, opinions of all members and the response thereto: N/A.

III. Reasons for discussion and results of decisions of the Remuneration Committee, and the Company's handling of members' comments			
Compensation Committee	Content of the motion and subsequent handling	Resolutions	The Company's actions in response to opinions from the Remuneration Committee
2025.3.7 11th meeting of the 5th term	<ol style="list-style-type: none"> 1. Reviewed the Year-end Bonus Plan for the Company's managers for 2024. 2. Reviewed the proposal of the Company's compensation to employees and remuneration to directors and supervisors for 2024. 	Approved by all members of the Remuneration Committee.	All motions were unanimously approved by the directors present without any objection to the recommendation of the Remuneration Committee.
2025.5.8 12th meeting of the 5th term	<ol style="list-style-type: none"> 1. Review of the proposal for distribution of Directors' remuneration for 2024. 	Approved by all members of the Remuneration Committee.	All motions were unanimously approved by the directors present without any objection to the recommendation of the Remuneration Committee.
2025.8.7 1st meeting of the 6th term	<ol style="list-style-type: none"> 1. Reviewed the Regulations Governing Remuneration for Directors and Managers. 2. Reviewed the Remuneration Allocation Plan for the Company's managers and employees for 2024. 3. Reviewed the proposal for the compensation adjustment of managers for 2025. 	Approved by all members of the Remuneration Committee.	All motions were unanimously approved by the directors present without any objection to the recommendation of the Remuneration Committee.
2025.10.1 2nd meeting of the 6th term	<ol style="list-style-type: none"> 1. Reviewed the proposed transfer of the Company's treasury shares to employees with manager status. 	Approved by all members of the Remuneration Committee.	All motions were unanimously approved by the directors present without any objection to the recommendation of the Remuneration Committee.
2025.11.6 3rd meeting of the 6th term	<ol style="list-style-type: none"> 1. Reviewed the Remuneration Allocation Plan for the Company's managers and employees for 2024. 2. Reviewed the Work Bonus Plan for the Company's managers for 2025 3. Reviewed the proposal for the remuneration of newly-appointed vice president. 	Approved by all members of the Remuneration Committee.	All motions were unanimously approved by the directors present without any objection to the recommendation of the Remuneration Committee.
<p>IV. The function of the Remuneration Committee is to evaluate the remuneration policies and systems of the directors, supervisors and managers of the Company in a professional and objective manner. The Remuneration Committee shall hold at least 2 meetings a year and make recommendations to the Board of Directors for their decision making. It shall regularly review the Organizational Regulations of the Remuneration Committee, put forward suggestions for amendments, formulate and regularly review the performance evaluation standards, annual and long-term performance goals, and salary and compensation policies, systems, standards and structures for directors, supervisors and managers of the Company.</p>			

Note: The Company re-elected Remuneration Committee on June 10, 2025.

(V) Implementation of sustainable development, deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons therefore:

Action item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
I. Has the Company established a governance structure to achieve sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, which is authorized by the Board of Directors to handle senior management, and supervised by the Board of Directors?	✓		The Company has established an ESG Sustainable Development Team, chaired by the CEO. The Team is structured around six key aspects of sustainable development and comprises cross-departmental members responsible for planning and implementing relevant initiatives. The ESG Sustainable Development Team reports the progress and implementation status of the previous year's sustainability efforts to the Board of Directors in the first quarter of each year. The working group prepares a sustainable development promotion plan at the beginning of the year and reports the contents of the plan to the supervisor. With the approval of the supervisor, the promotion unit explains the plan contents and communicates the promotion methods to the relevant departments, and reports to the supervisor regularly and reviews the effectiveness of the operation. The responsibilities of the working group include formulating and reviewing sustainable development policies, systems or related management guidelines, collecting stakeholders' views and responding appropriately to their concerns, reporting annually to the Board of Directors on the promotion and implementation of sustainable development, and communicating with stakeholders. In addition to reviewing the implementation of the strategy and goal setting, the Board of Directors reviews the implementation of the measures and makes recommendations and improvement plans to the management team if necessary.	No deviation
II. Has the Company conducted risk assessments on environmental, social and corporate governance issues related to corporate operations according to the principle of materiality, and formulated relevant risk management policies or strategies?	✓		<ol style="list-style-type: none"> 1. This disclosure covers the Company's sustainable development performance at its primary locations from January to December 2025. The boundary of material topics primarily includes Weltrend Semiconductor, Inc. and its Kaohsiung branch in Taiwan. 2. The Company's Sustainable Development Team conducts an analysis based on the materiality principle of the sustainability report. It engages with internal and external stakeholders and reviews domestic and international research reports and literature. The Team integrates evaluations from various departments and subsidiaries to assess material sustainability topics. Based on this, it formulates risk management policies for effective 	No deviation

Action item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
			identification, measurement, assessment, monitoring, and control, and implements concrete action plans to mitigate the impact of related risks. For details on the material topic risk management strategies and performance for 2025, please refer to pages 66–68.	
III. Environmental issues (I) Has the Company established proper environmental management systems based on the characteristics of their industries?	✓		<p>The Company is engaged in product R&D, design and sales. The wafer and IC packaging developed by the Company are all produced by relevant cooperative suppliers. Supplier management and hazardous substance control are performed in accordance with the Company's Supplier Management Regulations and HSF Management Procedures. The Company has been certified by ISO 14001 Environmental Management System and IECQ QC 080000 Hazardous Substance Process Management. The Company conducts annual certification audit by the accredited firm and has obtained validity certificate for certification system. Our commitments and practices are as follows:</p> <p>(I) Product R&D, design, manufacturing and sales:</p> <ol style="list-style-type: none"> 1. All products comply with the following international regulations: <ol style="list-style-type: none"> (1) EU RoHS. (2) Halogen Free. (3) PFOS and PFOA control. (4) EU REACH SVHC. 2. Our products are tested by a third-party accredited firm (a laboratory accredited by ISO 17025) to monitor and manage suppliers' materials to meet the regulations for the management of hazardous substances. 3. Constantly promote and hold educational training to make all employees fully understand the meaning and responsibility of eliminating harmful substances. 4. Establish a qualified supplier system to ensure that materials do not contain hazardous substances. 	No deviation

Action item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
			(II) Supplier management: 1. The supplier shall comply with the Company's Supplier Management Regulations and HSF Management Procedures, and ensure that it conforms to the Company's definition of green products. 2. The third-party accredited firm (a laboratory accredited by ISO 17025) shall provide regular test reports on the use of materials. 3. Review the material safety data report of raw materials.	
(II) Has the Company endeavored to utilize all resources more efficiently and used renewable materials which have low impact on the environment?	✓		Environmental protection is a pivotal part of sustainable development. The Company is committed to improving energy efficiency and using recycled materials with low impact on the environment, and incorporating the concept of environmental protection into operating procedures to reduce environmentally harmful substances and materials, relieve the burden and impact on the environment, and enable the sustainable use of global resources. The specific measures are as follows: 1. Reduce the discharge of pollutants, toxic substances and waste, and dispose of waste properly. 2. Improve the recyclability and reuse of products. 3. Prolong the shelf life and durability of products. 4. Improve product efficiency. 5. Promote e-form sign-off system to save paper consumption. 6. Recycle packaging cushioning materials (such as foam, bubble cloth) for shipping operations to reduce the use of plastic products. 7. Recycle IC tubes and trays for the loading of defective products to increase the recycling rate of plastic products. 8. Implement resource classification and recycling, reduce the use of single-use appliances such as paper cups and disposable cutlery to alleviate the burden and impact on the environment.	No deviation

Action item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
(III) Has the Company assessed the potential risks and opportunities of climate change on its present and future operation, and taken measures to respond to climate-related issues?	✓		<p>(I) Substantial risks arising from climate changes: The Company is engaged in IC design industry and has no wafer fabs. In case of risks caused by climate changes, apart from the cost increase due to the increase of electricity and water demand for air conditioning and office lighting, the extreme climate triggered by global warming may increase the frequency and severity of natural disasters. As a result, it may lead to power failure and water outage due to disasters, which may indirectly increase the operating costs of the Company. Additionally, clients and other stakeholders may require that the products and services provided by the Company meet requirements related to energy conservation, low pollution, no use of prohibited substances and raw materials, or ask the Company to obtain carbon and water footprint verification.</p> <p>(II) Business exposure to climate change-related regulations: The Company is not one of the enterprises included in "the first batch of emission sources that shall be inventoried to register greenhouse gas emissions" as announced in the Greenhouse Gas Reduction and Management Act, and has no risk of violating the regulations. However, to realize the goal of Net-Zero by 2050 set by the government, the Company will follow the greenhouse gas inventory and verification schedule of TWSE/TPEX listed companies stipulated by the government and the carbon reduction plan of the government, and gradually promote the relevant greenhouse gas inventory and carbon reduction plan of the Company to achieve the goal of sustainable development.</p> <p>(III) The sustainable development plan for ESG is as follows: 1. 2022: (1) Greenhouse gas inventory: In the initial stage, only Category 1 (direct greenhouse gas emission sources, such as refrigerant) and Category 2 (indirect greenhouse gas emission sources, such as purchased electricity) of the Company (including subsidiaries) will be investigated. The Company has conducted the inventory and calculation of greenhouse gas emissions in 2021 and established a database with</p>	No deviation

Action item	Implementation status (Note 1)		Summary	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No		
			<p>2016 as the base year to reduce carbon emissions by 3% as the target. Reasonable carbon reduction target shall be based on business turnover. Therefore, the Company will examine the sources of greenhouse gas emissions in Categories 1 and 2 in 2022 as the basis for setting the carbon reduction target.</p> <p>(2) Carbon footprint inventory: This part is for product inventory. All suppliers shall be included in the inventory. The carbon footprint inventory plan has been formulated and announced to the suppliers to assist in the investigation.</p> <p>(3) Collect CSR and ESG reports by suppliers.</p> <p>(4) Results: The Company initialed the training on the ISO 14001 Environmental Management System in 2022, completed the audit review by the accredited firm in December 2022, and obtained the ISO 14001 certification in March 2023. The Company completed the ISO 14001 recertification audit process in December 2024.</p> <p>2. 2023:</p> <p>(1) Adjust the base year and redefine the carbon reduction target. (2022 will take 2016 as the base year)</p> <p>(2) Category 3 (other indirect greenhouse gas emission sources, e.g. employee commuting, transportation) shall be included in the inventory to facilitate the Company's data collection of greenhouse gas emissions.</p> <p>(3) Supplier carbon footprint inventory: The size of the supplier determines the difficulty of carbon footprint inventory. At the present stage (2022-2025), the Company will discuss with the supplier on how to collect relevant data.</p> <p>(4) Complete the training on ISO14064-1 greenhouse gas inventory, and obtain the greenhouse gas emission inspection statement by the accredited firm.</p>	

Action item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
			3. 2024: (1) Greenhouse gas inventory: In the initial stage, only Category 1 (direct greenhouse gas emission sources, such as refrigerant) and Category 2 (indirect greenhouse gas emission sources, such as purchased electricity) of the Company (including subsidiaries) will be investigated.	
(IV) Has the Company conducted assessment on greenhouse gas, water consumption and waste for the last two years, and established strategies for energy conservation and carbon reduction, greenhouse gas reduction, water saving and waste management?	✓		<p>(I) However, to realize the goal of Net-Zero by 2050 set by the government, the Company will follow the greenhouse gas inventory and verification schedule of TWSE/TPEX listed companies stipulated by the government and the carbon reduction plan of the government, and gradually promote the relevant greenhouse gas inventory and carbon reduction plan of the Company to achieve the goal of sustainable development. Given the growth of the operating performance and the increase in the proportion of electricity consumption, the Company takes 2022 as the base year and aims to achieve the target of 3% carbon reduction for revenue per unit (NT\$ thousand) in 2026.</p> <p>(II) Greenhouse gas emissions and reduction measures The Company is not one of the enterprises included in "the first batch of emission sources that shall be inventoried to register greenhouse gas emissions" as announced in the Greenhouse Gas Reduction and Management Act. However, to realize the goal of Net-Zero by 2050 set by the government, the Company will follow the greenhouse gas inventory and verification schedule of TWSE/TPEX listed companies stipulated by the government and the carbon reduction plan of the government, and gradually promote the relevant greenhouse gas inventory and carbon reduction plan of the Company to achieve the goal of sustainable development. The Company has completed the ISO 14064-1 voluntary GHG inventory in 2024. Currently, the base year for GHG inventory and verification is 2022. In accordance with the ISO 14064-1 standard, the Company conducted a GHG emissions inventory through self-assessment (including both the headquarters and subsidiaries). The results indicate that</p>	No deviation

Action item	Implementation status (Note 1)		Summary	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and related reasons																											
	Yes	No																													
			<p>the primary source of GHG emissions in 2024 was electricity consumption (Scope 2), which accounted for approximately 1,335 metric tons of CO₂ equivalent. The second major source, though comparatively minor, consisted of direct emissions (Scope 1) from air conditioners, fire extinguishers, and water dispenser refrigerants, totaling around 50 metric tons of CO₂ equivalent. The combined emissions amounted to approximately 1,385 metric tons of CO₂ equivalent. Overall, electricity consumption (Scope 2) accounts for about 96.39% of total emissions; Only 3.61% of the gas directly emitted from fixed equipment such as air conditioners, fire fighting devices and water dispensers (Scope 1).</p> <table border="1"> <thead> <tr> <th rowspan="2">Scope</th> <th rowspan="2">Corresponding Activities/Facilities</th> <th rowspan="2">Source of Emission</th> <th rowspan="2">Types of GHG</th> <th>2022</th> <th>2023</th> <th>2024</th> </tr> <tr> <th colspan="3">Unit: t-CO₂e/Year</th> </tr> </thead> <tbody> <tr> <td rowspan="9">Scope 1, direct GHG emissions</td> <td>Refrigerants from air conditioning in company vehicles</td> <td rowspan="8">Refrigerant</td> <td rowspan="8">HFCS</td> <td rowspan="8">51.9452 (3.58%)</td> <td rowspan="8">55.0629 (3.68%)</td> <td rowspan="8">50.0386 (3.61%)</td> </tr> <tr> <td>Refrigerants used in water dispensers</td> </tr> <tr> <td>Air conditioning (cooling machine)</td> </tr> <tr> <td>Chiller units</td> </tr> <tr> <td>Refrigerators and freezers</td> </tr> <tr> <td>Thermal shock test chambers</td> </tr> <tr> <td>Constant temperature and humidity test chambers</td> </tr> <tr> <td>Air dryers</td> </tr> <tr> <td>Fire extinguisher</td> <td>Refrigerant</td> <td>HFC_s、CO₂</td> </tr> </tbody> </table>	Scope	Corresponding Activities/Facilities	Source of Emission	Types of GHG	2022	2023	2024	Unit: t-CO ₂ e/Year			Scope 1, direct GHG emissions	Refrigerants from air conditioning in company vehicles	Refrigerant	HFCS	51.9452 (3.58%)	55.0629 (3.68%)	50.0386 (3.61%)	Refrigerants used in water dispensers	Air conditioning (cooling machine)	Chiller units	Refrigerators and freezers	Thermal shock test chambers	Constant temperature and humidity test chambers	Air dryers	Fire extinguisher	Refrigerant	HFC _s 、CO ₂	
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Action item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and related reasons																								
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			<p>(III) Water resource management information All water used by the Company is municipal water (covering both headquarters and branch office locations). In 2024 and 2023, the total annual indirect greenhouse gas emissions generated from water consumption were approximately 1.7742 metric tons and 1.8064 metric tons of CO₂ equivalent, respectively, representing a 1.78% decrease year-over-year. However, emissions from water consumption accounted for only 0.106% of the Company's total indirect emissions, and therefore, water resource emissions are not considered a material issue for the Company. The Company's total water consumption in 2024 and 2023 was 8,368 cubic meters and 8,469 cubic meters, respectively, reflecting a 1.19% decrease, achieving the goal of water conservation. The Company will continue to promote water conservation and responsible usage of municipal water resources.</p> <table border="1"> <thead> <tr> <th></th> <th>Unit</th> <th>2022</th> <th>2023</th> <th>2024</th> <th>Difference</th> </tr> </thead> <tbody> <tr> <td>Tap water consumption (metric tons)</td> <td>m3</td> <td>6,912.3724</td> <td>8,469.5037</td> <td>8,368.9402</td> <td>-1.19%</td> </tr> <tr> <td>GHG emissions from water consumption</td> <td>t-CO₂e/year</td> <td>1.7179</td> <td>1.8064</td> <td>1.7742</td> <td>-1.78%</td> </tr> <tr> <td>Water use intensity</td> <td>(Metric tons CO₂e/NT\$ million)</td> <td>2.3934</td> <td>2.9351</td> <td>2.7044</td> <td>-7.86%</td> </tr> </tbody> </table> <p>(IV) Waste management over the past two years: The Company's waste management efforts are primarily centered around the Hsinchu site. We continue to implement waste reduction and recycling programs to minimize environmental impact. In 2024, a total of 16.3592 metric tons of waste was generated, of which hazardous waste accounted for only 1.06 metric tons. A total of 0.28 metric tons of hazardous waste was fully recycled, achieving a 26.41% recycling rate. The Company will continue to advance its waste recycling initiatives. The Company waste includes hazardous industrial waste (such as discarded ICs) and general industrial waste (including plastics and paper). In 2024 and 2023, the amounts of hazardous industrial waste (discarded ICs) disposed were 0.28</p>		Unit	2022	2023	2024	Difference	Tap water consumption (metric tons)	m3	6,912.3724	8,469.5037	8,368.9402	-1.19%	GHG emissions from water consumption	t-CO ₂ e/year	1.7179	1.8064	1.7742	-1.78%	Water use intensity	(Metric tons CO ₂ e/NT\$ million)	2.3934	2.9351	2.7044	-7.86%	
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			<p>metric tons and 0.998 metric tons, respectively. General industrial waste (plastics and paper) amounted to 15.29 metric tons in 2024 and 15.44 metric tons in 2023. Greenhouse gas emissions from waste accounted for only 0.34% of the Company's total Scope 2 emissions and are thus not classified as a material topic. However, all commissioned waste disposal operators are authorized by the competent authority for the removal and treatment of such waste, and the Company has not violated any legal or regulatory requirements in this regard. In addition, the Company successfully renewed the ISO 14001 certification in 2024, underscoring our commitment to environmental management.</p> <table border="1"> <thead> <tr> <th>Waste category</th> <th>Unit</th> <th>Disposal methods</th> <th>2022</th> <th>2023</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>General</td> <td>ton</td> <td>Incineration (Note 1)</td> <td>15.1238</td> <td>15.4411</td> <td>15.2992</td> </tr> <tr> <td rowspan="2">Hazardous</td> <td rowspan="2">ton</td> <td>Incineration (Note 2)</td> <td>0.21</td> <td>-</td> <td>0.78</td> </tr> <tr> <td>Recycling and reuse (Note 3)</td> <td>-</td> <td>0.998</td> <td>0.28</td> </tr> <tr> <td>General + Hazardous</td> <td>ton</td> <td>Total of general + hazardous</td> <td>15.3338</td> <td>16.4391</td> <td>16.3592</td> </tr> <tr> <td>-</td> <td>-</td> <td>Waste conversion rate (Note 4)</td> <td>0%</td> <td>6%</td> <td>1.7%</td> </tr> </tbody> </table> <p>Note 1: General waste is calculated based on all company locations (including Taipei, Taichung, Kaohsiung, and branch offices).</p> <p>Note 2: Hazardous - Incineration: Refers to mixed plastic waste.</p> <p>Note 3: Hazardous - Reuse and Recycling: Refers to discarded electronic components, scraps, and defective products.</p> <p>Note 4: Waste conversion rate = (Reuse + reduction + recycling + recovery + waste-to-energy + anaerobic digestion + biofuel + composting)/Total waste generated.</p> <p>In 2024 and 2023, the revenue from waste recycling amounted to NT\$215,465 and NT\$127,801, respectively. The recycling revenue increased by NT\$87,664 year-over-year, primarily due to an increase in the volume of recyclable waste.</p>	Waste category	Unit	Disposal methods	2022	2023	2024	General	ton	Incineration (Note 1)	15.1238	15.4411	15.2992	Hazardous	ton	Incineration (Note 2)	0.21	-	0.78	Recycling and reuse (Note 3)	-	0.998	0.28	General + Hazardous	ton	Total of general + hazardous	15.3338	16.4391	16.3592	-	-	Waste conversion rate (Note 4)	0%	6%	1.7%	
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			<p>(V) The Company's strategies for addressing climate change or greenhouse gas management: We understand that corporate operations, including product development, client services and business activities, may affect the entire environment. To alleviate the impact on the environment, we have established a qualified supplier system to ensure that materials do not contain harmful substances, so as to form a green supply chain with suppliers. We are also committed to energy conservation, major waste recycling, hazardous material management, pollution prevention, energy and water conservation and waste management. Additionally, we educate our staff on the importance of implementing green product plans and enhance their awareness of the sustainable corporate development. Specific measures include: Air conditioning temperature control and energy efficiency control in summer, timely turn off lighting equipment in unmanned areas, replace lamps in the factory with LED T5 tubes, establish an electronic system to reduce paper usage, build video equipment in each office for staff communication, make good use of remote meetings, reduce the carbon emissions caused by business trips, replace part of air conditioners with frequency-conversion air conditioners in each office to achieve energy saving, check water equipment regularly, repair damaged equipment in a timely manner, encourage colleagues to report to the Company at any time for repair, constantly promote energy saving, water saving, car sharing and the use of public transportation system, remind</p>																												

