

ELAN MICROELECTRONICS CORP.

Annual Report 2025

Taiwan Stock Exchange Market Observation
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I. Letter to Shareholders

Dear Shareholders,

1. 2025 Operating Results

The global economy continued to demonstrate resilience in 2025. With inflation moderating, labor market pressures gradually easing, and strong shipment momentum for AI-related products (including advanced semiconductor processes and AI servers), the overall economy maintained steady growth. According to the latest data from the International Monetary Fund (IMF), the global economic growth forecast for 2026 has been revised upward by 0.2 percentage to 3.3%, maintaining stable growth momentum compared to the 3.3% recorded in 2025.

Due to factors such as the impact of tariff policies, escalating geopolitical risks, and the restructuring of global supply chains, the consumer electronics industry is expected to see moderate growth in 2025. According to market research, the laptop market continues to experience a moderate recovery, with annual shipments projected to reach approximately 190 million units. The Company's revenue is primarily derived from laptop-related chips and module products. Affected by the global economic environment, the Company's consolidated revenue was declined by 2.91% year-over-year, while net income attributable to the parent company was decreased by 10.73% year-over-year.

In addition to our existing laptop product line, the Company has been actively developing AI image recognition algorithms since 2018 and has successfully expanded into the fields of Advanced Driver Assistance Systems (ADAS) for automobiles, smart transportation AI CCTV, and various image recognition applications, with both product penetration and market share increasing simultaneously. Furthermore, leveraging the Company's leading position in touchscreen technology and combining it with the R&D achievements of our group affiliates in image signal processor (ISP) chips, we have successfully entered the drone market, injecting new momentum into our operational growth.

The Company remains committed to strengthening its core technological capabilities and delivering highly competitive, innovative solutions that enable customers to enhance their market positioning.

In 2025, driven by the Company's long-established, stable technological foundation and the continued advancement of AI applications, all product lines will not only maintain steady growth in the laptop computer market but also successfully expand into AI image recognition applications, including automotive ADAS, smart transportation AI CCTV, and drones. The Company will provide comprehensive solutions that combine low power consumption with high performance, while continuing to broaden its application scope.

In 2025, the Company's consolidated revenue reached NT\$12.326 billion, with a gross margin of 48.6% and an operating margin of 24.2%. The net income after tax attributable to the parent company was NT\$2.442 billion.

2. Summary of 2026 Business Plan

Following the 2025 tariff policy adjustments, geopolitical risks, restructuring of global supply chains, and inflationary fluctuations, the associated impacts are expected to persist into 2026. Although the global macroeconomic outlook remains moderate and short-term risks are still manageable, significant uncertainties persist in the overall market. The rapid growth of the AI server industry has driven up demand for production capacity across global supply chains. However, amid supply-demand imbalances, capacity shortages persist for certain critical components, introducing additional variables into overall economic performance.

In the deployment for the AI industry, the Company has established a pioneering lead in AI image recognition algorithms. Our products have been sold for automotive ADAS and smart transportation AI CCTV systems, and we have completed the development of multiple image recognition modules, further expanding their applications into the drone market. As global political conditions evolve, the drone market continues to grow, with applications extending from civilian and commercial use to military and agricultural applications. By integrating industry-leading AI image recognition technology with virtual reality and generative AI to expand and refine our database, we provide AI image recognition modules characterized by low power consumption and high performance. Our advanced touch technology can also be incorporated into drone remote control products, offering customers a more comprehensive total solution. In the laptop market, the Company continues to expand the application of AI chips and collaborates with customers to develop AI PC products, enhancing related features and striving to deliver a more efficient and convenient user experience. At the same time, the Company is working closely with customers to plan innovative hardware designs for AI, gaming, and commercial PCs, thereby strengthening our competitive edge in the market.

The phenomenon of short-term orders is expected to persist in the laptop market in 2026, primarily because brand clients, influenced by inventory adjustments made during the pandemic, continue to favor a low-inventory strategy. Furthermore, due to the crowding-out effect of AI server demand, the issue of component shortages and surpluses has become a key focus that the laptop supply chain must continuously monitor and address. In the face of a volatile macroeconomic environment, the Company will continue to strengthen its R&D capabilities, expand new technologies and applications, and maintain close cooperative relationships with customers, with the aim of steadily improving overall operational performance amid an uncertain global political and economic environment.

With the Company's years of experience in the laptop industry and the technical expertise accumulated in non-laptop sectors, coupled with improvements to product architecture and functional optimization, the Company is capable of increasing product price while optimizing cost structure. In addition to the revenue boost from the upgrade of the laptop product portfolio, the AI image recognition algorithm products also hold significant growth potential, which will positively contribute to the Company's future operating performance.

The Company will continue to focus on refining its core technologies to provide customers with high-performance products and services that offer innovative value. We will also actively develop a diverse range of products and applications to create multiple revenue streams, thereby strengthening our operational resilience. At the same time, we will fulfill our corporate social responsibilities and put our sustainability philosophy into practice, continuing to exert a positive influence across the three key dimensions of economy, environment, and society. We will advance a long-term, sound business strategy to enhance the Group's overall operational and profit-generating capabilities, thereby creating greater value and well-being for all stakeholders.

Sincerely yours,

Yeh, I-Hau
Chairman

II. Corporate Governance Report

1. Directors, Supervisors and Management Team

(1) Board Members and Super Visors

1.1 Information Regarding Board Members and Supervisors

March 29, 2026

Title	Nationality or Place of Registration	Name	Sex/ Age	Date Elected	Term (Years)	Date First Elected	Shares Held when Elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shareholder by Nominee Arrangement		Selected Education and Professional Qualification Past Positions Current Positions at Non-profit Organizations (Note 2)	Selected Current Positions at EMC and Other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	R.O.C	YEH, I- Hao	M 70	5.30.2024	3	5.5.1994	6,288,895	2.06%	6,447,895	2.12%	None	None	None	None	Institute of Electronics / National Chiao Tung University Engineer, ITRI; Manager/Hua Chang Semi-Conductor Co., Ltd.; Department Head/Hualon Microelectronics Co., Ltd.	<u>Corporate Representatives of the following venture