Action item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
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			colleagues to cultivate the habit of saving energy, perform supplier management, and require the manufacturing process and finished product IC provided by the supplier to conform to the green products defined by the Company.	
IV. Social issues (I) Has the Company formulated appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		<p>I. Respect for human rights and labor rights:</p> <p>(I) Bills of human rights</p> <ol style="list-style-type: none"> 1. The Company provides fair opportunities for recruitment, appointment and career development without discrimination on the basis of gender, race, age, or other factors. We follow the spirit of the Universal Declaration of Human Rights, the United Nations Global Compact, the ILO Declaration on Fundamental Principles and Rights at Work and other important human rights conventions, and internationally recognized human rights standards, and treat our employees, contract staff and interns fairly. 2. The Company adheres to the universally recognized principles of fundamental labor rights, including freedom of association, the right to collective bargaining, the prohibition of child labor, the elimination of various forced labor, the elimination of discrimination in employment, and harm to workers. 3. The Company prohibits discrimination on any human rights, including race, color, age, gender, sexual orientation, ethnicity, physical or mental disability, religion, political identity, organizational status, place of birth and marital status. <p>(II) Administration of human rights: To make all employees know that the Company is committed to human rights, the Code of Ethics for Employees and Work Rules formulated by the Company clearly stipulate that the Company provides fair opportunities for recruitment, appointment and career development without discrimination on the basis of gender, race, age, or other factors. The Work Rules stipulate that the employment of child labor is prohibited, any types of discrimination or harassment (including sexual harassment) or threatening language is prohibited within the workplace, and the interaction between colleagues shall be based on the rational principle</p>	No deviation

Action item	Implementation status (Note 1)		Summary	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and related reasons														
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			<p>of mutual respect.</p> <p>(III) Communication channels for the implementation of human rights:</p> <ol style="list-style-type: none"> 1. Publicity of legal compliance: The Company conducts quarterly publicity of legal compliance through intranet or announcements, and carries out anti-discrimination, anti-sexual harassment, anti-bullying and other education and training to create a high-quality workplace environment that safeguards human rights. 2. Employee mailbox and whistle-blowing system: The Company regulations specify the rights and interests of employees and set up THE employee mailbox, so that each employee has direct access to express opinions (or complaints) to the senior management. We also require suppliers to uphold the above principles to treat their employees with the same standards. The external website also has a whistle-blowing system for violations of professional ethics. 3. Labor-management meetings: The Company has established a good communication channel and holds quarterly labor-management meetings to ensure the rights and interests of both parties. 4. Human rights and labor-related education and training: <table border="1" data-bbox="864 1074 1901 1430"> <thead> <tr> <th>Item</th> <th>Course</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Key Points of Environmental Permit Review Operations Seminar.</td> </tr> <tr> <td>2</td> <td>Labor-Related Laws and Regulations Continuing Education (1) - The Impact of Artificial Intelligence on Labor-Management Relations.</td> </tr> <tr> <td>3</td> <td>Occupational Safety and Health and Construction Safety Seminar.</td> </tr> <tr> <td>4</td> <td>ESG - "Prosecutor Discusses Fraud: What You Don't Know About Fraud Syndicates" Seminar.</td> </tr> <tr> <td>5</td> <td>Workplace Equality and Prevention of Sexual Harassment Promotion Activities.</td> </tr> <tr> <td>6</td> <td>2025 Hsinchu Science Park Weltrend Semiconductor Inc. Emergency Response Team Basic Training.</td> </tr> </tbody> </table> 	Item	Course	1	Key Points of Environmental Permit Review Operations Seminar.	2	Labor-Related Laws and Regulations Continuing Education (1) - The Impact of Artificial Intelligence on Labor-Management Relations.	3	Occupational Safety and Health and Construction Safety Seminar.	4	ESG - "Prosecutor Discusses Fraud: What You Don't Know About Fraud Syndicates" Seminar.	5	Workplace Equality and Prevention of Sexual Harassment Promotion Activities.	6	2025 Hsinchu Science Park Weltrend Semiconductor Inc. Emergency Response Team Basic Training.	
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			of sexual harassment, appropriate preventive, corrective and punitive measures shall be taken.	
(II) Has the Company formulated and implemented reasonable measures for employee benefits (including remuneration, vacation and other benefits, etc.), and appropriately reflected operating performance or results in employee compensation?	✓		<p>(I) The Company has formulated and implemented reasonable employee benefits. In terms of salary, we attach great importance to the treatment and benefits of employees. The salary of employees is determined according to their professional ability, personal performance, academic experience and background, as well as the company's operating performance and future risks. We implement the concept of gender equality in the workplace, and the salary of staff at all levels does not differ due to gender. Although the Company is engaged in the electronics, it is committed to diversity and equality in the workplace. Currently, females account for about 32% of the employees and 7% of the senior executives.</p> <p>(II) With respect to employee remuneration, it is paid according to the Company's annual operation and employee performance. It is stipulated in Article 20 of the Articles of Association that the Company shall allocate 11% to 15% of the Company's pre-tax profit of the current period before deducting the employees' remuneration and Directors' remuneration of the year as employees' remuneration and no more than 4% as Directors' remuneration. Of the total employee remuneration, an amount of no less than 1% shall be allocated for distribution to grassroots employees. However, if the Company has accumulated losses (including adjustment on non-distributed earnings), the Company shall set aside a part of the profit first to make up for the losses. In terms of leave, special leave, sick leave, maternity leave, leave without pay, etc. are granted in accordance with the provisions of Labor Standards Act. For other benefits, please refer to Page 120 of this Annual Report.</p>	No deviation

Action item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
(III) Has the Company provided a healthy and safe working environment and organized training on health and safety for its employees on a regular basis?	✓		<p>(I) The Company is committed to providing a safe and healthy working environment for employees. In terms of employee health, regular health lectures are held and health education information is provided, so that employees can know their health status and acquire the knowledge and methods of health management. The Company has also built a fitness center for employees to offer a variety of sports and fitness equipment them to use, so that employees have leisure and fitness space in their spare time. Regarding the safe workplace, courses on fire safety training and work safety are held regularly to cultivate staff's ability to respond to disasters and maintain environmental safety. The safety of employees in the workplace is one of our most important responsibilities. In 2025, the number of occupational accidents of our employees was 1.</p> <p>(II) To provide a healthy and safe working environment for all employees and protect the Company's assets, the implementation of environmental health and safety is as follows:</p> <ol style="list-style-type: none"> 1. Provide education and training to enhance staff's awareness of environmental safety and the relevant labor safety and health regulations. 2. Provide health information and health check every year to ensure the physical and mental health of staff. 3. Conduct company-wide fire safety equipment inspection and repair every year, and implement fire safety training for employees every six months. 4. Conduct biennial safety inspections of fire and refuge facilities and equipment in buildings. 5. Conduct quarterly inspection of drinking water. 6. Conduct the working environment inspection every six months, such as: carbon dioxide concentration measurement, noise measurement, etc. All of which have passed the inspection. 7. Strengthen employees' concept of green quality and sustainable management. 8. The safety of employees in the workplace is the Company's most important 	No deviation

Action item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
			<p>responsibility.</p> <p>9. Access control system management: Employees have to use access control cards as identification when entering and exiting. This system serves as a security management mechanism for personnel entering and exiting.</p> <p>(III) Reporting of annual fire incidents, casualties, and employee injury rates, and corresponding fire safety improvement measures: In 2025, the Company reported 0 fire incidents. The Company conducts comprehensive inspections of fire safety equipment throughout the organization annually. Additionally, fire safety training sessions for all employees are conducted semi-annually. Every two years, inspections are carried out to ensure the safety of building fire evacuation facilities and equipment. Moreover, preventive measures are diligently implemented on a regular basis to minimize the probability of fire occurrences.</p>	
(IV) Has the Company provided its employees with career development and training plans?	✓		<p>According to ISO9001, the Company has formulated the Management Procedures for Employee Education and Training. The Human Resources Department is responsible for the overall planning and promotion of the Company's education and training. Through the implementation of education and training, employees improve work performance and cultivate the necessary competencies, facilitating their career development. Meanwhile, the Company actively enhances employees' knowledge of HSF regulations to meet clients' needs for products and services. Education training includes internal education training, external education training, as well as the selection and training of new personnel. A total of 2,006 person-times with 6,490.5 hours of educational training were held throughout 2025. More than 85% of the planned courses were completed in 2025.</p>	No deviation
(V) Has the Company complied with	✓		To ensure the quality of products and services, the marketing and labeling of our products and	No deviation

Action item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
relevant regulations and international standards on the health and safety of clients, client privacy, marketing and labeling of products and services, and formulated relevant policies and complaint procedures to protect the rights and interests of clients and clients?			<p>services conform to RoHS and the relevant specifications of halogen-free and green products specified by clients. The Company provides products and follow-up services that meet clients' quality requirements, formulates sales return and client complaint handling plans, and conducts an annual client satisfaction survey. It also sets up a special section for stakeholders on the intranet to provide channels for client communication, complaints and suggestions to protect clients' rights and interests. Client services:</p> <p>(I) Actively participate in seminars on environmental issues held by clients. (II) Maintain the validity of the client's green product recognition system platform. (III) Study relevant environmental laws and regulations to continuously improve HSF operating system and strive to be a reliable green partner of clients. Relevant laws and regulations are as follows:</p> <ol style="list-style-type: none"> 1. EU RoHS. 2. Halogen Free. 3. PFOS and PFOA control. 4. EU REACH SVHC. 5. Sony Green Partner. 	
(VI) Has the Company formulated supplier management policies that require suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights? If so, how is the implementation status?	✓		<p>(I) Supplier management policies: The company has long perceived suppliers as important partners and maintained long-term cooperative relationships with them. In addition to ensuring the quality, delivery time, price and service capability, suppliers are required to implement environmental protection policies, improve labor safety and health, pay attention to work and human rights, fulfill their corporate social responsibilities, and assist and urge upstream and downstream manufacturers to enhance green competitiveness and risk management, thus creating sustainable business opportunities. The Quality Assurance Department carries out the supplier audit (including QSA/QPA/HSF) every year. A total of 15 suppliers performed audits this year.</p>	No deviation

Action item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
			<p>(II) Supply chain management:</p> <ol style="list-style-type: none"> 1. Evaluation of new manufacturers: Suppliers who meet our requirements in terms of quality, finance, price, process, technical aspects, and labor and human rights can be our suppliers. 2. Evaluation and grading of qualified suppliers: In accordance with the Supplier Management Regulations, the Company implements a grading system based on the evaluation results, to provide reference for procurement. For suppliers whose scores are lower than the Company's requirements, the Company requires them to improve until they meet the requirements. In serious cases, the Company may stop purchasing or cancel the qualification of qualified suppliers. 3. Supplier workflow change management: The supplier shall notify the Company in advance and obtain the consent of the Company before changing its workflow. 4. Supplier risk management: The Company requires suppliers to have contingency plans and procedures for the products and services they provide to ensure continuous operation and alleviate the impact of shortage of materials on the Company. 5. Hazardous substances management: The Company is committed to continuous reduction of hazardous substances to meet client and regulatory requirements. In accordance with the environmental protection laws and regulations across the world, the Company has formulated regulations for the management of hazardous substances for all green products. Moreover, the Company has been certified by the IECQ QC080000 management system and requires suppliers to promote joint compliance with environmental protection laws and regulations to safeguard the global environment and reduce the impact on the ecosystem. <p>(1) Environmental management substances:</p>	

Action item	Implementation status (Note 1)		Summary	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No		
			<p>We refer to RoHS2.0, EU REACH, China RoHS and other environmental management substances regulated by our clients. These harmful substances exist in direct materials, packaging materials, products, manufacturing process, manufacturing process accessory materials or may enter the products. It is necessary to control whether these harmful substances are contained in the product, the amount contained, the site of use, and the purpose, etc.</p> <p>(2) Prohibited substances: Prohibited substances refer to substances that are prohibited from being used in the manufacturing process of parts or components, whether they are intentionally added or naturally present. The minimum concentration limits and test methods for these substances are regulated in the relevant legal regulations. All prohibited substances are not allowed to be added intentionally, even if the added content does not exceed the regulatory limit.</p> <p>(3) Green products: All of our existing halogen-free products comply with regulations and client specifications.</p>	
V. Has the Company compiled corporate social responsibility reports or reports that disclose the Company's non-financial information based on international CSR compiling standard or guidelines? Has the Company received assurance or certification of the aforesaid reports from a third party accreditation institution?			The Company published its first ESG Report in 2025, prepared its 2024 ESG Report in accordance with internationally recognized GRI Standards, SASB industry-specific metrics, and the Task Force on Climate-related Financial Disclosures (TCFD) standards and guidelines. As this is the first year of preparation, assurance or certification from a third party accreditation institution have not yet been obtained.	Subsequently, assurance or certification from a third party accreditation institution will be obtained according to the planned

Action item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and related reasons schedule.
	Yes	No	Summary	
<p>VI. Differences between the Company's implementation of sustainable development and the Sustainable Development Best Practice Principles if the Company has established its own sustainable development best practice principles in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies: The Company has formulated its Code of Practice for Sustainable Development in accordance with the Code of Practice for Sustainable Development of TWSE/TPEX Listed Companies. The differences between the Company's operation and the Code are as follows:</p> <p>(I) Implementation of corporate governance: The salary and remuneration policy applicable to general employees has not been established, nor has the appraisal system for employee performance been integrated with the sustainable development policy of the Company. It will be handled in time according to the actual needs.</p>				
<p>VII. Other important information that can help establish an understanding of the implementation of sustainable development at the Company:</p> <p>(I) The Company was rated as Top 20% of the 3rd Governance Evaluation of TWSE/TPEX Listed Companies and won the Best Progress Award. (II) Selected as one of the "Top 10 Consumer Electronics Solution Provider in APAC – 2019" by Embedded Advisor. (III) Environmental Protection:</p> <ol style="list-style-type: none"> 1. The Company has obtained certification for ISO 9001 and certified by IECQ QC 080000 Hazardous Substance Process Management. The Company conducts annual certification audit by the accredited firm and has obtained validity certificate for certification system. Our commitments and practices are as follows: <ol style="list-style-type: none"> (1) Continuous attention is paid to improving and eliminating harmful substances to comply with international standards and regulations and to meet client requirements. (2) Constantly promote and hold educational training to make all employees fully understand the meaning and responsibility of eliminating harmful substances. (3) Establish a qualified supplier system to ensure that materials do not contain hazardous substances. (4) Continuously improve HSF operating system and strive to be a reliable green partner of clients. 2. The Company obtained the "ISO 14001 Environmental Management System" certification on March 7, 2023, and the "ISO 14064-1:2018 Greenhouse Gas Emissions Inventory" certification on November 7, 2023. <p>(IV) Social contribution and service: The Company has participated in the following activities in recent years to make contributions to the society.</p> <ol style="list-style-type: none"> 1. Donated to the Tainan Traditional Chinese Culture College Foundation to promote Confucianism, Buddhism, Taoism in the hope of rebuilding social 				

Action item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
			<p>values and establishing a harmonious society.</p> <p>2. Sponsored the Taiwan Industrial Technology Association. In addition to providing funding to support the association's operations, Weltrend also assisted in organizing the Golden Root Award Entrepreneurs Networking Event, fostering stronger collaborations with various industries.</p> <p>3. Sponsored the "Taiwan Rice for Yamaguchi" campaign launched by Taiwan-Japan Friendship Association for Industrial Economics. In 2025, due to an imbalance in the supply and demand of Japanese white rice and skyrocketing prices, the school lunch programs for elementary and junior schools in Yamaguchi Prefecture, the hometown of the Mr. Shinzo Abe, were impacted. Weltrend sponsored this event, delivering high-quality Taiwanese white rice to the elementary and junior high schools in Yamaguchi Prefecture through the Taiwan-Japan Friendship Association for Industrial Economics, ensuring that children can enjoy a warm and filling lunch, while also allowing the fragrance of Taiwanese rice carry its most sincere friendship.</p> <p>4. Sponsored the Hsinchu City Police Department's "Combating Fraud with Technology" campaign and jointly promoted anti-fraud practices with the Hsinchu Industrial Park Association.</p>	
(V) Material topic risk management strategies and execution performance in 2025				
Material topics	Risk assessment items	Strategy description	2025 execution performance	
Corporate Governance	Ethical corporate management	<ol style="list-style-type: none"> Substantial corporate culture of integrity. Clear mid- to long-term strategic development goals. Establishment of an integrated management structure. Ethical corporate management and control of operational performance. 	<ol style="list-style-type: none"> No major violations (fines exceeding NT\$1 million) or anti-competitive behaviors occurred. No violations of anti-money laundering regulations, insider trading, or conflicts of interest cases were reported. All directors participated in 69 hours of external continuing education on corporate governance throughout the year. Additionally, an internal training session was held for all directors, covering topics such as insider trading regulations, prevention of insider trading, recognition of material information, and legal responsibilities related to insider trading, totaling 3.5 hours. 	

Action item	Implementation status (Note 1)			Summary	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No			
Information security			Committed to maintaining information security, continuously monitoring the effectiveness of information security management, and reducing the occurrence of information security incidents to protect the interests of the Company and its customers.	<ol style="list-style-type: none"> Completed a security vulnerability scan and revised and enhanced information security capabilities to protect the company's critical information assets. The Company has established an Information Security Management Committee and appointed dedicated personnel for information security. The committee consists of 10 members, with 1 Chief Information Security Officer (CISO) and 2 information security staff members. In terms of information security risk management, an annual inventory of information security assets is conducted, with priorities for execution set based on the severity of risks and the cost of improvements. The Company underwent 2 external audits by risk management organizations during the year, with no deficiencies identified or suggestions. 	
Society	Product quality and safety.		<ol style="list-style-type: none"> Comprehensive and clearly defined circuit design SOPs. Regular circuit design review meetings. Company-wide quality management. Incentives for outstanding projects. 	<ol style="list-style-type: none"> Chip designers achieved target product specifications, with an average CP (Chip Probing) yield of 98.97% and an FT (Final Test) yield of 98.88%. R&D personnel held a total of 32 technical seminars. In 2025, a total of 67 hours of educational training was conducted for testing and quality control personnel. In 2025, the Company obtained 12 patents, achieving its goal, and bonuses were awarded to employees for their patented inventions. 	
	Talent attraction and development		<ol style="list-style-type: none"> Establish a professional image of the Company as a market leader in specific product areas to attract more professionals in related technical fields, as well as recent graduates entering the workforce. In response to the highly competitive nature of the IC design industry, enhance the competitiveness of salary and benefits 	<ol style="list-style-type: none"> Annual turnover rate: projected at 9%, actual turnover rate was 6.6%. Proportion of local employment opportunities: Hsinchu Science Park – 58%; New Taipei City and Taipei City – 89%; Kaohsiung City – 77%. Training course completion rate: 88.44% 	

Action item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
			<p>packages and create a positive working environment.</p> <p>3. Optimize the internal training and development system to help employees quickly integrate into the Company culture, receive professional training within the organization, and effectively demonstrate their capabilities.</p>	<p>4. A total of 2,006 person-times with 6,490.5 hours of educational training were held throughout the year.</p> <p>5. Two rounds of employee performance evaluations were conducted.</p>
Environment	Supply chain management		<p>1. Incorporate ESG into key supplier evaluations and audit criteria.</p> <p>2. Conduct regular supplier evaluations and hold periodic meetings.</p> <p>3. Develop ESG due diligence processes for key suppliers.</p> <p>4. Establish evaluation standards for existing and new suppliers, focusing on quality and environmental management.</p> <p>5. Require suppliers to obtain ISO 14001 certification and give preference to new suppliers that have implemented ISO 45001 certification.</p> <p>6. Formulate the Weltrend Supplier Code of Conduct, requiring suppliers to adhere to responsible and low-carbon supply chain practices.</p>	<p>1. Supplier Code of Conduct signing rate: 100%. Actual result: Supplier Code of Conduct signing rate: 100%.</p> <p>2. Proportion of local procurement: not less than 90%. Actual result: Proportion of local procurement: 100%.</p> <p>3. Certification rate for ISO 14001 among all wafer and packaging suppliers: 100%. Actual result: 100% achievement rate for ISO 14001 certification.</p> <p>4. Certification rate for ISO 45001 among all wafer and packaging suppliers: not less than 80%. Actual result: 86% achievement rate for ISO 45001 certification.</p> <p>5. Certification rate for QC080000 among all wafer and packaging suppliers: not less than 70%. Actual result: 86% achievement rate for QC080000 certification.</p>
	Greenhouse gas management and carbon reduction		<p>1. Actively support national carbon reduction policies and the Financial Supervisory Commission's "Sustainable Development Roadmap for TWSE/TPEX Listed Companies."</p> <p>2. Conduct annual GHG inventories, continuously identify emission hotspots, and formulate corresponding countermeasures.</p>	<p>1. Completed the 2024 voluntary GHG inventory (including Taipei, Hsinchu, Taichung, and Kaohsiung sites) by the end of June 2025.</p> <p>2. Disclosed GHG inventory data (Scope 1 and Scope 2) on the Company's official website under the "Energy Conservation and Carbon Reduction" section.</p>

Note 1: If "Yes" is checked, please specify the important policies, strategies, measures adopted and the implementation situation; If "No" is checked, please explain the circumstances and reasons for the differences in the field of Circumstances and Reasons for Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and propose the plan to adopt relevant policies, strategies and measures in the future. However, in relation to the promotion of Items 1 and 2, TWSE/TPEX Listed Companies shall clarify the governance and supervisory framework for sustainable development, including but not limited to management policies, strategy and target setting, review measures, etc. It shall also describe the corporate risk management policies or strategies for environmental, social and corporate governance issues related to operations, and its assessment status.

Note 2: Materiality principle refers to environmental, social and corporate governance issues that have a significant impact on the Company's investors and other stakeholders.

Climate-related Information

1. Execution status of climate-related information:

Items	Implementation status:													
1. Supervision and Governance by the Board of Directors and Management on Climate-Related Risks and Opportunities.	<p>In response to climate change and to mitigate the worsening effects of global warming, the Company is committed to GHG reduction initiatives, aiming to achieve net-zero emissions by 2050 in alignment with global targets.</p> <p>The Company has established a “Sustainable Development Team” under the Board of Directors, composed of members with expertise and capabilities in corporate sustainability. The Board of Directors holds a meeting quarterly, during which the Sustainable Development Team presents reports addressing current climate change-related issues. These reports include:</p> <ol style="list-style-type: none"> 1. Global trends in climate change. 2. The latest developments in international emissions reduction, such as SBTi requirements. 3. Updates on domestic regulations and corresponding phased requirements. 4. Consolidated and interpreted market information. <p>Accordingly, in addition to developing relevant environmental management systems, the Sustainable Development Team actively gathers up-to-date information and urges responsible departments to conduct GHG inventories and explore emission reduction strategies. These findings are compiled and reported to the Board of Directors to enhance the Board of Directors' understanding of climate-related issues and support informed decision-making.</p>													
2. The Corporate Sustainable Development Task Force identifies how recognized climate risks and opportunities may impact the Company's operations, strategies, and finances in the short-term, mid-term,	<p>In accordance with the “Weltrend Semiconductor Risk Management Policy and Procedures,” the Company actively formulates solutions to mitigate the operational and financial impacts of climate change, with the aim of enhancing the Company's climate resilience. The Company defines short-term as within 3 years, medium-term as 3 to 5 years, and long-term as over 5 years. Based on these timeframes, we further assess both visible and potential impacts of climate change on the Company.</p> <table border="1" data-bbox="488 1230 2038 1420"> <thead> <tr> <th data-bbox="488 1230 651 1265">Items</th> <th data-bbox="651 1230 994 1265">Type</th> <th data-bbox="994 1230 1435 1265"></th> <th data-bbox="1435 1230 1861 1265">Impact</th> <th data-bbox="1861 1230 2038 1265"></th> </tr> </thead> <tbody> <tr> <td data-bbox="488 1265 651 1420">Risk</td> <td data-bbox="651 1265 994 1420"> <ul style="list-style-type: none"> ■ Transition risks ■ Taiwan's climate change policies have become increasingly clear, with the development and </td> <td data-bbox="994 1265 1435 1420"> <ul style="list-style-type: none"> ■ Implementation of total GHG emissions control. ■ Enforcement of laws and regulations related to GHG emissions reduction. </td> <td data-bbox="1435 1265 1861 1420"> <ul style="list-style-type: none"> ■ Consumers are increasingly demanding low-carbon products in response to their growing concerns about climate change. ■ Introduction of carbon reduction </td> <td data-bbox="1861 1265 2038 1420">The trend of net zero emissions</td> </tr> </tbody> </table>				Items	Type		Impact		Risk	<ul style="list-style-type: none"> ■ Transition risks ■ Taiwan's climate change policies have become increasingly clear, with the development and 	<ul style="list-style-type: none"> ■ Implementation of total GHG emissions control. ■ Enforcement of laws and regulations related to GHG emissions reduction. 	<ul style="list-style-type: none"> ■ Consumers are increasingly demanding low-carbon products in response to their growing concerns about climate change. ■ Introduction of carbon reduction 	The trend of net zero emissions
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Items	Implementation status:				
and long-term.		enforcement of various regulations now underway. As a result, the Company faces regulatory compliance risks.	<ul style="list-style-type: none"> ■ Execution of carbon tax and carbon fee policies. ■ Implementation of the European Union's Carbon Border Adjustment Mechanism (CBAM). 	technologies, leading to increased capital expenditures on equipment. <ul style="list-style-type: none"> ■ Potential reputational damage if the Company fails to adequately respond to climate change. 	
		<ul style="list-style-type: none"> ■ Physical risks 	<ul style="list-style-type: none"> ■ Immediate risks from extreme weather: Currently, there have been no damages caused by extreme weather at the Company's operational sites. However, prolonged water shortages are expected to increase difficulties in supply chain production. 	<ul style="list-style-type: none"> ■ Changes in rainfall patterns: Alterations in the rainfall patterns at the Company's operational locations may lead to heavy rainfall, which could affect personnel, equipment, and business operations. 	Supply chain disruption
	Opportunity	<ul style="list-style-type: none"> ■ The opportunity to enhance the Company's climate resilience, effectively expand the market, and increase customer trust. 	<ul style="list-style-type: none"> ■ Research and development of low-carbon products. 	<ul style="list-style-type: none"> ■ Improved resource utilization efficiency. 	Enhancement of corporate image.
	R: Risks, O: Opportunities		Financial impact (Positive/Negative)		Countermeasures
	R: Total greenhouse gas emission control and carbon taxes/fees	Negative: The Company may be subject to carbon tax, carbon fees, or even the EU's carbon border tax, leading to a significant increase in operating costs. Negative: Non-compliance with Taiwanese regulations could increase the risk of fines, resulting in higher operating costs. Negative: The installation of solar power generation has resulted in an increase in operating costs.	<ul style="list-style-type: none"> ■ Strengthening internal personnel's knowledge of climate change and continuously monitoring domestic and international trends and changes related to these issues. 		
R: Market customers demand low-carbon emission products O: Development and design of low-carbon products	Negative: Failure to meet customer requirements may lead to a decline in revenue. Positive: Enhancing the development and design of low-carbon products can effectively address user concerns regarding climate change issues.	<ul style="list-style-type: none"> ■ Continuously invest in the research and design of green products and actively implement a localized procurement policy to reduce emissions from transportation. 			
3. Impact of Extreme Climate Events and Transition Actions on Finance.	The Company's operating locations are subject to a low level of impact from extreme climate change. The only notable concern is the potential reduction in working hours and production output caused by heavy rainfall, which may in turn affect revenue. Fortunately, despite the temporary revenue loss resulting from such rainfall events, their impact is short-term and transient, and is not expected to cause any material financial impact over the long run. Furthermore, based on current assessments of the climate characteristics in the				

Items	Implementation status:							
	regions where our supply chain operates, suppliers have indicated that they are well-prepared to cope with climate-related disruptions, particularly through the implementation of business continuity measures. As a result, the risk of supply chain interruption to the Company is relatively low.							
4. Integration of Climate Risk Identification, Assessment, and Management Processes into Overall Risk Management Framework.	The Company, through its Sustainable Development Team, has established a “Risk Management Policy and Procedure” that applies to the identification, assessment, and determination of risks across various issues. The Company adopts a multi-perspective approach—such as brainstorming sessions—to identify potential risks and opportunities related to each topic, while continuously monitoring market trends to ensure timely updates to risk content. Additionally, the Company conducts quantitative assessments of each identified risk and formulates corresponding mitigation strategies.							
5. If utilizing scenario analysis to assess resilience against climate change risks, one should elucidate the context, parameters, assumptions, analytical factors, and primary financial impacts involved.	<p>The Company conducts scenario analyses based on data and models provided by the “Taiwan Climate Change Projection and Information Platform.” This platform offers detailed analyses of various climate scenarios and provides region-specific climate projection models across Taiwan, significantly facilitating the Company’s efforts in carrying out related assessments. Currently, the Company utilizes the following model(s):</p> <table border="1" data-bbox="506 687 2000 978"> <thead> <tr> <th data-bbox="506 687 1261 724">Scenario</th> <th data-bbox="1265 687 2000 724">Estimated potential financial impact</th> </tr> </thead> <tbody> <tr> <td data-bbox="506 727 1261 834">RCP8.5 high emissions scenario Assumes no additional global decarbonization efforts beyond current policies.</td> <td data-bbox="1265 727 2000 834">Operating costs are expected to increase by approximately 0.99% of revenue.</td> </tr> <tr> <td data-bbox="506 837 1261 944">RCP2.6 low carbon scenario Assumes global achievement of net-zero emissions by 2050.</td> <td data-bbox="1265 837 2000 944">Due to the need to implement concrete carbon reduction measures, the associated costs are expected to increase significantly, accounting for approximately 0.088% of revenue.</td> </tr> </tbody> </table>		Scenario	Estimated potential financial impact	RCP8.5 high emissions scenario Assumes no additional global decarbonization efforts beyond current policies.	Operating costs are expected to increase by approximately 0.99% of revenue.	RCP2.6 low carbon scenario Assumes global achievement of net-zero emissions by 2050.	Due to the need to implement concrete carbon reduction measures, the associated costs are expected to increase significantly, accounting for approximately 0.088% of revenue.
Scenario	Estimated potential financial impact							
RCP8.5 high emissions scenario Assumes no additional global decarbonization efforts beyond current policies.	Operating costs are expected to increase by approximately 0.99% of revenue.							
RCP2.6 low carbon scenario Assumes global achievement of net-zero emissions by 2050.	Due to the need to implement concrete carbon reduction measures, the associated costs are expected to increase significantly, accounting for approximately 0.088% of revenue.							
6. If there is a transformation plan for managing climate-related risks, the explanation of the plan's contents should include the indicators and objectives utilized for identifying and managing physical risks and transition risks.	None							

Items	Implementation status:
7. If utilizing internal carbon pricing as a planning tool, one should elucidate the basis for price determination.	None
8. If climate-related goals are established, the description should include information on the covered activities, scope of greenhouse gas emissions, planning timeframe, progress achieved annually, etc. If carbon offsetting or Renewable Energy Certificates (RECs) are utilized to achieve the relevant goals, details should be provided regarding the sources and quantities of the offset carbon emissions or RECs.	The Company is in the IC design industry, and the main sources of greenhouse gas emissions are indoor air conditioning and office lighting, which fall under "Scope 2" as indirect emissions from electricity use. Emissions from "Scope 1" direct and "Scope 3" other indirect sources are relatively minimal. Based on the current situation, the emissions from Scope 1 and Scope 2 are still at a reasonable level. The company aims to strengthen efforts to achieve a 3% reduction in carbon emissions per unit (NT\$ thousand) of revenue by 2026.
9. Greenhouse gas inventory and assurance situation, reduction targets, strategies, and specific action plans.	<ol style="list-style-type: none"> 1. In accordance with the regulations of the Financial Supervisory Commission (FSC), starting from the year 2026, the annual report of the Company must disclose the greenhouse gas inventory information for the previous year (2025), and this disclosure should continue annually. From 2028 onwards, the disclosure should also include the assurance situation of the 2027 inventory information. 2. In accordance with the regulations of the Financial Supervisory Commission (FSC), both the Company and its consolidated subsidiaries must disclose the greenhouse gas inventory information for the previous year (2026) starting from 2027. The greenhouse gas emissions base year should not be later than 2026. The disclosure should include the greenhouse gas reduction targets, strategies, and specific action plans for the current year (2027). These contents should be disclosed annually, along with the disclosure of the achievement of the reduction targets for the previous year. From 2029 onwards, the disclosure should also include the assurance situation of the 2028 inventory information.

1-1 Recent two years of the Company's greenhouse gas inventory and verification status

1-1-1 Greenhouse gas inventory information

Describe the greenhouse gas emissions (in metric tons of CO ₂ e), intensity (in metric tons of CO ₂ e/NT\$ million), and the scope of data coverage for the last two years.				
	Unit	2023	2024	Difference
Greenhouse gas emissions (Scope 1)	t-CO ₂ e/year	55.0629	50.0386	-9.12%
Greenhouse gas emissions (Scope 2)	t-CO ₂ e/year	1,440.7278	1,335.3138	-7.32%
Greenhouse gas emissions (Scope 3)	t-CO ₂ e/year	297.5160	287.7885	-3.27%
Greenhouse gas emissions intensity	(Metric tons CO ₂ e/NT\$ million)	0.6215	0.5407	-13.00%

- Note 1: Direct emissions (Scope 1, i.e., emissions directly from sources owned or controlled by the Company), energy indirect emissions (Scope 2, i.e., greenhouse gas emissions caused by the consumption of purchased electricity, heat, or steam), and other indirect emissions (Scope 3, i.e., emissions generated by the Company's activities, but not from energy-related indirect emissions, and originating from sources owned or controlled by other Companies).
- Note 2: The coverage of data for direct emissions and energy indirect emissions should be handled according to the schedule defined in the regulations under Article 10, Section 2 of these guidelines. Other indirect emissions information may be disclosed voluntarily.
- Note 3: Greenhouse Gas Inventory Standard: The Greenhouse Gas Protocol (GHG Protocol) or the ISO 14064-1 standard issued by the International Organization for Standardization (ISO).
- Note 4: The intensity of greenhouse gas emissions can be calculated per unit of product/service or revenue, but at a minimum, the data calculated based on revenue (NT\$ millions) must be disclosed.

1-1-2 Greenhouse gas assurance information

Describe the assurance status for the most recent two fiscal years as of the publication date of the annual report, including the assurance scope, assurance provider, assurance standards, and assurance opinion.	
1. The assurance verification certificate for the 2022 greenhouse gas inventory obtained in 2023 is as follows:	
Year	2023
Scope of Assurance	All headquarters and branch offices (including the Hsinchu Office, Taipei Office, Taichung Office, and Kaohsiung Office), excluding subsidiaries.
Assurance provider	TÜV NORD
Assurance Standard	14064-1 : 2018
Assurance Opinion	NA
2. In 2024, the Company will conduct self-assessment of the 2023 greenhouse gas inventory.	

Note 1: This process should be carried out according to the schedule outlined in Paragraph 2, Article 10 of the relevant regulations. If the Company does not obtain complete assurance opinions for the greenhouse gas inventory by the date of the annual report publication, it should state "Complete assurance information will be disclosed in the sustainability report." If the Company does not prepare a sustainability report, it should state "Complete assurance information will be disclosed on the Market Observation Post System," and the complete assurance information should be disclosed in the following year's annual report.

Note 2: The assurance provider should comply with the relevant regulations for sustainability report assurance institutions as established by the Taiwan Stock Exchange Corporation and the Taipei Exchange.

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

Describe the base year for greenhouse gas reduction and its data, reduction targets, strategies, and specific action plans, as well as the progress towards achieving the reduction targets.

1. The base year for greenhouse gas reduction is 2022, with the following data:

	Unit	2022
Greenhouse gas emissions (Scope 1)	t-CO2e/year	51.9452
Greenhouse gas emissions (Scope 2)	t-CO2e/year	1,400.4770
Greenhouse gas emissions (Scope 3)	t-CO2e/year	263.6251

2. Reduction target: The goal is to achieve a 3% reduction in carbon emissions per unit (NT\$ thousand) of revenue by 2026.

3. Strategy and specific action plan: In 2024, increase the air storage tank on the air compressor to reduce frequent operations, which will help reduce the power consumption per unit for products in the (26th Building 1F) test room, electrical number: 06-25-0185-10-0 by 5%.

4. Achievement of reduction target: For the (26th Building 1F) test room, electrical number: 06-25-0185-10-0, from August, 2024 to August, 2025, the reduction rate = (value before reduction - value after reduction)/value before reduction × 100% = 8%, achieving the set target of 5%.

$$\text{product} = \frac{\text{Electricity consumption per unit of Usage (kWh)}}{(\text{CP monthly production capacity (PCS)})(\text{PCS}) + \text{FT monthly production capacity (EA)})(\text{EA})}$$

Electricity consumption per unit (CP+FT) of product from August, 2023 to August, 2024	Electricity consumption per unit (CP+FT) of product from August, 2024 to August, 2025
0.0143	0.0126

Note 1: The schedule should be implemented in accordance with the regulations set forth in Paragraph 2, Article 10 of this guideline.

Note 2: The base year should be the year in which the consolidated financial statements boundary is completed. For example, according to the regulations set forth in Paragraph 2, Article 10 of this guideline, companies with a capital of over NT\$10 billion should complete the audit of the consolidated financial statements for 2024 by the end of 2025. Therefore, the base year would be 2023. If the Company has completed the audit of the consolidated financial statements earlier, that earlier year may be used as the base year. Additionally, the data for the base year may be calculated using a single year's value or the average value of multiple years.

Section One: Identification of Climate Change Risks

Category	Risk	Impact	Mitigation measures
Transition risks	Energy and greenhouse gas regulations	Increase in operational costs	Continued implementation of energy-saving and emission-reduction activities to reduce environmental impact.
	Uncertainty in market demand	Operational cost losses	Enhancing product efficiency to increase product's green competitiveness.
	Uncertainty in new technologies	Increased research and development costs	Focusing on the development of new technologies, strengthening R&D capabilities, and nurturing R&D talents.
	Impact on company image	Loss of goodwill	Increasing the production of low-power green products to enhance corporate image.
Physical risks	Immediate risk: Typhoons	1. Financial losses 2. Decreased revenue	In the event of a typhoon, stay updated on local government regulations and warning messages.
	Long-term risk: Increase in average temperatures	Increase in operational costs	Continued implementation of energy-saving and emission-reduction activities to reduce environmental impact.

Section Two: Identification of Climate Change Opportunities

Category	Opportunity Factors	Financial Impact	Mitigation measures
Climate change opportunities	Production processes	Improve product yield to reduce scrap costs	Monitor supply chain processes to ensure product quality.
	Design low-power products	Offer low-carbon products to enhance corporate reputation and increase revenue	Continuously develop small-volume, low-power green products.
	Provide integrated products to reduce packaging material usage	Develop integrated packaging products	Continuously develop integrated packaging products to enhance product green competitiveness.
	Provide new solutions to meet customer demands related to climate change	Increase revenue	Continue development of BLDC MCU.
	Utilize emerging markets	Expand revenue from energy-saving products	1. Enter the AI server cooling application market. 2. Customize chips tailored to specific customer functional requirements.

Section Three: Core Framework for Task Force on Climate-Related Financial Disclosures (TCFD).

Core elements	Response explanation
Governance	The Company's Corporate Sustainability Development Task Force is responsible for exploring various climate change issues and identifying potential impacts on both internal and external stakeholders. The Director of Corporate Sustainability Development regularly reports to the Board of Directors on climate change response measures. The Board reviews these response strategies and provides directives accordingly.
Strategies	The Company's Corporate Sustainability Development Task Force is the highest management level for climate-related issues, with the CEO serving as the convener. The members include representatives from the President's Office, Finance Department, Human Resources Department, and Quality Assurance Department. It is responsible for planning and promoting activities related to corporate sustainability and climate-related issues.
Risk management	To assess whether sustainable business products may impact the environment, the Company utilizes the Corporate Sustainability Development Task Force to conduct regular risk assessments on climate change. Based on the assessment results, policies and objectives are formulated and reported to the Board of Directors.
Indicators and Objectives	The Company has completed its 2022 GHG emissions inventory and established a corresponding database. Using 2022 as the base year, the Company aims to achieve a 3% reduction in carbon emissions per NT\$1,000 of revenue by 2026, and will strengthen efforts to reach this target.

Section Four: Results of Greenhouse Gas Inventory

	Total emissions (metric tons of CO2e)	Intensity (Metric tons CO2e/NT\$ million)	Assurance provider	Assurance statement explanation
Scope 1	50.0386	0.0162	None (voluntary inventory)	In 2024, the scope of voluntary greenhouse gas inventory for the Company includes all operational locations of both the main company and its subsidiaries.
Scope 2	1,335.3138	0.4315	None (voluntary inventory)	In 2024, the scope of voluntary greenhouse gas inventory for the Company includes all operational locations of both the main company and its subsidiaries.
Scope 3 (voluntary disclosure)	287.7885	0.0930	None (voluntary inventory)	In 2024, the scope of voluntary greenhouse gas inventory for the Company includes all operational locations of both the main company and its subsidiaries.

(VI) Implementation of ethical corporate management as well as deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and related reasons

Evaluation items	Status of implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
<p>I. Establishment of ethical corporate management policies and programs</p> <p>(I) Has the Company established ethical corporate management policies approved by the Board of Directors and specified in its rules and external documents the ethical corporate management policies and practices and the commitment of the Board of Directors and senior management to rigorous and thorough implementation of such policies?</p> <p>(II) Has the Company established a risk assessment mechanism against unethical conduct and does it analyze and assess on a regular basis business activity within its business scope which are at a higher risk of being involved in unethical conduct and establish prevention programs accordingly, which shall at least include the preventive</p>	<p>✓</p> <p>✓</p>		<p>(I) The Company has established the Ethical Corporate Management Best Practice Principles approved by the Board of Directors. The management shall operate business on the principle of integrity and creates benefits for employees and shareholders. Specifically, the management shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Regulations on the Crime of Embezzlement, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, relevant regulations on TWSE/TPEX, or other relevant laws and regulations on business behaviors, as the basic premise of implementing the ethical corporate management. With respect to the commitment of the Board of Directors and senior management to actively implement the management policy, the Chairman of the Board of Directors has stated the policy of ethical corporate management in the CSR, and the Board of Directors and senior management have actively implemented the policy with a high degree of self-discipline and prudence.</p> <p>(II) In the Ethical Corporate Management Procedures and Code of Conduct, the Company specifically regulates the matters that should be paid attention to by our staff in the execution of business, and adopts preventive measures for business activities with high risk of unethical behaviors, including prohibiting unethical behaviors such as bribery and accepting of bribes, providing non-political donations, improper charitable donations or sponsorship. Before entering into a business</p>	No deviation

Evaluation items	Status of implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
measures specified in Article 7-2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?			relationship with others, the Company should first assess the legality, ethical corporate management policy of its agents, suppliers, clients or other business partners and whether they have been involved in unethical behaviors to ensure that their business practices are fair, transparent and do not ask for, offer or accept bribes. In the process of business activities, the Company shall explain its ethical corporate management policy and relevant regulations to the transaction parties, and clearly refuse to directly or indirectly provide, promise, demand or accept any improper benefits in any form or name. Personnel of the Company shall refrain from engaging in business transactions with agents, suppliers, clients or other business partners involved in unethical behaviors. If unethical behaviors are found in business dealings or cooperative partners, the Company shall immediately stop business dealings with them and list them as the object of refusal. To strengthen the Company's internal integrity management, it sent its employees to participate in relevant education and training held by the government in 2025, such as: analysis of illegal cases involving audit/accounting personnel and corresponding responses, seminar on the "Guidelines for Business Responses to Environmental Sustainability Involving Concerted Actions" organized by the Fair Trade Commission, redefining internal audit through case studies- discussions on ethics and law, ESG - "Prosecutor Discusses Fraud: What You Don't Know About Fraud Syndicates" Seminar and "2025 Trade Secret Intelligent Management Expo." The Company arranges compliance education and training related to "Ethical Corporate Management" for all new employees. The training courses for new employees this year have been completed. Every quarter, we promote "What is a Trade Secret" and	

Evaluation items	Status of implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
(III) Has the Company established policies to prevent unethical conduct with clear statements regarding relevant procedures, code of conduct, punishments for violation, rules of appeal, and commitments to implementation of these policies? Has the Company regularly reviewed and amended these policies?	✓		<p>"Ethical Corporate Management Compliance Matters" to the entire company through the company announcement system. The total number of participants for the above-mentioned courses is 328. The subsidiary conducted integrity education and workplace ethics training through relevant promotional video "Happiness, Walking Firmly" which had 54 participants. Additionally, a presentation on "Combating Fraud with Technology Reporting Project" provided by the Hsinchu City Police Department was shared internally to raise awareness among employees, reaching a total of 300 participants. The Company carries out quarterly publicity of corporate confidential information protection policy, personal data protection, information security, and reveals the content of the publicity on its intranet and sends e-mails to all employees. The Company constantly promotes the ethical corporate management policy internally and has the obligation to help clients, partners, suppliers, service providers, agents, and consultants understand its policy and follow it together.</p> <p>(III) The Company has established the Code of Ethical Corporate Management, the Code of Ethical Conduct and the Ethical Corporate Management Procedures and Code of Conduct, and has specified a disciplinary and grievance system in them. The Company adopts preventive measures for business activities with high risk of unethical behaviors, including prohibiting unethical behaviors such as bribery and accepting of bribes, providing non-political donations, improper charitable donations or sponsorship. Personnel of the Company shall not directly or indirectly provide, promise, demand or accept any improper benefits or commit any other unethical behaviors in violation of good faith, illegal or breach of fiduciary duties. The personnel who violate the</p>	

Evaluation items	Status of implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
			<p>provisions of ethical corporate management will be punished according to the disciplinary measures set by the Company. The Company also has an appeal system to provide the means of relief for the violators according to the relevant provisions.</p> <p>Human Resources Department is responsible for the revision, implementation, interpretation, advisory services and notification of the operating procedure and Code of Conduct and supervises its implementation. The Board of Directors shall report its implementation status to the directors regularly in the fourth quarter of each year.</p>	
<p>II. Implementation of ethical corporate management</p> <p>(I) Has the Company assessed the ethics records of anyone with whom it has a business relationship and included business conduct and ethics-related clauses in business contracts?</p>	✓		<p>(I) Before business dealings, The Company shall consider the legitimacy of its agents, suppliers, clients or other business counterparties and whether they are involved in unethical behaviors, and shall avoid entering into transactions with those involved in unethical behaviors. The contents of the contract signed with the business counterparties shall include compliance with the ethical corporate management policy. If the business counterparties are involved in unethical behaviors. The terms of a contract may be terminated or dissolved at any time. When evaluating business counterparties, the Company conducts appropriate investigation and examines its business counterparties to ascertain their ethical corporate management in the following matters:</p> <ol style="list-style-type: none"> 1. The country, place of operation, organizational structure, business policy and place of payment of the counterparty. 2. Whether the counterparty has established an ethical corporate management policy and its implementation status. 3. Whether the counterparty operates in a country with a high risk of corruption. 	No deviation

Evaluation items	Status of implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
			<p>4. Whether the counterparty operates in an industry with high risk of bribery.</p> <p>5. The long-term business status and goodwill of the counterparty.</p> <p>6. Ask business partners for their opinions on the counterparty.</p> <p>7. Whether the counterparty has a history of unethical behaviors such as bribery or illegal political donations.</p> <p>When entering into contracts with counterparties, the Company shall fully understand the ethical corporate management of counterparties, and incorporate the compliance with the Company's ethical corporate management policy into the terms of the contract, as follows:</p> <p>1. If either party knows that a person has violated the terms of the contract prohibiting the acceptance of commissions, kickbacks or other illegitimate benefits, it shall immediately and truthfully inform the other party of the identity of such a person, the manner, amount or other illegitimate benefits offered, promised, demanded or received, and provide relevant evidence and cooperate with the other party's investigation. If one party suffers any damage as a result, it may claim damages from the other party and deduct the amount from the contract price payable.</p> <p>2. If either party is involved in unethical behaviors, the other party may unconditionally terminate or rescind the contract at any time.</p> <p>3. Set out clear and reasonable terms of payment, including the place and method of payment and the relevant tax legislation to be complied with.</p>	

Evaluation items	Status of implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
(II) Has the Company set up a unit dedicated to promoting the Company's ethical standards reporting regularly (at least once a year) to the Board of Directors on the implementation of ethical corporate management policies and prevention programs against unethical conduct?	✓		(II) The Company has established an ESG Sustainable Development Team, with the CEO serving as the convener. The team focuses on six key areas of sustainability and is composed of members from various departments. The team is responsible for promoting corporate integrity management and regularly reports on integrity management policies, anti-dishonesty measures, and their implementation progress to the Board of Directors during the fourth quarter of each year. In accordance with the Ethical Corporate Management Procedures and Code of Conduct adopted by the Board of Directors, Human Resources Department is responsible for the revision, implementation, interpretation, advisory services and notification of the operating procedure and Code of Conduct and supervises its implementation.	
(III) Has the Company formulated policies to prevent conflicts of interest, provided appropriate communication and complaint channels, and implemented such policies properly?	✓		(III) The Company's Code of Ethical Conduct and Code of Ethics for Employees have formulated provisions to prevent conflicts of interest. The personnel of the Company shall not use their positions to obtain improper benefits for themselves, their spouses, parents, children or relatives within the second degree of kinship. In the event that the Company has any loan or guarantee, major asset transaction or import (sale) transaction with the related enterprises of the foregoing personnel, the relevant personnel of the Company shall take the initiative to explain to the Company whether there is any potential conflict of interest with the Company and handle the matter according to the code of conduct of the Company to prevent the conflict of interest.	

Evaluation items	Status of implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
<p>(IV) Has the Company established effective accounting and internal control systems for the implementation of ethical corporate management? Has its internal audit unit devised relevant audit plans based on the assessment results of the risk of involvement in unethical conduct, and checked the compliance with the prevention programs or entrusted CPAs to conduct such an audit?</p> <p>(V) Has the Company provided internal and external ethical conduct training programs on a regular basis?</p>	✓		<p>(IV) The Company has established an effective accounting system and internal control system for the business activities and operating procedures with high potential risk of unethical behaviors, and reviews them at any time to ensure the design and implementation of the systems is sustainable and effective. The internal auditing unit includes the two systems in the risk assessment for regular inspection and check the compliance with the systems on a regular basis.</p> <p>(V) The Company's ESG Sustainable Development Team conducts annual internal education, training and promotion on integrity management for the Company's employees. It sent employees to participate in relevant education and training held by the government in 2025, such as: analysis of illegal cases involving audit/accounting personnel and corresponding responses, seminar on the "Guidelines for Business Responses to Environmental Sustainability Involving Concerted Actions" organized by the Fair Trade Commission, redefining internal audit through case studies- discussions on ethics and law, ESG - "Prosecutor Discusses Fraud: What You Don't Know About Fraud Syndicates" Seminar and "2025 Trade Secret Intelligent Management Expo." The Company arranges compliance education and training related to "Ethical Corporate Management" for all new employees. The training courses for new employees this year have been completed. Every quarter, we promote "What is a Trade Secret" and "Ethical Corporate Management Compliance Matters" to the entire company through the company announcement system. The total number of participants for the above-mentioned courses is 328. The subsidiary conducted integrity education and workplace ethics training through relevant promotional</p>	No deviation

Evaluation items	Status of implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
			<p>video "Happiness, Walking Firmly" which had 54 participants. Additionally, a presentation on "Combating Fraud with Technology Reporting Project" provided by the Hsinchu City Police Department was shared internally to raise awareness among employees, reaching a total of 300 participants.</p> <p>At least once a year, the Company conducts legal education for directors, managers and employees to prevent insider trading, and provide the relevant education for new directors and managers within one month of their appointment. In 2025, in addition to arranging 1 director to attend the Publicity Meeting on Preventing Insider Trading held by the competent authority in May, the current 10 directors received a total of 3.5 hours of training and publicity in the fourth quarter of 2025. The content included explanations of insider trading regulations, prevention of insider trading, identification of significant information, and legal responsibilities related to insider trading. The Company arranged education and training on prevention of insider trading for new employees. In 2025, 23 newcomer trainings were completed, with a total of 11.5 hours.</p> <p>The Company has conducted quarterly internal system promotions on prevention of insider trading in the internal system and published the relevant education and training briefing in the internal staff system for online training of all employees for a month. The Company carries out quarterly publicity of corporate confidential information protection policy, personal data protection, information security, and reveals the content of the publicity on its intranet and sends e-mails to all employees. The Company constantly promotes the ethical corporate management policy internally and has the obligation to help clients,</p>	

Evaluation items	Status of implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
			partners, suppliers, service providers, agents, and consultants understand its policy and follow it together.	
<p>III. Operation of the whistleblowing system</p> <p>(I) Has the Company established specific whistle-blowing and reward systems, set up conveniently accessible whistle-blowing channels, and designated responsible individuals to handle the person(s) being reported?</p> <p>(II) Has the Company established standard operating procedures for investigating reported misconduct, follow-up measures to be taken after investigations, and related confidentiality mechanisms?</p>	<p>✓</p> <p>✓</p>		<p>(I) The Company has established a whistle-blowing system, including the "whistle-blowing system for the violation of professional ethics behaviors" in the external website and the "employee mailbox" in the internal website. The whistle-blowing system and employee mailbox provide direct access to the senior management unit. Once the whistle-blowing is received, the senior management unit will work with the relevant human resources and auditing units to investigate and handle it. If it is illegal or serious, it will be transferred to the relevant government units.</p> <p>(II) The Company has set out the standard operating procedure for accepting the complaint and the follow-up measures to be taken after the investigation. It has stipulated the detailed operating procedure and schedule from the receipt of the complaint to the conclusion of the case. If it is proved that the person being reported has violated the relevant laws and regulations or the Company's policies and regulations on ethical corporate management, the person shall be immediately requested to stop the relevant behavior and dispose of it appropriately. When necessary, the Company shall report to the competent authorities, transfer the person to the judicial authorities for investigation, or claim compensation through legal procedures to protect the reputation and rights of the Company. In addition, the Company has established the principle of confidentiality, and senior management, human resources and auditing units that receive reports and conduct investigations shall carefully manage the matters or secrets they know from their positions.</p>	No deviation

Evaluation items	Status of implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and related reasons
	Yes	No	Summary	
(III) Has the Company adopted proper measures to protect whistle blowers from retaliation for their actions?	✓		Unless disclosed by the Company or provided for the performance of duties, it shall not be disclosed to others, and the obligation of confidentiality shall be strictly observed no matter during the service period or after resignation. (III) The Company shall properly handle the identity and contents of the whistle blowers in a confidential and responsible manner, and protect them from being threatened.	
IV. Enhancing information disclosure Has the Company disclosed, on its website or on the Market Observation Post System, its ethical corporate management policies and the effectiveness of the promotion thereof?	✓		The Company has disclosed the Code of Ethical Corporate Management, the Code of Ethical Conduct and the Ethical Corporate Management Procedures and Code of Conduct, and the Code of Ethics for Employees on its website, and the Code of Ethical Corporate Management and the Code of Ethical Conduct on the Market Observation Post System.	No deviation
V. 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 deviation between the policies and their implementation: The Company has formulated its Code of Practice for Ethical Corporate Management in accordance with the Code of Practice for Ethical Corporate Management of TWSE/TPEX Listed Companies. The differences between the Company's operation and the Code are as follows: (I) Education, training and assessment: The Company has not included the ethical corporate management policy in the employee performance assessment system. It will be handled in due course according to actual needs. (II) Information disclosure: The Company has not collected quantitative data to promote ethical corporate management. It will be handled in due course according to actual needs.				
VI. Other important information that facilitates a better understanding of the Company's ethical corporate management policy (e.g., review and amend its policy): The Company has established the Code of Ethical Corporate Management and the Ethical Corporate Management Procedures and Code of Conduct. The latter was amended on March 12, 2020 with the approval of the Board of Directors and the former was amended on April 6, 2022 with the approval of the Board of Directors.				

- (VII) Other important information that may be disclosed to enhance understanding of corporate governance operations: For information on the Company's corporate governance practices, please visit the Market Observation Post System (<https://mopsplus.twse.com.tw>) or our website (<http://www.weltrend.com.tw>).
- (VIII) The implementation of the internal control system shall disclose the following matters: <https://mops.twse.com.tw/mops/#/web/t06sg20>
1. Internal Control Statement: Please refer to the Market Observation Post System (MOPS) for inquiries: Market Observation Post System (MOPS) → Individual Company → Corporate Governance → Company Regulations/Internal Control → Internal Control Statement Announcement, to query the 2025 Internal Control Statement.
 2. Those who entrust CPAs to conduct special audit of internal control systems shall disclose the audit reports of CPAs: None.
- (IX) Major resolutions of Shareholders' Meeting and Board Meetings as of the most recent fiscal year and as of the publication date of this report:
1. Major resolutions and implementations from the Shareholders' Meeting in 2025:
 - (1) Ratified the proposal for the 2024 Business Report and Financial Statements.
 - (2) Ratified the proposal for 2024 Earnings Distribution.
Implementation status: Set July 4, 2025 as the base date for distribution, and July 25, 2025 as the payout date for distribution, with a cash dividend of NT\$ 1.5 per share.
 - (3) Amendment of the Articles of Incorporation.
Implementation status: It was approved and registered by the National Science and Technology Council, Hsinchu Science Park Administration on June 5, 2025, and the updated Articles of Association was uploaded to the Company's external website.
 - (4) Election of the 13th term of directors (including independent directors). The list of winners is as follows:
Directors: Sam Lin, James Chou, Paul Liao, JC Liu, Cindy Guo, Tony Lin, Jeff Tsai
Independent director: Hsu Wen-Tsung, Yeh Wei-Kun, Chuang Ming-Jen
Implementation status: It was approved and registered by the National Science and Technology Council, Hsinchu Science Park Administration on June 5, 2025, and announced it on the company's external website.
 - (5) Proposed removal of the Company's Non-compete Clause for directors (including independent directors)
Implementation status: On May 29, 2025, the Shareholders' Meeting approved the removal of the Company's Non-compete Clause for five directors (including independent directors), namely, Sam Lin, Tony Lin, Cindy Guo, Hsu Wen-Tsung, and Yeh Wei-Kun.

2. Major resolutions of Board Meetings as of 2025 and as of the publication date of this report:
- (1) 19th meeting of the 12th term of the Board of Directors
- Adopted the implementation report of the greenhouse gas inventory and verification schedule plan of the Company and all subsidiaries within the Group.
- Adopted the report on the promotion and implementation of Company's sustainable development.
- Adopted the 2024 Annual Report on the Performance Evaluation Results of the Company's Board of Directors and the Functional Committee
- The Company plans to issue new shares through a share swap to acquire all the issued shares of Sentelic Corporation.
- Adopted the Company's operating plan for 2025.
- Adopted the proposal of the Company's compensation to employees and remuneration to directors for 2024.
- Adopted the operating report and financial statement of the Company for 2024.
- Adopted the distribution of earnings of the Company for 2024.
- Adopted the scope definition for the Company's grassroots employees.
- Adopted the amendment to the Articles of Association
- Adopted the re-election proposal of the 13th term of directors of the Company.
- Adopted the removal of the Company's Non-compete Clause for directors
- Adopted the date and place of the 2025 Annual Shareholders' Meeting and the acceptance of shareholder proposals and nomination rights.
- Adopted the cash capital reduction for the Company's subsidiary, Weltrend International (BVI) Ltd.
- Adopted the report on the reference items for the judgment of the effectiveness of the Company's internal control system for 2024 and the report on the statement of internal control system for 2024.
- Adopted the appointment and dismissal of CPAs and the independent and suitability assessment of CPAs in 2025.
- (2) 20th meeting of the 12th term of the Board of Directors
- Adopted the list of candidates for directors (including independent directors) proposed by the Company.
- (3) 21st meeting of the 12th term of the Board of Directors
- Adopted the report on the insurance status of Company's directors and supervisors.
- Adopted the implementation report of the greenhouse gas inventory and verification schedule plan of the Company and all subsidiaries within the Group.
- Adopted the Task Force on Climate-Related Financial Disclosures (TCFD) report of the Company for 2024.

Adopted the report on the implementation and planning of Company's ESG Report for 2024.

Adopted the financial report of the Company for Q1 2025.

Adopted the review of the Company's formulation of "Risk Management Policy and Procedure."

- (4) 1st meeting of the 13th term of the Board of Directors

Adopted election proposal of the Chairman of the Company.

- (5) 2nd meeting of the 13th term of the Board of Directors

Adopted the appointment of the 6th term of Remuneration Committee of the Company.

- (6) 3rd meeting of the 13th term of the Board of Directors

Adopted the implementation report of the greenhouse gas inventory and verification schedule plan of the Company and all subsidiaries within the Group.

Adopted the financial report of the Company for Q2 2025.

Adopted the ESG Report of the Company for 2024.

Adopted the review of the Company's formulation of "Regulations Governing Climate Change Risk."

Adopted the completion of share swap of the Company with its subsidiary "Sentelic Corporation" on September 8, 2025. According to Article 7 of the Share Swap Agreement, the Company will appoint a director.

- (7) 4th meeting of the 13th term of the Board of Directors

Adopted the proposed transfer of the Company's treasury shares to employees

- (8) 5th meeting of the 13th term of the Board of Directors

Adopted the implementation report of the greenhouse gas inventory and verification schedule plan of the Company and all subsidiaries within the Group.

Adopted the report on the professional qualifications and independence of the Company's independent directors during the 2025 term.

Adopted the report on intelligent property for 2025.

Adopted the report on information security governance for 2025.

Adopted the implementation report on the Code of Ethical Corporate Management

Adopted the report on the communication between the Company and various stakeholders.

Adopted the financial report of the Company for Q3 2025.

Adopted the amendment to the Sustainable Development Best Practice Principles.

Adopted the appointment of the Vice President.

Adopted the removal of the Company's Non-compete Clause for directors.

Adopted the Company's internal audit plan for 2026.

- (9) 6th meeting of the 13th term of the Board of Directors
Adopted the repurchase of the Company's issued common stock.
- (10) 7th meeting of the 13th term of the Board of Directors
Adopted the cancellation of the 12th treasury share buyback and established the base date for the capital reduction.
Adopted the proposal to amend the operational items of the Company's "Internal Control System."
- (11) 8th meeting of the 13th term of the Board of Directors
Adopted the implementation report of the greenhouse gas inventory and verification schedule plan of the Company and all subsidiaries within the Group.
Adopted the report on the promotion and implementation of Company's sustainable development.
Adopted the 2025 Annual Report on the Performance Evaluation Results of the Company's Board of Directors and the Functional Committee
Adopted the report on the implementation of the Company's treasury stocks.
Adopted the Company's operating plan for 2026.
Adopted the proposal of the Company's compensation to employees and remuneration to directors for 2025.
Adopted the operating report and financial statement of the Company for 2025.
Adopted the distribution of earnings of the Company for 2025.
Adopted the cash distribution from capital surplus.
Adopted the amendment to the Articles of Association
Adopted by-election proposal of the independent director of the Company.
Adopted the list of candidates for independent directors nominated by the Board of Directors of the Company.
Adopted the removal of the Company's Non-compete Clause for independent directors.
Adopted the date and place of the 2026 Annual Shareholders' Meeting and the acceptance of shareholder proposals and nomination rights.
Adopted the report on the reference items for the judgment of the effectiveness of the Company's internal control system for 2025 and the report on the statement of internal control system for 2025.
Adopted the appointment and dismissal of CPAs and the independent and suitability assessment of CPAs in 2026.
- (X) Major contents of any dissenting opinions on record or stated in a written statement made by directors against major resolutions of the Board of Directors in the most recent fiscal year and as of the publication date of this report: None.

IV. CPA fees:

- (I) The audit fees and non-audit fees paid to CPAs and their firms and affiliated companies and the content of non-audit services shall be disclosed. Specifically, the following items shall be disclosed:

Information on CPA fees

Unit: NT\$ thousand

Name of accounting firm	Name of CPA	Audit period	Audit fees	Non-audit fees	Total	Note
Deloitte Taiwan	Cheng-Chih Lin and Chih-Yuan Wen, etc.	2025.01.01~2025.12.31	3,990	693	4,683	-

Non-audit fees: The non-audit fees refer to the Company's payment of tax case, document typing fees to CPAs, share swap and other service fees.

- If the accounting firm is changed and the audit fees paid for the fiscal year in which the change took place are lower than those paid for the fiscal year immediately preceding the change, the amount of the audit fees before and after the change and the reason shall be disclosed: subsidiary Sentelic Corporation is no longer a public company, resulting in a decrease in the audit fees of CPAs.
- If the audit fees paid for the current fiscal year are lower than those paid for the immediately preceding fiscal year by 10% or more, the amount and percentage of and reason for the reduction in audit fees shall be disclosed: None.

- (II) The audit fees mentioned in the preceding paragraph refer to the fees paid by the Company to CPAs to check, review and verify the financial report and financial forecast.

V. Change of CPAs: If there is any change of CPAs in the last two years or the period thereafter, the following items shall be disclosed.

- (I) About former CPAs:

Date of change	March 31, 2023		
Reason for change and description	Internal business change		
Describe whether the appointment is terminated or not accepted by the appointer or accountant	Parties involved	Certified Public Accountant/CPA	Appointer
	Status		
	Proactively terminate appointment	-	-
	No longer accept (continue) appointment	-	-
Opinions and reasons for audit reports other than unqualified opinions issued within the latest two years	Issued unqualified opinions in 2022 and 2023		
Is there any different opinion from the issuer	Yes		Accounting principles or practices
			Disclosure of financial reports
			Scope or steps of review
			Others
	None	~	
	Description		

Other disclosures (Items 4 to 7 of Article 10-6-1 of this Code shall be disclosed)	None
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(II) About current CPAs:

Accounting Firm	Deloitte Taiwan
Name of CPA	Cheng-Chih Lin and Pan-Fa Wang
Date of appointment	March 31, 2023
Consultation on opinions and results of accounting treatment methods or accounting principles for specific transactions and possible issuance of financial reports before appointment	Not applicable
Written opinion of the current CPAs on matters with different opinions from the former CPAs	Not applicable

(III) Reply from the former CPAs to Paragraph 6-1 and Paragraph 6-2-3 of Article 10 of the Code.

(IV) About former CPAs:

Date of change	September 30, 2024		
Reason for change and description	Internal business change		
Describe whether the appointment is terminated or not accepted by the appointer or accountant	Parties involved	Certified Public Accountant/CPA	Appointer
	Status		
	Proactively terminate appointment	-	-
	No longer accept (continue) appointment	-	-
Opinions and reasons for audit reports other than unqualified opinions issued within the latest two years	Issued unqualified opinions in 2023 and 2024		
Is there any different opinion from the issuer	Yes	Accounting principles or practices	
		Disclosure of financial reports	
		Scope or steps of review	
		Others	
	None		
	Description		
Other disclosures (Items 4 to 7 of Article 10-6-1 of this Code shall be disclosed)	None		

(V) About current CPAs:

Accounting Firm	Deloitte Taiwan
Name of CPA	Cheng-Chih Lin and Chih-Yuan Wen
Date of appointment	September 30, 2024
Consultation on opinions and results of accounting treatment methods or accounting principles for specific transactions and possible issuance of financial reports before appointment	Not applicable
Written opinion of the current CPAs on matters with different opinions from the former CPAs	Not applicable

(VI) Reply from the former CPAs to Paragraph 6-1 and Paragraph 6-2-3 of Article 10 of the Code.

VI. If the chairman, president, or finance or accounting managers of the Company worked in the CPA firm or an affiliate thereof within the most recent fiscal year, it shall disclose the name, title and the period of working in the CPA firm or its affiliate. An affiliate of the CPA firm refers to a company or organization in which the CPA of the CPA firm holds more than 50% of the shares or a majority of the directorships, or a company or organization listed as an affiliate in the information published or printed by the CPA firm: None.

VII. Changes in transfer or pledge of shares made by directors, supervisors, managers, and major shareholders holding more than 10% of Company shares in the most recent fiscal year and as of the publication date of this report: If the party of the share transfer or pledge is a related party, the name of such party, its relationship with the company, directors, managers and shareholders holding more than 10% of the shares, and the number of shares acquired or pledged shall be disclosed:

(I) Changes in shareholding of directors, managerial officers, and major shareholders:

Title	Name	2025		As of March 31 of the current year	
		Shareholding increase (decrease)	Pledged shareholding increase (decrease)	Shareholding increase (decrease)	Pledged shareholding increase (decrease)
Chairman and Chief Investment Officer	Sam Lin	158,000	0	0	0
Director	James Chou	0	0	0	0
Director	Paul Liao	651,000	0	0	0
Director	Jeff Tsai	0	0	0	0
Director and Chief R&D Officer	JC Liu	10,000	0	0	0
Director and Chief Financial Officer as well as Corporate Governance Officer	Cindy Guo	50,000	0	0	0
Director and CEO	Tony Lin	110,000	0	0	0
Independent Director	Gerald Kuo (Note 1)	0	0	0	0
Independent Director	Yeh Wei-Kun	0	0	0	0
Independent Director	Hsu Wen-Tsung	0	0	0	0
Independent Director	Chuang Ming-jen (Note 2)	3,200			
President	DS Lin	15,200	0	0	0
Chief Operation Officer/COO	Robby Tsai	6,000	0	0	0
Vice President of R&D	ST Kuo	0	0	0	0
Vice President of Product	Wayne Lo	6,000 (40,000)	0	(10,000)	0

Title	Name	2025		As of March 31 of the current year	
		Shareholding increase (decrease)	Pledged shareholding increase (decrease)	Shareholding increase (decrease)	Pledged shareholding increase (decrease)
Development and Technology Application Engineering					
Vice President of R&D	Vincent Lu	15,000	0	0	0
Vice President of Manufacturing	Cheng-Hsu Lu (Note 3)	0	0	0	0
Accounting Supervisor	Jason Wang	0	0	0	0

Note 1: Gerald Kuo left his position on May 29, 2025. The information after his resignation will not be disclosed.

Note 2: Chuang Ming-Jen took office on May 29, 2025. The information prior to his appointment will not be disclosed.

Note 3: Cheng-Hsu Lu took office on November 6, 2025. The information prior to his appointment will not be disclosed.

(II) Information on share transfer: None.

(III) Information on share pledge: None.

VIII. Information on top 10 major shareholders who are related to one another or are related as spouses or within the second degree of kinship.

Information on the relationship among the top 10 major shareholders

Name (note 1)	Personal shareholding		Shares held by spouses and minors		Shares held in the name of others		Names and relationship between the top 10 major shareholders or spouses/relatives within the second degree of kinship (note 3)		Note
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relationship	
Gain First Investments Limited Company Representative: Paul Liao	4,132,049	2.07%	-	-	-	-	-	-	-
	1,729,468	0.86%	-	-	-	-	-	-	-
HSBC Bank in Custody for Morgan Stanley International Limited Special Account	3,324,596	1.66%	-	-	-	-	-	-	-
Sam Lin	2,967,000	1.48%	155,982	0.08%	1,924,320	0.96%	BEST HOSE FAMILY ENTERPRISE CO., LTD	Responsible person	-
BEST HOSE FAMILY ENTERPRISE CO., LTD Company	2,532,000	1.27%	-	-	-	-	Sam Lin	In person	-
	2,967,000	1.48%	-	-	-	-	-	-	-

Name (note 1)	Personal shareholding		Shares held by spouses and minors		Shares held in the name of others		Names and relationship between the top 10 major shareholders or spouses/relatives within the second degree of kinship (note 3)		Note
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relationship	
Representative: Sam Lin									
James Chou	2,433,829	1.22%	-	-	-	-	-	-	-
JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard Emerging Markets Stock Index Fund, a Series of Vanguard International Equity Index Funds	2,344,567	1.17%	-	-	-	-	-	-	-
HSBC Bank (Taiwan) Limited in Custody for Goldman Sachs International Investment Trust	2,221,329	1.11%	-	-	-	-	-	-	-
Chongyou Investment Co., Ltd.	1,930,000	0.96%	-	-	-	-	-	-	-
JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	1,912,182	0.96%	-	-	-	-	-	-	-
Kuo-Cheng Yang	1,901,000	0.95%	-	-	-	-	-	-	-

Note 1: All the top ten shareholders shall be listed. If they are corporate shareholders, their name and the names of their representatives shall be listed separately.

Note 2: The calculation of the percentage of shareholding refers to the percentage of shareholding in the name of oneself, one's spouse, one's minors, or in the name of others, respectively.

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

- IX. The number of shares held by the Company, its directors, supervisors, managers and businesses directly or indirectly controlled by the Company in the same reinvestment business and the percentage of shareholding are calculated as follows:

Unit: thousand shares; %

Reinvestment business (Note)	Investment by the Company		Direct or indirect ownership by directors/ supervisors/ managers		Portfolio investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Weltrend International Co., (BVI) Ltd.	2,000	100%	-	-	2,000	100%
Yingquan Investment Co., Ltd.	48,100	98%	900	2%	49,000	100%
Dongguan Prosil Electronics Co., Ltd.	-	100%	-	-	-	100%
Sentelic Corporation	30,022	100%	-	-	30,022	100%
Sentelic Holding Co.,Ltd.	Note 2		-	-		

Note 1: The Company employed the equity method for long-term investments on December 31, 2025.

Note 2: Sentelic Holding Co., Ltd. completed its liquidation on September 3, 2025.

Chapter 3 Capital Overview

I. Capital and shares of the Company

(I) Sources of capital

As of February 28, 2026.

Date	Issue price	Authorized capital		Paid-in capital		Note		
		Number of shares	Amount	Number of shares	Amount	Sources of capital	Capital increase by assets other than cash	Date of approval and document No.
1989.6	10	8,000,000	80,000,000	3,600,000	36,000,000	Establishment	Technology pricing: NT\$ 3,600,000	1989.7.5 (1989) Yuan-Jing-Zi No. 07331
1990.5	10	8,000,000	80,000,000	8,000,000	80,000,000	Issuance of common stock for cash: NT\$ 44,000,000	Technology pricing: NT\$ 4,400,000	1990.05.29 (1990) Yuan-Jing-Zi No. 05560
1991.4	11	20,000,000	200,000,000	12,000,000	120,000,000	Issuance of common stock for cash: NT\$ 40,000,000	None	1991.05.03 (1991) Yuan-Jing-Zi No. 04640
1995.6	10	20,000,000	200,000,000	17,680,000	176,800,000	Surplus profit distributed in the form of new shares: 48,000,000 Capitalization of employee bonus: 8,800,000	None	1995.7.4 (1995) Yuan-Shang-Zi No. 09476
1996.5	10	60,000,000	600,000,000	30,200,000	302,000,000	Surplus profit distributed in the form of new shares: 109,616,000 Capitalization of employee bonus: 15,584,000	None	1996.06.18 (1996) Yuan-Shang-Zi No. 09625
1997.6	10	60,000,000	600,000,000	40,000,000	400,000,000	Surplus profit distributed in the form of new shares: 84,560,000 Capitalization of employee bonus: 13,440,000	None	1997.07.17 (1997) Yuan-Shang-Zi No. 13772
1997.6	53	60,000,000	600,000,000	50,000,000	500,000,000	Issuance of common stock for cash: NT\$ 100,000,000		
1998.6	10	120,000,000	1,200,000,000	72,000,000	720,000,000	Surplus profit distributed in the form of new shares: 115,000,000 Capital surplus transferred to common stock: 85,000,000 Capitalization of employee bonus: 20,000,000	None	1998.07.13 (1998) Yuan-Shang-Zi No. 016810
1999.7	10	120,000,000	1,200,000,000	88,000,000	880,000,000	Surplus profit distributed in the form of new shares: 72,000,000 Capital surplus transferred to common stock: 72,000,000 Capitalization of employee bonus: 16,000,000	None	1999.08.13 (1999) Yuan-Shang-Zi No. 017381

Date	Issue price	Authorized capital		Paid-in capital		Note		
		Number of shares	Amount	Number of shares	Amount	Sources of capital	Capital increase by assets other than cash	Date of approval and document No.
2000.8	10	120,000,000	1,200,000,000	117,700,000	1,177,000,000	Surplus profit distributed in the form of new shares: 220,000,000 Capital surplus transferred to common stock: 44,000,000 Capitalization of employee bonus: 33,000,000	None	2000.08.17 (2000) Yuan-Shang-Zi No. 017790
2000.10	10	158,000,000	1,580,000,000	121,100,000	1,211,000,000	Capital increase in connection with a merger: 34,000,000	None	2000.10.16 (2000) Yuan-Shang-Zi No. 023334
2001.7	10	219,600,000	2,196,000,000	161,400,000	1,614,000,000	Surplus profit distributed in the form of new shares: 339,080,000 Capitalization of employee bonus: 63,920,000	None	2001.07.20 (2001) Yuan-Shang-Zi No. 018238
2002.9	10	219,600,000	2,196,000,000	189,600,000	1,896,000,000	Surplus profit distributed in the form of new shares: 193,680,000 Capital surplus transferred to common stock: 48,420,000 Capitalization of employee bonus: 39,900,000	None	2002.09.10 (2002) Yuan-Shang-Zi No. 0910022422
2003.8	10	219,600,000	2,196,000,000	216,300,000	2,163,000,000	Surplus profit distributed in the form of new shares: 189,600,000 Capital surplus transferred to common stock: 37,920,000 Capitalization of employee bonus: 39,480,000	None	2003.08.15 (2003) Yuan-Shang-Zi No. 0920022569
2004.8	10	273,200,000	2,732,000,000	233,000,000	2,330,000,000	Surplus profit distributed in the form of new shares: 129,780,000 Capitalization of employee bonus: 37,220,000	None	2004.08.12 (2004) Yuan-Shang-Zi No. 0930022213
2004.11	-	273,200,000	2,732,000,000	225,000,000	2,250,000,000	Buying-back of shares for capital reduction: 80,000,000	None	2004.11.29 (2004) Yuan-Shang-Zi No. 0930033041
2005.3	-	273,200,000	2,732,000,000	220,000,000	2,200,000,000	Buying-back of shares for capital reduction: 50,000,000	None	2005.3.4 (2005) Yuan-Shang-Zi No. 0940005059
2007.4	-	273,200,000	2,732,000,000	217,000,000	2,170,000,000	Buying-back of shares for capital reduction: 30,000,000	None	2007.04.04 (2007) Yuan-Shang-Zi No. 0960008049
2007.8	-	273,200,000	2,732,000,000	223,510,000	2,235,100,000	Capital surplus transferred to common stock: 65,100,000	None	2007.08.28 (2007) Yuan-Shang-Zi No. 0960023210
2008.8	10	330,000,000	3,300,000,000	246,800,000	2,468,000,000	Surplus profit distributed in the form of new shares: 201,159,000 Capitalization of employee bonus: 31,741,000	None	2008.08.28 (2008) Yuan-Shang-Zi No. 0970023940
2013.2	-	330,000,000	3,300,000,000	246,000,000	2,460,000,000	Buying-back of shares for capital reduction: 8,000,000	None	2013.02.05 (2013) Yuan-Shang-Zi No. 1020004410

Date	Issue price	Authorized capital		Paid-in capital		Note		
		Number of shares	Amount	Number of shares	Amount	Sources of capital	Capital increase by assets other than cash	Date of approval and document No.
2013.8		330,000,000	3,300,000,000	221,400,000	2,214,000,000	Capital reduction: NT\$ 246,000,000	None	2013.08.15 (2013) Yuan-Shang-Zi No. 1020024483
2016.8	-	330,000,000	3,300,000,000	222,020,000	2,220,200,000	Restricted stock for employees: 6,200,000	None	2016.8.18 (2016) Zhu-Shang-Zi No. 1050023044
2017.4	-	330,000,000	3,300,000,000	222,600,000	2,226,000,000	Restricted stock for employees: 5,800,000	None	2017.04.27 (2017) Zhu-Shang-Zi No. 1060010911
2017.11	-	330,000,000	3,300,000,000	222,573,000	2,225,730,000	Cancel the restricted stock for employees: 270,000	None	2017.11.16 (2017) Zhu-Shang-Zi No. 1060031382
2018.5	-	330,000,000	3,300,000,000	222,559,000	2,225,590,000	Cancel the restricted stock for employees: 140,000	None	2018.05.14 (2018) Zhu-Shang-Zi No. 1070014167
2018.8	-	330,000,000	3,300,000,000	178,044,400	1,780,444,000	Capital reduction: NT\$ 445,146,000	None	2018.08.14 (2018) Zhu-Shang-Zi No. 1070023478
2019.5	-	330,000,000	3,300,000,000	178,014,441	1,780,144,410	Cancel the restricted stock for employees: 299,590	None	2019.05.13 (2019) Zhu-Shang-Zi No. 1080012988
2020.3	-	330,000,000	3,300,000,000	178,009,961	1,780,099,610	Cancel the restricted stock for employees: 44,800	None	2020.03.03 (2020) Zhu-Shang-Zi No. 1090005867
2024.3	10	330,000,000	3,300,000,000	178,011,594	1,780,115,940	Convertible bonds converted into ordinary shares: 16,330	None	2024.03.08 (2024) Zhu-Shang-Zi No. 1130007104
2025.9	10	330,000,000	3,300,000,000	201,528,074	2,015,280,740	The issuance of new shares amounts to NT\$235,164,800 due to acquisition.	None	2025.09.18 (2025) Zhu-Shang-Zi No. 1140029185
2025.12	10	330,000,000	3,300,000,000	199,928,074	1,999,280,740	Buying-back of shares for capital reduction: 16,000,000	None	2025.12.22 (2025) Zhu-Shang-Zi No. 1140040062

Note: The Company issued its first domestic unsecured convertible corporate bonds from March 18, 2026, to March 30, 2026. A total of 165,101 shares were applied for conversion into common stock, with a par value of NT\$10 per share, amounting to NT\$1,651,010. After the Company processed the conversion of corporate bonds into common stock and issues new shares, it will proceed with the registration of capital change.

Information on the general reporting system: None.

As of February 28, 2026.

Types of shares	Authorized capital			Note
	Issued shares	Unissued shares	Total	
Common stock	199,928,074	130,071,926	330,000,000	Listed company stock

(II) List of major shareholders

March 31, 2026

Name of major shareholder	Shares	Number of shares held	Shareholding ratio
Gain First Investments Limited		4,132,049	2.07%
HSBC Bank in Custody for Morgan Stanley International Limited Special Account		3,324,596	1.66%
Sam Lin		2,967,000	1.48%
BEST HOSE FAMILY ENTERPRISE CO., LTD		2,532,000	1.27%
James Chou		2,433,829	1.22%
JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard Emerging Markets Stock Index Fund, a Series of Vanguard International Equity Index Funds		2,344,567	1.17%
HSBC Bank (Taiwan) Limited in Custody for Goldman Sachs International Investment Trust		2,221,329	1.11%
Chongyou Investment Co., Ltd.		1,930,000	0.96%
JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds		1,912,182	0.96%
Kuo-Cheng Yang		1,901,000	0.95%

(III) Dividend Policy and Implementation Status

1. Dividend Policy:

The Company must consider the soundness and stability of its financial structure for the distribution of dividends. It shall also determine the ratio of the cash dividends and stock dividends distributed in the current year based on requirements for the Company's growth. The distribution of earnings for the current year shall be based on the principle of no less than fifty percent (50%) of the accumulated distributable earnings, and the distribution ratio of cash dividends shall no less than ten percent (10%) of the total dividends.

2. Proposed dividend distribution for the current year:

The Company's 2025 distribution plan for earnings was adopted by the board meeting on March 11, 2026. The Board of Directors, in accordance with the provisions of the Company's Articles of Association, proposed that no earnings will be distributed for 2025. Instead, a cash dividend of NT\$2 per share will be distributed from capital surplus, totaling NT\$394,212,148.

(IV) The impact of the gratuitous allotment of shares proposed at this Shareholders' Meeting on the Company's operating performance and earnings per share: None.

(V) Remuneration for employees and directors:

1. Percentage or range of remuneration for employees and directors as set out in the Articles of Association:

The Company shall allocate 11% to 15% of the Company's pre-tax profit of the current period before deducting the employees' remuneration and Directors' remuneration of the year as employees' remuneration and no more than 4% as Directors' remuneration. Of the total employee remuneration, an amount of no less than 1% shall be allocated for distribution to grassroots employees. However, if the Company has accumulated losses (including adjustment on non-distributed earnings), the Company shall set aside a part of the profit first to make up for the losses.

The remuneration in the preceding paragraph shall be in stock or cash and shall include the employees of the subsidiaries who meet the conditions set by the Board of Directors. The Directors' remuneration specified in the preceding paragraph shall only be distributed in cash.

The procedures in the two preceding paragraphs must be approved by the Board of Directors and reported to the shareholders' meeting.

2. Basis for estimating the amount of remuneration for employees and directors, basis for calculating the number of shares to be distributed as stock dividends, and accounting treatment for any differences between the actual amounts distributed and the estimated amounts:

If there is a significant change in the amount of payment resolved by the Board of Directors prior to the date of approval of the annual financial report, the change shall be considered as the annual expense. If there is still a change in the amount after the date of approval of the annual financial report, the change shall be treated as a change in accounting estimate and recorded in the following year.

The estimated amount of employee compensation and directors' compensation at the end of 2025 is the same as the amount resolved by the Board of Directors on March 11, 2026.

3. The distribution of remuneration approved by the Board of Directors:
 - (1) Distribute employees and directors' compensation in cash or stock. If there is any discrepancy between the amount recognized and the amount estimated in the year of expense recognition, the amount of the discrepancy, the reason for the discrepancy, and the treatment therefore shall be disclosed:

On March 11, 2026, the Board of Directors decided to allocate NT\$ 80,878,293 to employees and NT\$ 20,219,572 to directors. There are no discrepancies between the employees' remuneration and Directors' remuneration and the amount estimated in 2025.
 - (2) Amount of Employee Compensation Distributed in Stock and its Proportion to the Aggregate Amount of Net Income After Tax and Total Employee Compensation in the Parent Company Only or Individual Financial Statements for the Period: None.

4. Information on Distribution of Compensation of Employees, Directors, and Supervisors (With an Indication of the Number of Distributed Shares, Monetary Amount, and Stock Price) And, If There Is Any Discrepancy Between the Actual Distribution and the Recognized Employee, Director, or Supervisor Compensation, Additionally the Discrepancy, Cause, and How It Is Treated:

In 2024, the Company allotted NT\$44,964,742 in cash dividends to employees and NT\$11,241,185 in remuneration to directors and supervisors. The actual allotment was not different from the proposed allotment approved by the Board of Directors.

(VI) Share Repurchases:

1. Shares repurchased:

Term of buyback	9th (term)
Purpose of buyback	Transfer of shares to employees
Buyback period	2021.11.8~2021.12.30
Range of price	65~110
Type and number of shares repurchased	Common shares: 1,500,000
Amount of shares repurchased	NT\$138,234,997
Percentage of repurchased quantity to scheduled repurchase quantity (%)	100%
Number of shares eliminated and transferred	637,000 shares
Cumulative number of shares	863,000 shares
Ratio of cumulative number of shares held to total number of shares issued (%)	0.43%

Term of buyback	10th (term)
Purpose of buyback	Transfer of shares to employees
Buyback period	2024.4.18~2024.4.25
Range of price	62~75
Type and number of shares repurchased	Common shares: 1,000,000
Amount of shares repurchased	NT\$60,682,106
Percentage of repurchased quantity to scheduled repurchase quantity (%)	100%
Number of shares eliminated and transferred	0 share
Cumulative number of shares	1,863,000 shares
Ratio of cumulative number of shares held to total number of shares issued (%)	0.93%

Term of buyback	11th (term)
Purpose of buyback	Transfer of shares to employees
Buyback period	2024.8.9~2024.8.15
Range of price	45~65
Type and number of shares repurchased	Common shares: 1,200,000
Amount of shares repurchased	NT\$66,985,745
Percentage of repurchased quantity to scheduled repurchase quantity (%)	100%
Number of shares eliminated and transferred	241,000 shares
Cumulative number of shares	2,822,000 shares
Ratio of cumulative number of shares held to total number of shares issued (%)	1.41%

Term of buyback	12th (term)
Purpose of buyback	Maintain company credit and shareholder equity
Buyback period	2025.11.28~2025.12.3
Range of price	35~55
Type and number of shares repurchased	Common shares: 1,600,000
Amount of shares repurchased	NT\$75,553,393
Percentage of repurchased quantity to scheduled repurchase quantity (%)	100%
Number of shares eliminated and transferred	1,600,000 shares
Cumulative number of shares	2,822,000 shares
Ratio of cumulative number of shares held to total number of shares issued (%)	1.41%

2. Shares under repurchase: None.

II. Insurance of corporate bonds (including overseas corporate bonds):

(I) Outstanding Corporate Bonds:

Types of corporate bond	Domestic unsecured convertible corporate bonds (first issuance)
Date of Issuance	September 11, 2023
Face Value	Each bond has a face value of NT\$ 100,000
Place of Issuance and Trading	-
Issue price	According to 112.15% of the face value
Total Amount	NT\$ 1,100,000,000
Interest Rate	Coupon Rate: 0% per annum
Term	3-year term Maturity Date: September 11, 2026
Guarantee Institution	Not applicable
Trustee	Taishin International Bank
Underwriting Institution	Taishin Securities Co., Ltd.
Lawyer	Charles Ya-Wen Chiu
CPA	Deloitte Taiwan
Repayment Method	The outstanding principal will be repaid in cash in full, based on the face value of the bond upon maturity.
Outstanding Principal	NT\$1,091,100 thousand
Redemption or Early Repayment Provisions	Please refer to the terms and conditions outlined in the issuance and conversion procedures
Restrictive covenants	Not applicable
Credit Rating Agency Name, Rating Date, Corporate Bond Rating Result	Not applicable
Other Rights Attached	The amount converted (exchanged or subscribed) into common shares, overseas depository receipts, or other securities As of March 31, 2026, 89 bonds have been converted, with a total face value of NT\$8,900 thousand, converted into 166,734 common shares.

Types of corporate bond		Domestic unsecured convertible corporate bonds (first issuance)
	as of the printing date of the annual report.	
	Issuance or Conversion (Exchange or Subscription) Procedure	Please refer to the terms and conditions outlined in the issuance and conversion procedures
The issuance and conversion, exchange, or subscription procedures, issuance conditions, potential dilution of equity, and impact on existing shareholders' equity		Based on the current conversion price of NT\$53.3, the maximum dilution effect of the convertible bonds issued in this round on existing shareholders is estimated to be approximately 10.23%. However, the dilution effect of convertible bonds on equity depends on the conversion situation and occurs gradually, thereby having a mitigating effect. Therefore, overall, the dilution impact on equity is considered to be limited.
Name of Custodian Institution for Exchange Targets		Not applicable

(II) Outstanding corporate bonds: None

(III) Conversion of corporate bond information:

Types of corporate bond		Domestic unsecured convertible corporate bonds (first issuance)	
Items	Year	2025	As of March 31, 2026
	Conversion of corporate bond market value		
	Highest	119.4	133
	Lowest	98.9	108.05
	Average	108.07	115.34
Conversion price		53.3	53.3
Issue date and conversion price at issuance		September 11, 2023 NT\$61.2	
Method of Fulfilling Conversion Obligations		Issuance of New Shares	

III. Insurance of preferred shares: None.

IV. Overseas depositary receipts: None.

V. Insurance of employee stock options: None.

VI. Restricted stock for employees: None.

VII. Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies

(I) Mergers or acquisitions, or issuances of new shares for acquiring shares of other companies, completed during the most recent fiscal year and up to the date of publication of this annual report:

1. Weltrend Semiconductor, Inc. (hereinafter referred to as Weltrend) has obtained all issued shares of Sentelic Corporation (hereinafter referred to as Sentelic) excluding those already held by Weltrend through the issuance of new shares via share swap. This has been reported and took effect in accordance with Tai-Zheng-Shang-Yi No. 1140011900 of Taiwan Stock Exchange Corporation dated July 14, 2025. The base date for share swap was set for September 8, 2025. The change of registration has been completed in accordance with Zhu-Shang-Zi No.1140029185 of National Science and Technology Council, Hsinchu Science Park Administration on September 18, 2025. In accordance with Article 9, Paragraph 1, Subparagraph 8 of the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers", Weltrend has engaged its lead securities underwriter to assess the impact on Weltrend's finances, businesses, and shareholder equity regarding the issuance of new shares through the share swap to acquire all issued shares of Sentelic, excluding those already held by Weltrend, as of the end of the first quarter of 2026. The assessment opinions are as follows:

(1) Impact on the Company's Finance

After the completion of share swap, the resources of both parties will be fully integrated. This will not only reduce financial and management costs but also enhance mutual profitability. Given that the overall profitability of Sentelic is stable and favorable, the investment income recognized by Weltrend following this share swap will be conducive to increasing Weltrend's profitability. According to Weltrend's financial report for 2025, Sentelic's net profit for the period is NT\$121,723 thousand in 2025, and Weltrend recognizes the investment income of Sentelic of NT\$53,800 thousand.

(2) Impact on Company's Business

Weltrend and Sentelic are primarily engaged in IC design; however, their terminal application products and main customer base differ significantly. Upon the completion of this share swap, the range of product applications will be more comprehensive, providing customers with a one-stop shopping services. Through the benefits of cross-selling, market share will be enhanced. Additionally, by strengthening the integration of R&D resources from both parties, the development and introduction of new technologies and products will be accelerated, thereby amplifying future business marketing capabilities. Therefore, this share swap between the two parties will have a positive impact on the company's business.

(3) Impact on Company's shareholder equity

After the completion of this share swap, Weltrend will issue 23,516,480 new shares to other shareholders of Sentelic for the swap. The newly issued shares from this swap will account for approximately 11.67% of Weltrend's share capital after the issuance of new shares. Through this share swap, both parties will exchange and integrate their respective niche products, specialized research and development areas, and business marketing resources. This will not only reduce operating costs but also strengthen complementary effects in business marketing and market competitiveness, thereby creating positive value for the company's shareholders.

(4) Has the benefit of the acquisition become apparent?

Through this share swap, Weltrend issued new shares to acquire all issued shares of Sentelic excluding those already held by Weltrend. By fully integrating and sharing their respective resources, the company will be better positioned to accelerate the development and introduction of new technologies and products. This, in turn, will enhance its competitive advantage and create a synergistic effect on future marketing capabilities and provide positive benefits to the company's finances, business, and shareholders' equity. Furthermore, looking at Weltrend's earnings performance for 2025: following the completion of this share swap and the benefits of cross-selling, Weltrend's operating revenue for 2025 grew by 15.32% compared to 2024. Moreover, due to the full integration of resources between both parties, net income for the period saw a significant increase of 90.95% compared to the same period last year. Therefore, in the long term, as the future business integration plans are progressively implemented, the benefits of this share swap will gradually become apparent.

(II) During the most recent fiscal year and up to the date of publication of this annual report, the Board of Directors has approved mergers or acquisitions, or issuances of new shares for acquiring shares of other companies

1. In line with the Company's long-term development strategy, the Company and its 51.04% originally owned subsidiary, Sentelic Corporation (hereinafter referred to as "Sentelic"), respectively resolved at their board meetings held on March 7, 2025, to proceed with a merger through a share swap. On May 26, 2025, the Shareholders' Meeting of Sentelic approved the share swap; the Company issued 23,516,480 new shares to conduct the share swap with Sentelic. This share swap was completed on September 8, 2025, making Sentelic a 100% owned subsidiary of the Company. It is hoped that this will integrate the resources of both parties, expand operational scale, and strengthen market competitiveness.

2. Basic Information Table of the Acquired and Transferred Company

Unit: NT\$ thousand

Company name		Sentelic Corporation
Address		6F., No. 88, Zhouzi St., Neihu Dist., Taipei City
Responsible person		Sam Lin
Paid-in capital		300,218
Main business activities:		Integrated circuit (IC) development and design, analog circuit design, digital signal processing, and application software development.
Main products		Fan motor driver controller: Server hosts and power supplies, telecommunications equipment, data center power supplies, network switches and routers, high-end gaming graphics cards, liquid-cooled fans for gaming PCs, uninterruptible power systems (UPS), home appliances, EV charging stations, solar power inverters, bitcoin mining machines, AI servers, and liquid cooling pumps.
Financial data for the most recent fiscal year	Total assets	870,343
	Total liabilities	134,004
	Total shareholders' equity	736,339
	Net sales	669,072
	Gross profit	278,834
	Operation profit and loss	138,103
	Profit or loss	121,723
	Earnings per share (NTD)	4.05

Source: The implementation status of the financial information of the parent company only financial statements for 2025, audited by the CPA of Sentelic Corporation.

VIII. Implementation of capital utilization plan:

(I) Content of Capital Utilization Plan:

As of one quarter prior to the publication date of the Annual Report, previous offerings or private placements of securities have not been completed, or have been completed within the last three years and the planned benefits have not been realized: None.

(II) Implementation status: None.

Chapter 4 Operating Status

I. Business Activities

(I) Scope of business

1. Main content of the Company's business:

Research, develop, manufacture, test and sell integrated circuit products for various applications.

2. Proportion of main product sales:

Unit: NT\$ thousand

Main products	Amount of operating revenue in 2025	Proportion of Business
Power and analog	1,188,304	33%
Smart applications	1,195,808	34%
Sales of electronic components	1,184,528	33%
Total	3,568,640	100%

3. Current products (services):

(1) Self-developed, produced and sold products: power management and analog ICs, smart application ICs.

(2) Concurrent business: integrated application and sales of international famous brand electronic components.

4. Planned new products (services):

(1) Power management and analog ICs:

- USB Type-C PD (Power Delivery), and other protocol controllers, primary-side PWM power control ICs, and synchronous rectification control ICs for USB Type-C wall chargers, car chargers, and power banks. In response to the trend towards high efficiency and miniaturization of chargers, the Company will also collaborate with Gallium Nitride (GaN) or MOSFET manufacturers to introduce highly integrated System-in-Package (SiP) encapsulated products. The Company will also develop more energy-efficient products to meet the latest energy efficiency regulations.
- Developed a USB Type-C PD control chip for use in devices such as laptops.
- Secondary-side supervisor ICs for switched power supply (SPS).

(2) Smart application ICs:

- Air cooling solutions, such as highly integrated smart fan motor driver and controller.
- Liquid cooling solutions, such as pump motor controller, leakage detection ICs, and water gate controller.
- Used for motor driver ICs in vehicles, office equipment, robotic arms, and humanoid robot joints.
- Used for magnetic stripe decoding IC and smart card interface IC in POS.

- A series of general-purpose 8-bit and 32-bit microcontrollers.

(3) Customer-specific customized IC (ASIC)

These are specialized and exclusive products tailored to meet the specific requirements of customers. After registration, they will be classified according to product attributes into either power and analog or smart applications.

(II) Industry overview

1. Current situation and development of the industry:

According to the Industrial Technology Research Institute (ITRI) of Taiwan, the estimated output value of Taiwan's IC industry in 2025 is expected to reach NT\$652.25 billion (USD\$209.1B), a 22.7% increase compared to 2024. Among this, the output value of the IC design sector is NT\$142.45 billion (USD\$45.7B), growing by 12.0% from 2024; the IC manufacturing sector is NT\$438.69 billion (USD\$140.6B), growing by 28.3% from 2024, with wafer foundry accounting for NT\$416.93 billion (USD\$133.6B), growing by 28.5% from 2024, and memory and other manufacturing reaching NT\$21.76 billion (USD\$7.0B), growing by 23.8% from 2024. The IC packaging sector is NT\$48.25 billion (USD\$15.5B), growing by 14% from 2024; the IC testing sector is NT\$22.86 billion (USD\$7.3B), growing by 14.2% from 2024.

According to World Semiconductor Trade Statistics (WSTS), the total revenue of the global semiconductor market in 2025 was US\$791.7 billion, which was a significant growth of 25.6% compared to 2024, maintaining the high-growth momentum experienced in 2024. Looking back at the semiconductor industry in recent years, it experienced a historic peak in 2021 due to the pandemic-driven demand for personal and household electronics, with both volume and prices rising due to material shortages. Starting in the second half of 2022, however, the industry entered a period of inventory adjustment, driven by factors such as inflation, war, and the normalization of post-pandemic life and work, which led to a sharp decline in end-user demand. This inventory adjustment lasted for almost a year and a half. In 2024, however, strong growth was fueled by the AI boom, with the momentum continuing into 2025. The Taiwanese IC design industry has also experienced the aforementioned developments. Although its overall relevance to AI is not as high as that of major American manufacturers, it continued to grow by 12% in 2025.

The statistics and estimated output value of Taiwan's IC industry in 2025 are shown in the following table

Unit: NT\$ 100 million

	2024	2025	Annual growth
Output value of IC design industry	12,721	14,245	12.0%
Output value of IC manufacturing industry	34,195	43,869	28.3%
Output value of IC packaging industry	4,233	4,825	14%
Output value of IC test industry	2,002	2,286	14.2%
Total output value	53,151	65,225	22.7%

(Source: TSIA; ISTI of ITRI, February 2026)

Looking ahead to 2026, it is anticipated that the demand for AI smartphones and other edge computing chips will continue to expand. Additionally, collaboration with Cloud Service Providers on ASICs is expected to gradually transition into large-scale production, contributing to revenue. The ongoing efforts in automotive and industrial control chips are also expected to yield significant returns, all of which will contribute to a further increase in the output value of the IC design industry. ITRI Industrial Economics and Knowledge Center estimates that the output value of Taiwan's IC industry in 2026 will be approximately NT\$7.72 trillion, representing a year-on-year growth of 18.3%. Among this, the IC design sector is expected to reach an output value of approximately NT\$1.52 trillion, growing by 6.8% year-on-year, continuing to grow moderately.

2. The relationship between the upstream, mid-stream and downstream of the industry:

Taiwan has a sound division of labor system in IC industry. Its design, manufacturing, packaging, testing play a pivotal role in the supply chain of the global electronics industry. The IC design industry leads the planning, R&D, application and sales of IC products, serving as an important bridge between the semiconductor industry and the electronic product industry. The relationship between the upstream, mid-stream and downstream of the industry:

- The upstream of IC design industry involves wafer, packaging, testing and other cooperative OEMs. Our main strategic partners are the world's leading wafer fabs. Almost all of our packaging is done by professional packaging companies in Taiwan, and most of testing is done by ourselves.
- IC design provides product planning, development, sales and technical services. Midstream involves the application solution providers and agents, responsible for promoting IC products to the client side. Our agents are classified according to the product characteristics, and we select suitable agents based on the marketing ability, technical support and other professional abilities.
- The downstream of the IC design industry involves the clients who buy ICs, i.e. users of ICs. Usually, they are electronic product manufacturers who assemble and integrate ICs into the finished products.

3. Various development trends and competition faced by products:

In recent years, the hot fields in the electronics industry include high-performance computing, network communications, audio-visual multimedia, storage memory devices, network communication, audio-visual multimedia, storage and memory devices, artificial intelligence, Internet of Things, smart power supply, sports monitoring watches and bracelets, mobile payment, advanced driver assistance systems, etc. Moreover, each of these fields can integrate artificial intelligence (AI) functionality, enabling devices to possess learning and problem-solving capabilities. With many years of experience, our products focus on power, video, motor control, consumer electronics and other fields. In a broad sense, our products can be categorized into the current hot fields such as power management, smart vision, and intelligent control, which are in line with the current global development trend. The specific examples are as follows:

- (1) Power management: Switched power supplies for desktop computers,

servers, game consoles, and fast-charging chargers and corresponding devices for mobile phones, tablets, laptops, game consoles, etc., which support USB Type-C PD or Qualcomm Quick Charge 3+/4/4+/5/5+.

- (2) Smart vision: Smart camera processing ICs with image detection and identification and AI technology can be applied to advanced driver assistance systems (ADAS), security or smart production. We also have ISP ICs for automotive, industrial control, and consumer product lenses and ICs for projectors with intelligent auto adjustment function.
- (3) Smart controller: Thermal solutions include air cooling solutions such as smart fan motor driver and controller, as well as liquid cooling solutions such as pump motor controller. These are primarily applied in servers (including AI servers), 5G base stations, charging piles, solar power inverters, mining machines, graphics cards, etc. ICs for POS payment, and various 8-bit or 32-bit MCUs.

All of the above are the current hot areas, with large development potential. However, electronic products are rapidly evolving, and IC designers not only have to quickly develop the products required by the market, but also have to invest heavily in technical manpower and R&D material costs, making competition very fierce. With the advantages of functional differentiation, excellent quality, reasonable price, stable delivery, our products won the recognition of clients.

(III) Technology and R&D overview

1. R&D expenditures in the most recent year and up to the publication date of the Annual Report:

A total of NT\$472,602 thousand was spent on R&D in 2025.

2. Developed successful technologies or products:

Up to now, the Company (including its subsidiary Sentelic Corporation) has obtained a total of 228 patents, with 24 applications currently in progress. The technologies or products that have been successfully developed are described as follows:

(1) Power and analog

- Supervisor ICs for secondary-side power supply monitoring: We provide a series of ICs for the power supplies of personal computers, servers, and game consoles. These ICs are widely used by domestic and foreign power supply manufacturers. The programmable function of the latest generation of digital power supervisor ICs allows clients to design more flexible products, help clients shorten development cycle and lower development risks.
- USB PD (source) and other fast-charging control ICs: Suitable for USB Type-C connector chargers, support fast-charging function, the whole series of ICs have passed the USB-IF certification and have been adopted by many international manufacturers of notebook computer and mobile phones. With the evolution of USB PD specifications, we have successfully developed a series of products with the latest USB PD 3.1 specifications ahead of the industry. We also have fast-charging ICs for cell phones and tablets with specifications such as Qualcomm Quick Charge and proprietary fast-charging specifications for well-known Chinese cell phone brands. Among them, Qualcomm Quick Charge

3+/4/4+/5/5+ control IC is the first Qualcomm-certified and mass-produced IC in the world.

- USB PD fast-charging control ICs with Dual Role for Power (DRP) is suitable for devices using the USB Type-C interface, such as notebooks, hubs, and power banks, providing both power receiving and supplying capabilities. The whole series of product includes single port and dual port USB PD control ICs, offering voltage levels of 28V or 48V, and supporting fast charging capabilities of up to 140W or 280W.
- Primary-side PWM power control ICs: We provide PWM (pulse width modulation) and synchronous rectification (SR) control ICs for switching power supply. which include comprehensive power protection features and control modes to enhance system efficiency. Our ICs also support GaN or MOSFET co-packaging for increased performance. The Company will also develop more energy-efficient products to meet the latest energy efficiency regulations. At present, a series of reference designs compatible with USB Type-C PD and Quick Charge fast charging have been successfully completed. These designs assist power supply designers in developing high-performance and highly reliable power products in the shortest possible time, and have already been successfully introduced into mass production.

(2) Smart applications

- Advanced driver assistance system (ADAS): The around view monitor (AVM) and smart camera ICs are used in the vehicle safety assistance system, with the functions of 360-degree panoramic view, road drift warning, motion detection and blind spot detection to reduce the blind spot and improve driving safety. In response to the needs of intelligent projectors, we have developed ICs for projectors with intelligent auto adjustment function.
- ISP ICs for automotive, industrial control, and consumer product lenses.
- Magnetic stripe decoder ICs, interface ICs, and QR Code Reader ICs for POS devices.
- Cooling chips used in 5G servers, base stations, charging piles, solar power inverters, mining machines, and graphics cards. These include high-integration intelligent fan motor driver and controller for air-cooling solutions, as well as pump motor control, leakage detection, and water gate control ICs for liquid-cooling solutions.
- A series of general-purpose 8-bit and 32-bit MCUs: Continuous development of highly-integrated single chips for small home appliances, motors, toys, game input devices, USB keyboards, mice, etc.

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

1. Continuous development of new products

Short-term: Constantly improve the function and yield of existing products to strengthen product competitiveness. The product lines for Japanese companies also constantly develop new products to facilitate the promotion of the Company.

Long-term: To align with the upcoming market trends, our plan is to develop a range of products that leverage our existing technology and product base. The specific plans are as follows:

(1) Power management and analog ICs:

- USB Type-C PD (Power Delivery), and other protocol controllers, primary-side PWM power control ICs, and synchronous rectification control ICs for USB Type-C wall chargers, car chargers, and power banks. In response to the trend towards high efficiency and miniaturization of chargers, the Company will also collaborate with GaN or MOSFET manufacturers to introduce highly integrated System-in-Package (SiP) encapsulated products.
- Developed a USB Type-C PD control chip for use in devices such as laptops.
- Secondary-side supervisor ICs for switched power supply (SPS).
- Battery management chip.

(2) Smart application ICs:

- High-integration intelligent fan motor driver and control ICs for air-cooling solutions.
- ICs for liquid-cooling solutions, including pump motor control, leak detection, and water gate control.
- Used for motor driver ICs in vehicles, office equipment, robotic arms, and humanoid robot joints.
- A series of general-purpose 8-bit and 32-bit microcontrollers.

(3) Customer-specific customized IC (ASIC)

These are specialized and exclusive products tailored to meet the specific requirements of customers. After registration, they will be classified according to product attributes into either power and analog or smart applications.

2. Continuous expansion of new markets

Short-term: Stabilize the existing client base, constantly introduce new models; develop new client base, and actively promote our products.

Long-Term: Actively expand client base, strengthen and expand cooperation with agents, and contact more with international manufacturers, exploring emerging markets such as India and Vietnam, and further pursuing business opportunities with international end customers.

II. Market, production, and marketing overview

(I) Market analysis

Our products are mainly sold in Taiwan, China, South Korea, Southeast Asia. Etc. Our products cover all major international brands in the world. In the past two years, the sales proportion by region is as follows:

Unit: NT\$ thousand

Year	2024		2025	
	Amount	Amount	Amount	Proportion (%)
Taiwan	665,425	22%	714,334	20%
China	2,306,337	74%	2,607,000	73%
Other countries	122,857	4%	247,306	7%
Total	3,094,619	100%	3,568,640	100%

In terms of self-developed products, our two product lines have been developed in a

balanced manner and our product structure is quite sound. The market share and future supply and demand of the Company, its subsidiary Dongguan Prosil Electronics Co., Ltd., and the newly acquired Sentelic Corporation, are described as follows:

- Power management and analog ICs:
 - (1) The Company's secondary-side supervisor ICs hold the latest generation of digital power supervisor ICs in the SPS industry for PCs and game consoles. The programmable function allows clients to design more flexible products, help clients shorten development cycle and lower development risks.
 - (2) In response to the market demand for fast charging, many international manufacturers have introduced USB Type-C PD and other fast-charging control ICs, leading the market share. We will continue to develop fast-charging control ICs for laptops, mobile phones, tablets, game consoles and after-sales markets.
 - (3) The primary-side PWM power control ICs pairing with USB Type-C PD control ICs have been put into mass production in 2019. We will utilize the technical advantages of the product and our high market share in USB Type-C PD control ICs, and constantly promote the overall optimization program.
- Smart application ICs:
 - (1) Leveraging the technology of recently acquired subsidiary, Sentelic Corporation, our smart fan motor drive and control ICs hold a market share of over 30% in the server cooling fan market. They are also utilized in 5G base stations, charging stations, solar power inverters, mining machine, graphics cards, and other related products.
 - (2) Financial payment related chips, such as POS magnetic stripe decoder Ics and interface ICs, have stable market share due to high entry barriers for latecomers and security authentication requirements. QR code reader IC supports multiple payment methods and can be used in industrial and consumer electronics.
 - (3) Our line of 8-bit and 32-bit general-purpose MCUs offers a comprehensive range of computing speeds and power requirements, making them suitable for various products, such as computer and gaming peripherals, small home appliances, household healthcare devices and industrial controls, etc. These MCUs have been successfully introduced by numerous clients and maintain stable shipment levels.

In terms of agent products, the market share and future supply and demand of the Company and its subsidiary Dongguan Prosil Electronics Co., Ltd. are described as follows:

1. With the head office's existing R&D capabilities and actual performance, we will enhance technical support to clients and improve operational performance in key client base and important industries such as automotive, power and motor.
2. Keep abreast of client dynamics and market information, introduce complementary product lines at the proper time, strengthen our competitiveness and create more value to clients.
3. Make good use of our information system to keep abreast of the latest inventory and market trends, review the incoming and outgoing inventory regularly, maintain good stock quality, and keep the best supply condition at all times.

4. Our subsidiary Dongguan Prosil Electronics Co., Ltd has been taking over the business of Taiwanese companies transferred to Dongguan and actively promoting the mature application solutions from Taiwan to the local potential clients to generate new revenue.

The advantages and disadvantages of the Company's future development are listed as follows:

- Advantages:
 1. Good professional and brand image is conducive to the development of new products.
 2. The sound financial status is conducive to responding to current and unforeseen market conditions.
 3. Our test factory can provide the best services to clients.
 4. Deep relationships with key OEM partners provide competitive supply chain advantages.
 5. We are a distributor of internationally renowned brands of electronic components for integrated applications and sales, which is conducive to providing clients with total solution.
 6. By gradually establishing relationships with brand manufacturers and gaining trust, we can obtain specifications early and facilitate product development.
- Disadvantages:
 1. Wafer foundry has experienced price increases over the past few years due to factors such as tight production capacity and rising raw material costs, which have had a slight impact on profitability.
 2. Uncertainties such as the war, geopolitics, and inflation may affect end-user consumption.
 3. China's supply chain is supported by national policies, making competition unfair. As a result, the market and profit margins are facing challenges.

(II) Important applications and production process of major products

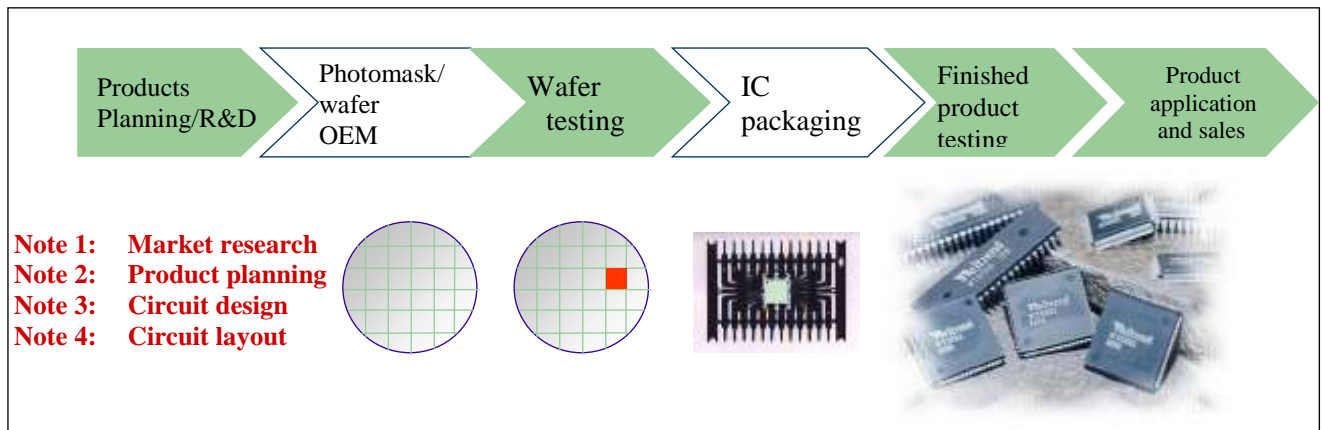
1. Important uses of major products

Primary uses	Product family
Power management	<ol style="list-style-type: none"> 1. Supervisor ICs of switched power supplies for desktop computers, servers, game consoles, and fast-charging chargers for mobile phones, tablets, laptops, game consoles, electric bicycles, etc., which support USB Type-C PD or Qualcomm Quick Charge 3+/4/4+/5 /5+ IC. 2. This applies to devices that can serve dual roles of receiving and supplying power, such as notebooks, hubs, and power banks, and fast charging ICs that supports USB Type-C PD.
Imaging solution	<ol style="list-style-type: none"> 1. Smart camera processing ICs with image detection and identification and AI technology can be applied to advanced driver assistance systems (ADAS), security or smart production. 2. ISP ICs for automotive, industrial control, and consumer product lenses. 3. ICs for projectors with intelligent auto adjustment function.

Primary uses	Product family
Smart controller	<ol style="list-style-type: none"> Used in thermal management for servers, 5G base stations, EV charging stations, solar power inverters, mining machines, and graphics cards, including high-integration intelligent fan motor driver and controller for air-cooling solutions, as well as related ICs for liquid-cooling solutions. ICs for POS payment. A series of general-purpose 8-bit and 32-bit microcontrollers, used in consumer electronics such as personal computers and gaming peripherals.

2. Manufacturing process

As shown below, the Company is positioned as a Fabless IC Company, commonly known as an IC designer. The main work includes IC product planning, R&D, testing, sales, etc. The production process is illustrated as follows:



- (1) Circuit development and design process: Develop circuits based on market and product planning and client requirements, and design and simulate them with CAD.
- (2) Photomask and wafer manufacturing process: They are commissioned to be manufactured by professional photomask and wafer fabs. After all processes are completed, electrical parameters will be measured and inspected before delivery.
- (3) Wafer testing process: Wafer testing and development and IC functional test are performed under a complete system.
- (4) IC packaging process: After testing, wafers are assigned to the packaging factory to carry out packaging operations for required packaging types, such as DIP, SOT, SOP, QFN, QFP/LQFP, BGA/LGA, etc.
- (5) Finished product testing and shipping process: After full functional testing by our factory and the outsourced professional testing houses, we will carry out the shipment according to the order.

(III) Availability of major raw materials

The Company is an IC design company, also known as fabless IC company. Its core work is to develop, test, promote and sell IC products. The Company outsources the wafer fabrication and IC packaging. Therefore, the main raw materials refer to wafers and packaging. The Company cooperates with leading wafer fabs, and its process technology, production efficiency, scheduling flexibility and production quality are second to none in the world. The Company has been able to supply on time and in full as long as a reasonable delivery schedule is given. Regarding the back-end packaging testing, the Company collaborates with several leading professional packaging testing facilities in Taiwan.

The overall supply chain has experienced supply and demand imbalances and complexities arising from the global post-pandemic era and U.S.-China trade issues over the past few years. In recent years, it has also been affected by global inflationary pressures and rising raw material prices, costs for wafer fabrication and packaging and testing have faced upward pressure. In addition, due to the characteristics of the Company's products, mature processes and packaging technologies are often adopted. In recent years, while market demand has continued to grow, the global expansion of related production capacity has remained limited, resulting in a relatively tight supply-demand situation.

The advantage of the Company is that it has always attached importance to long-term relationships with suppliers. We have maintained good interaction and loyal partnership with wafer fabs and packaging and testing plants to enhance supply stability and strengthen bargaining skills. At the same time, to ensure stable raw material supplies and to meet customer demands for a diverse supply chain, the Company not only maintains good cooperative relationships with existing suppliers but also timely introduces multiple supply sources. In particular, it strengthens the supply chain configuration within packaging and testing to respond to changes in the overall industry environment and enhance supply chain resilience.

In terms of distribution business, the Company primarily acts as an agent for Japanese IC and electronic component companies. With its own wafer manufacturing and packaging testing factories, the Company offers a diverse range of products and provides Total solution to key customers and industries. This approach aims to expand sales revenue from agency products.

(IV) Production strategy

1. Make full use of Taiwan's unique semi-conductor subcontracting capabilities and provide customization flexibility to meet the diverse and specific needs of our clients and to enhance client satisfaction.
2. Establish good partnership with wafer fabs, packaging and testing plants, and have a tacit understanding of OEM, to ensure production capacity and control product delivery, quality and yield, to meet client demand and service expectations.
3. Establish the long-term cooperation with wafer fabs and third-party manufacturers to increase product quality and price competitiveness.
4. Improve product process capability and take advantage of wafer fabs' new process technology and packaging technology to lower cost, improve yield and market competitiveness.
5. Maintain long-term cooperation with upstream wafer fabs, packaging and testing manufacturers, and strive to be their strategic partners to jointly develop special

functional processes to lower production costs and develop competitive products.

6. Based on changes in market demand and direction of product development, a tiered capacity planning is conducted with major suppliers. In terms of medium-to-long-term planning, the Company coordinates with wafer foundries and packaging testing facilities regarding capacity allocation based on its product layout, market development trends, and target customer strategies. This ensures that future supply of capacity aligns with business growth requirements. In terms of short-term production scheduling, the Company regularly conduct rolling reviews on demand and communications with suppliers based on actual market demand and inventory conditions. This allows it to flexibly adjust capacity allocation, thereby enhancing the responsiveness of the supply chain while maintaining a balance between supply and demand, ultimately achieving a more efficient operational plan for both parties.
7. To ensure stable raw material supplies and to meet customer demands for a diverse supply chain, the Company not only maintains good cooperative relationships with existing suppliers but also timely introduces multiple supply sources. In particular, it strengthens the supply chain configuration within packaging and testing to respond to changes in the overall industry environment and enhance supply chain resilience.

(V) List of major importers and sellers in the last two years

Names of clients who have accounted for more than 10% of the total volume of imports (sales) in any year of the recent two years, together with the amount and proportion of imports (sales) and the reasons for the changes. However, as contract stipulates that the name of the client or the counterparty shall not be disclosed, if the client is an individual and not a related party, a code shall replace the name.

Information on major suppliers in the last two years

Unit: NT\$ thousand

Items	2024				2025			
	Company name	Amount	Percentage of net annual purchases (%)	Relationship with Issuer	Company name	Amount	Percentage of net annual purchases (%)	Relationship with Issuer
1	Supplier A	691,421	40%	None	Supplier A	659,247	31%	None
2	Supplier B	451,508	26%	None	Supplier B	536,473	25%	None
3	Supplier C	214,267	12%	None	Supplier C	367,742	17%	None
4	Others	393,243	22%	-	Supplier D	323,730	15%	None
5.				-	Others	272,205	12%	-
	Net purchases	1,750,439	100%	-	Net purchases	2,159,397	100%	-

Note 1: The increase in purchases from Suppliers A, B, C, and D in 2025 was primarily driven by improved industry conditions and a surge in customer orders, prompting the Company to scale up its procurement activities.

Note 2: List the names of suppliers who have purchased more than 10% of the total amount of goods in the last two years and the amount and proportion of goods purchased. However, as contract stipulates that the name of the supplier or the counterparty shall not be disclosed, if the supplier is an individual and not a related party, a code shall replace the name.

Note 3: As of the printing date of the Annual Report, financial information of companies whose shares are listed or traded on the stock exchange shall be disclosed if they have been audited or reviewed by CPAs recently.

Information on major clients in the last two years

Unit: NT\$ thousand

Items	2024				2025			
	Company name	Amount	Ratio to net sales (%)	Relationship with Issuer	Company name	Amount	Ratio to net sales (%)	Relationship with Issuer
1	Client A	324,582	10.49%	None	Client A	415,067	11.63%	None
2	Others	2,770,037	89.51%	-	Others	3,153,573	88.37%	-
	Net sales	3,094,619	100%	-	Net sales	3,568,640	100%	-

Note 1: In 2025, more than 10% of the Company's total sales were attributed to Client A, primarily due to an increase in sales of smart fan motor driver ICs.

Note 2: As of the printing date of the Annual Report, financial information of companies whose shares are listed or traded on the stock exchange shall be disclosed if they have been audited or reviewed by CPAs recently.

III. Employees

Number of employees, average length of service, average age and education background for the last two years and as at the publication date of the Annual Report

Year		2024	2025	As of April 12, 2026
Number of employees	Administration/ finance	53	52	49
	Business	80	81	80
	Technology	235	235	239
	Total	368	368	368
Average age		45.55	45.90	46.75
Average Years of Services		11.57	12.25	13.15
Distribution of education background	Ph.D.	1%	1%	1%
	Master's degree	33%	32%	33%
	Bachelor's degree	62%	62%	62%
	Senior high school	4%	5%	4%
	Below senior high school	0%	0%	0%

IV. Environmental expenditure information

- (I) Losses suffered as a result of environmental pollution in the most recent year and up to the publication date of the Annual Report: None.
- (II) Estimated current and potential future amounts and countermeasures. If it cannot be reasonably estimated, the reasons shall be stated: None.
- (III) The Company is engaged in product development, design and sales, and outsources its self-developed wafers and IC packaging to relevant suppliers. The Company conducts wafer testing, package testing and subsequent packaging and shipping internally, so it is pollution-free.

In the last two years and up to the publication date of the Annual Report, the Company's products are in line with the relevant standards of RoHS, and has not suffered any loss or punishment due to environmental pollution. Therefore, there are no future countermeasures and possible expenses.

- (IV) As for the process and ICs provided by suppliers, in accordance with the Company's Supplier Management Regulations and HSF Management Procedures, suppliers shall provide material analysis reports regularly every year to confirm whether they are green products as defined by the Company. The Company also appoints a third-party certification company to test, monitor and manage the supplier's materials to comply with regulations for the management of hazardous substances, as well as the relevant regulations of ROHS and Sony GP.
- (V) For defective scrapped IC products, the Company entrusts a Class-A waste removal and treatment company registered by the government to handle the disposal of these products every six months.
- (VI) In 2009, the Company was certified by IECQ QC 080000 Hazardous Substance Process Management. The Company conducts annual certification audit by the accredited firm and has obtained validity certificate for certification system.
- (VII) The Company has obtained certification for ISO 14001 Environmental Management System in March, 2023. The Company conducts annual certification audit by the accredited firm and has obtained validity certificate for certification system. Obtained ISO14064-1:2018 certification for greenhouse gas emissions inventory in November.

V. Labor-management relationship

- (I) Employee welfare measures, further education, training and retirement systems and the relevant implementation, as well as labor-management agreements and various employee rights protection measures:
 1. In addition to general benefits such as labor insurance, health insurance, group insurance, and pension payments, the Company provides employees with annual bonuses, dividends, wedding and funeral gifts, lunch subsidies, employee education and training, libraries for study and reading, breastfeeding rooms for female employees, and flexible commuting systems.
 2. We implement the concept of gender equality in the workplace, and the salary of staff at all levels does not differ due to gender. Although the Company is engaged in the electronics, it is committed to diversity and equality in the workplace. Currently, females account for about 32% of the employees and 7% of the senior executives.
 3. The Company establishes the Employee Benefit Committee according to law, selects committee members to handle employee benefits, and prepares the annual plan and budget every year, such as preparing festival gifts, organizing group tourism, conducting community activities, holding birthday parties, etc.
 4. Employee education and training: To encourage our employees to continuously enrich their knowledge to enhance the corporate competitiveness, we provide complete education and training for new employees so that they can understand the working rules and regulations and become familiar with the work content in a short time. Besides, we provide internal and external professional training courses for existing employees to strengthen their working ability.
 5. For employees applicable to the Labor Pension Act, the Company provides the retirement reserve funds at a rate of 6% of employees' monthly salary and deposits them in the labor pension individual account established by the Bureau of Labor Insurance, Ministry of Labor. In accordance with the Labor Standards Act, the Company contributes 2% of the total monthly salary of employees under the Old Pension System to a retirement reserve deposited at the Bank of Taiwan. At the end of each year, the Company estimates whether the balance of

the retirement reserve is sufficient to cover the pension payments for employees eligible for retirement in the following year. If the balance is insufficient, the amount will be allocated by the end of March of the following year to safeguard the rights and interests of employees under the Old Pension System. The Supervisory Committee of Labor Retirement Reserve is responsible for the management and use of retirement reserves.

6. To promote employees' health and prevent chronic conditions such as obesity and the three highs, the Company organizes regular health seminars and employee health check-ups each year. It has also established an employee fitness center equipped with a variety of exercise equipment for the employees. To motivate employees to exercise and achieve weight loss and disease prevention goals, the Company encouraged employees to register for the city marathon held in Hsinchu in November 2025. In addition to providing registration subsidies, the Chairman led by example as the first to sign up to encourage employees and their families to participate. The response from employees was enthusiastic as it successfully inspired approximately 30 employees and their families to participate. Furthermore, the Company has established badminton and jogging club to encourage employees to engage in more ball games and running activities. In addition, the Company has also formed aerobics and strength training club, where professional fitness coaches are invited continuously to guide employees in physical training and newly added yoga courses designed to help employees relax both bodies and minds. In terms of diet, the Company offers a diverse range of lunch options. In addition to regular meals, healthy and vegetarian meal options are also provided, along with meal subsidies. The goal is to promote both healthy eating and physical activity, helping employees avoid chronic diseases such as hypertension, diabetes, and obesity.

(II) Losses suffered as a result of labor-management disputes in the most recent year and up to the publication date of the Annual Report: None.

(III) Estimated current and potential future amounts and countermeasures: None.

VI. Cyber Security Management

(I) Explain the cyber-related security risk management structure, security policy, and specific management plan, and resources invested in cyber security management:

1. Cyber security risk management structure

To strengthen the risk management of information security, the Information Department is responsible for coordinating and implementing the information security policy, establishing the information security risk management structure and the process flow and specific management plan of information security incident notification, regularly reviewing the information security policy, propagating information security messages, and enhancing the employee awareness of information security to ensure information security.

2. Cyber security policy

To improve the information security governance and defense capabilities, the Company has established an internal control system. All information operations are subject to the internal control system and the risk management review by the internal and external units on a regular and daily basis. The Company strives to achieve the following goals:

(1) Ensure the confidentiality and integrity of information assets.

(2) Ensure that data access is regulated according to departmental functions.

- (3) Ensure the continuous operation of information systems.
 - (4) Prevent unauthorized modification or use of data and systems.
 - (5) Perform regular security audit to ensure information security.
3. Specific management plan, and resources invested in cyber security management
- (1) Cyber security control
 - a. Set up a firewall.
 - b. Set up endpoint antivirus, mail antivirus and spam systems to protect computer systems and data storage media.
 - c. Establish an MDR identification system to understand the interoperation of different computers and identify abnormal developments to detect threats in advance.
 - d. Ensure that the use of various network services is implemented in accordance with information security policies.
 - e. Check the System Log of each network service item regularly to track the abnormal situation.
 - (2) Computer equipment security management
 - a. Appoint dedicated personnel to manage computer equipment and systems.
 - b. Equip server rooms with independent air conditioners and fire extinguishing equipment. Maintain the equipment regularly to ensure availability.
 - c. Equip server rooms with independent power supply devices to prevent system downtime caused by power exceptions.
 - d. Set up environmental control systems in server rooms and report exceptions to the management personnel.
 - (3) System and data access control
 - a. Set accounts and passwords for all systems.
 - b. According to functional requirements, different access rights are granted after process review and approval.
 - c. Set up and modify system programs. Establish records, audit and other relevant control measures in accordance with change management procedures.
 - d. Cancel the authority of the personnel who leave their positions.
 - (4) Emergency response mechanism for recovery
 - a. Regularly review emergency response plans.
 - b. Regularly exercise the system for restoration every year.
 - c. Establish system backup mechanism and implement remote backup.
 - d. Regularly review computer network security controls.
 - (5) Publicity and check
 - a. Publicize information security at any time, and set up an information security bulletin board to enhance employees' awareness of information security.

- b. Information operation is subject to the Company's internal control system and risk management audit by internal and external units on a regular basis.
 - c. Report the information security to the Board of Directors on an annual basis to strengthen its supervision and management of the Company's operations.
4. Information Security Framework
- (1) Information Security Management Committee: The company's President serves as the Convener, with the heads (or deputy heads) of each unit as members of the committee. The committee is responsible for making decisions related to the information security management system, reviewing information security management policies, formulating the information security management framework and organizational functions, and examining and reviewing the development, establishment, and execution results of the company's overall information security management mechanism. The committee reports the status of the company's information security governance regularly to the Chairman and the Board of Directors.
 - (2) The unit responsible for information security risk management is the IT Department, which promotes the implementation of information security policies and personnel education and training. Information security measures are introduced and executed, subject to audits, and improvements to internal operating procedures are made based on the audit results.
 - (3) The Auditing Office serves as the supervisory unit for monitoring information security, responsible for overseeing the implementation of internal information security. In the event of any deficiencies identified during audits, the audited unit is required to submit relevant improvement plans and specific actions, which will be followed up to assess the effectiveness of the improvements, thereby reducing internal information security risks.
5. Resources invested in cyber security management
- (1) Long-term goals include the continuous investment of resources in the field of information security. These investments include optimizing both governance and technical infrastructure, enhancement of information security defense equipment, endpoint monitoring threat systems, intelligence monitoring and analysis, as well as response drills and education and training related to information security incidents.
 - (2) Join organizations such as TWCERT, TE-ISAC, the Science Park Information Sharing Center, and MDR Company Intelligence Sharing Center to receive the latest information on information security at any time.
 - (3) Establish 1 Chief Information Security Officer and 2 information security staff members.
 - (4) In terms of information security risk management, an annual inventory of the entire company's information security assets is conducted, with priorities for execution set based on the severity of risks and the cost of improvements. The Company underwent 2 external audits by risk management organizations for the year.

- (5) In terms of information security awareness, the Company conducts regular quarterly briefings for employees and irregular distribution of relevant incidents and intelligence.
- (6) The education and training for new employees includes implementation of the company's systems, introduction to the information security protection, as well as an explanation of trade secrets and the Personal Data Protection Act.
- (7) Members of the information security team hold regular and irregular meetings each quarter in response to intelligence and receive information security education and training.
- (8) The Information Security Management Committee convenes once a year to conduct a report on the execution of information security governance, and the relevant information is also submitted to the Board of Directors for reporting.

6. Status of execution

The Company has no material information security incidents that cause business damage.

Continuously implement information security management policies and regularly conduct recovery plan drills to protect the security of critical systems and data.

- (II) List the losses, possible impacts and measures taken as a result of material information security incidents in the most recent year and up to the date of printing of the Annual Report. If it cannot be reasonably estimated, the reasons shall be stated. In the most recent year and up to the publication date of the Annual Report, the Company has no material information security incidents that cause business damage.

VII. Material contracts: List the parties involved, main contents, restrictive covenants and start/end dates of supply and marketing contracts, technical cooperation contracts, engineering contracts, long-term lease contracts and other important contracts affecting shareholders' rights and interests that are still in force as of the publication date of the Annual Report and expire in the most recent year.

Nature	Parties involved	Start/end date	Main contents	Restrictive covenants
Lease contract	Administration Bureau of Hsinchu Science Park	2022/01/01~2026/12/31	Plant leas	None
Agent Agreement	ROHM	2025/04/01~2026/03/31	Integrated circuit sales	None
Agent Agreement	Sonix Technology Co., Ltd.	2017/10/01~ automatic extension	Product Distribution Contract	None
Lease contract	New Foundland Global Corp.	2024/11/01~2027/10/31	House Rental	None

Chapter 5 Review and Analysis of Financial Position and Financial Performance and Risk Events

- I. Financial status: The major causes and impacts of material changes in assets, liabilities and equity in the last two years. If the impact is significant, the future response plan shall be proposed.

Unit: NT\$ thousand

Item/Year	2025	2024	Change, by amount	
			Amount	%
Current assets	4,705,956	4,481,627	224,329	5.00
Non-current assets	1,426,871	1,492,697	(65,826)	(4.41)
Total assets	6,132,827	5,974,324	158,503	2.65
Current liabilities	1,818,570	1,839,883	(21,314)	(1.16)
Non-current liabilities	160,453	179,170	(18,716)	(10.45)
Total liabilities	1,979,023	2,019,053	(40,030)	(1.98)
Sources of capital	1,999,281	1,780,116	219,165	12.31
Capital reserve	1,398,157	266,971	1,131,186	423.71
Retained earnings	979,265	1,657,545	(678,280)	(40.92)
Other equity	(40,597)	(104,997)	64,400	(61.34)
Treasury stock	(193,745)	(206,993)	13,248	(6.40)
Non-controlling interests	11,443	562,629	(551,186)	(97.97)
Total equity	4,153,804	3,955,271	198,533	5.02

Explanation of the main reasons and impacts of 20% changes in assets, liabilities and shareholders' equity in the last two years:

1. The increase in capital surplus is due to the share premium generated by the issuance of 23,516,480 new shares on September 8, 2025, following the share conversion with Sentelic Corporation.
2. The decrease in retained earnings is due to the difference between the actual acquisition of subsidiary stake and the carrying amount resulting from the issuance of 23,516,480 new shares by the Company on September 8, 2025 following the share conversion with Sentelic Corporation.
3. The decrease in the negative value of other equity was due to the decrease in the unrealized loss measured at fair value through other comprehensive gains and losses in 2025.
4. The decrease in non-controlling interest is due to the issuance of 23,516,480 new shares by the Company on September 8, 2025 following the share conversion with Sentelic Corporation, which has resulted in Sentelic Corporation becoming a 100% owned subsidiary of the Company.

- II. Financial performance: The main reasons for the significant changes in the operating revenue, net operating profit and net profit before tax in the recent two years, the expected sales volume and their basis, the possible impact on the Company's future financial business and the corresponding countermeasures.

Unit: NT\$ thousand

Item/Year	2025	2024	Increase (decrease) in amount	Percentage (%)
Net operating income	3,568,640	3,094,619	474,021	15.32
Operating costs	2,502,088	2,172,134	329,954	15.19
Gross profit	1,066,552	922,485	144,067	15.62
Operating expenses	827,860	758,422	69,438	9.16
Net operating income	238,692	164,063	74,629	45.49
Non-operating income and expenses	353,299	181,768	171,531	94.37
Net profit before tax	591,991	345,831	246,160	71.18
Income tax expenses	28,957	50,966	(22,009)	(43.18)
Net profit for the current year	563,034	294,865	268,169	90.95
Other comprehensive gains and losses	(490)	(27,462)	26,972	(98.22)
Total comprehensive gains and losses for the current year	562,544	267,403	295,141	110.37
Net profit attributable to owners of parent company	550,870	275,562	275,308	99.91
Total comprehensive gains and losses attributable to owners of the parent company	550,122	247,535	302,587	122.24

- I. The reasons for the 20% change in operating income, net operating income and net income before tax:
1. Net operating income increased, mainly due to the growth in Non-operating income and a decrease in the loss provision for obsolete inventory, which resulted in an increase in Gross profit.
 2. Non-operating revenues increased, primarily due to an increase in reinvestment income.
 3. The increase in net income before tax was mainly due to the increase in net operating income and non-operating revenues.
 4. The decrease in income tax expenses is primarily due to an increase in tax credits for research and development investment and a reduction in CFC taxes.
 5. Net profit for the current year increased, primarily due to the increase in Net profit before tax.
 6. The decrease in the negative value of other comprehensive gains and losses was mainly due to the decrease in unrealized losses from equity investments measured at fair value through other comprehensive income.
 7. The increase in the total comprehensive gains and losses for the current year was mainly due to the increase in net profit for the current year.
 8. The increase in the net profit attributable to owners of parent company for the current year was mainly due to the increase in the net profit for the current year.
 9. The increase in the total comprehensive gains and losses of the owners of the parent company for the current year was mainly due to the increase in net profit for the current year.

II. The expected sales volume and their basis, the possible impact on the Company's future financial business and the corresponding countermeasures:
The expected sales volume is based on the estimated volume of products developed and distributed in the past year and the expected shipment volume of clients in the market.
The impact on the Company's future financial operations can be found in the Report to Shareholders.

III. Cash flow: Analysis of the changes in cash flow for the most recent year, plans to improve liquidity and analysis of cash flow for the coming year.

Unit: NT\$ thousand

Cash amount at the beginning of the year	Net cash flow from operating activities	Cash inflow (outflow) throughout the year	Cash balance (deficit)	Remedial measures for cash inadequacy	
				Investment plan	Wealth management plan
874,562	167,941	196,125	1,238,628	-	-

I. Analysis of cash flow changes in 2025:

1. The net cash inflow from operating activities was mainly due to the increase in net income before tax in 2025.
2. Net cash inflow from investing activities was primarily due to the increase in disposal of marketable securities in 2025.
3. Net cash outflow from financing activities was primarily due to the payment of cash dividends amounting to NT\$262,469 thousand, repayment of short-term borrowings amounting to NT\$90,529 thousand, and the purchase of treasury stock totaling NT\$75,553 thousand in 2025.

Cash flow for the coming year

Unit: NT\$ thousand

Cash amount at the beginning of the year	Net cash flow from operating activities	Cash inflow (outflow) throughout the year	Cash balance (deficit)	Remedial measures for cash inadequacy	
				Investment plan	Wealth management plan
1,238,628	142,695	(144,212)	1,237,111	-	-

I. Analysis of cash flow changes in 2026:

1. The net cash inflow from operating activities will be mainly due to the increase in estimated net income for 2026.
2. The net cash inflow from investing activities is mainly expected to result from receiving dividends from reinvestments and disposal of marketable securities for 2026.
3. The net cash outflow from financing activities is mainly due to the estimated distribution of NT\$394,212 thousand for cash dividends from earnings in 2026. However, it is assumed that corporate bonds due within one year will be converted into stakes, thus not requiring any cash outflow.

II. Remedial measures and liquidity analysis of estimated cash deficiency: None.

IV. Impact of major capital expenditure on financial operations for the most recent year:

The Company's major capital expenditures in 2025 mainly include investments in production, R&D equipment, and intangible assets, which were purchased with its fund, an amount of NT\$81,290 thousand. It was mainly used for the Company's future business expansion, which has little impact on financial business.

V. The most recent year's reinvestment policy, the main reasons for profit or loss, improvement plans and investment plans for the coming year:

(I) In 2025, Weltrend International (BVI) recorded increased profits due to a rise in investment income.

Yingquan Investment's profits increased due to increase in reinvestment income. Dongguan Prosil Electronics has experienced growth in both revenue and profit compared to last year, due to the economic recovery in China. Sentelic saw an increase in both revenue and profit compared to the previous year, due to the growth in the server industry.

(II) The Company's major investment plans in the coming year: None.

VI. Risk assessment for the most recent year and up to the publication date of the Annual Report:

(I) Impact of interest rate, exchange rate fluctuation and inflation on the Company's profit and loss and future countermeasures:

1. Impact of interest income and expenditure and exchange gains and losses on the Company's profits and losses:

Item/Year	2025 (NT\$ thousand)
Interest income	25,565
Interest expenditure	24,944
Net foreign currency gain	37,562

In 2025, due to the depreciation of Taiwan dollar against the U.S. dollars, the Company generated a net foreign currency gain of NT\$37,562 thousand.

2. Impact of inflation on the Company's profit and loss and future countermeasures:

The increase in demand for raw materials in the recent year had no material impact on the Company's profit or loss.

3. Measures to cope with changes in interest rate and exchange rate:

(1) The Company's product sales are partially denominated in U.S. dollars, and raw materials are partially denominated in U.S. dollars, thus reducing the impact of changes in exchange rate on profitability. Due to sufficient working capital, changes in interest rates have little impact on the Company. Due to the small operating scale of subsidiaries, they have little impact on the interest rate and exchange rate.

(2) The Company always pays attention to the information of changes in the interest rate and exchange rate to take appropriate measures in a timely manner. The appreciation of the Taiwan dollar is unfavorable to the Company.

(II) Policies for engaging in high-risk, highly leveraged investments, lending of funds to others, endorsement of guarantees, and derivative transactions, the main reasons for profit or loss, and future measures:

For the year 2025 and up to the publication date of the Annual Report, the Company has not engaged in high-risk, highly leveraged investments, derivative transaction, endorsement of guarantees, nor has it loaned funds to others.

(III) Future R&D plans and estimated R&D expenses:

2026 R&D plans are as follows:

1. Power management and analog ICs:

- USB Type-C PD (Power Delivery), and other protocol controllers, primary-side PWM power control ICs, and synchronous rectification control ICs for USB Type-C wall chargers, car chargers, and power banks. In response to the trend towards high efficiency and miniaturization of chargers, the Company will also collaborate with Gallium Nitride (GaN) or MOSFET manufacturers to introduce highly integrated System-in-Package (SiP) encapsulated products. The Company will also develop more energy-efficient products to meet the latest energy efficiency regulations.
- Developed a USB Type-C PD control chip for use in devices such as laptops.
- Highly integrated and digitized secondary-side monitoring power management ICs.
- Battery management chip.

2. Smart application ICs:

- ICs for highly-integrated smart fan motor driver and control.
- Used for motor driver ICs in vehicles, office equipment, robotic arms, and humanoid robot joints.
- Used for magnetic stripe decoding IC and smart card interface IC in POS.

3. Customer-specific customized IC (ASIC)

These are specialized and exclusive products tailored to meet the specific requirements of customers. After registration, they will be classified according to product attributes into either power and analog or smart applications.

In the future, the Company will invest in R&D for the continuous development of new products. The estimated investment amount is NT\$ 455,096 thousand.

(IV) Impact of important domestic and foreign policies and legal changes on the Company's financial business and countermeasures:

The management of the Company and its subsidiaries attaches great importance to the important domestic and foreign policies and legal changes and takes appropriate measures to lower the impact on the financial business of the Company.

(V) Impact of technological changes (including cyber security risks) and industrial changes on the Company's financial business and countermeasures:

Technological changes have intensified industrial competition. In addition to increasing the number of talented R&D personnel to accelerate the development of product lines and upgrade high-end processes, the Company strengthens product innovation, product quality and product diversification, introduces new R & D techniques and partners to meet the market demand, so as to lower the impact on the Company's financial business.

The Company established the Information Security Committee to formulate and implement the information security management system for information security risk control. Apart from preparing information security policy documents to regulate the information security, the Company conducts annual information security risk assessments and internal and external information security audits to ensure the effectiveness of the management system and compliance with legal requirements.

Therefore, the information security risk is not a material operational risk for the Company. But, we cannot guarantee that its computer system can avoid the attack of network viruses initiated by third parties that may cause system paralysis. These cyber attacks illegally infiltrate our internal network systems to cause disruption to our operations or damage to our goodwill. Failure to resolve the difficult technical issues caused by these cyber attacks in a timely manner may seriously impact our financial performance and commitment to clients and other stakeholders.

- (VI) Impact of corporate image change on corporate crisis management and countermeasures:

The Company has always attached importance to the corporate image, steady operation, and the implementation of corporate governance, to maintain social welfare. So far, no incidents affecting the corporate image have occurred.

- (VII) Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans:

The Company completed the merger with Sentelic Corporation through a share conversion on September 8, 2025. Sentelic Corporation has become a 100% owned subsidiary of Weltrend Semiconductor. Both teams have integrated research and development resources, product portfolios, sales channels, and back-end operations, with synergies already visible. Due to the significant complementary effects in technology and products, the combined entity is able to offer a more comprehensive product lineup and solutions. Furthermore, with an expanded customer base, the Company has become a global leader in the field of server fan motor control chips.

In the future, the Company and Sentelic Corporation can further enhance economies of scale, improve operational efficiency, and strengthen integration synergies. In the increasingly competitive and fast-evolving global semiconductor market, this move is expected to continuously enhance the competitiveness of both companies, creating a win-win-win outcome for shareholders, customers, and employees alike.

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

The Company has no plans to expand its plant in 2025.

- (IX) Risks arising from concentration of purchases or sales and corresponding response measures:

1. The Company mainly buys goods from leading wafer fabs and Japanese manufacturers, with an emphasis on yield rate, delivery time, price, advanced manufacturing process and other factors. Due to good and long-term relationships with these manufactures, there is little risk for the Company in the short and medium term. In the long run, there are many professional wafer, packaging, and testing factories at home and abroad, so the Company has no problem to purchase products.
2. The customer structure of the Company is highly stable and healthy, with clients diversified across various industries including laptops, smartphones, PCs, smart fan motors, gaming peripherals, automotive electronics, and POS machines. This diversification mitigates the risk associated with concentrated sales.

- (X) The impact and risks of the mass transfer or change in shareholding of directors or substantial shareholders holding more than 10% of the shares of the Company and countermeasures:

There is no mass transfer or change in shareholding of directors or substantial shareholders holding more than 10% of the shares of the Company.

(XI) Effects of, risks relating to and response to the changes in management rights:

There is no change in the operating rights of the Company.

(XII) Litigation or non-litigation matters:

The Company and its directors, president, responsible persons, substantial shareholders holding more than 10% of the shares and subsidiaries have not had any major litigation, non-litigation or administrative disputes so far.

(XIII) Other material risks and countermeasures: None.

VII. Other important matters: None.

Chapter 6 Special Matters to Be Noted

I. Information on the Company Affiliates

(I) Consolidated Business Report of Company Affiliates: Please refer to the Market Observation Post System (MOPS).

(II) Consolidated Financial Statements of Company Affiliates: Please refer to the Market Observation Post System (MOPS).

(III) Affiliation Report: Please refer to the Market Observation Post System (MOPS).

Path to Access Company Affiliates' Information: Market Observation Post System (MOPS) → Individual Company → Electronic Document Download → Company Affiliates Section (Three Required Reports) https://mopsov.twse.com.tw/mops/web/t57sb01_q10

II. Private placement of marketable securities in the most recent fiscal year and up to the publication date of the Annual Report: None.

III. Other supplementary information: None

Chapter 7 **In the most recent fiscal year and up to the publication date of the Annual Report, if there have been events that had a significant impact on shareholders' equity or the price of securities as defined in Subparagraph 2 of Article 36-3 of the Securities and Exchange Act: None.**

Weltrend Semiconductor, Inc.

Chairman: Sam Lin

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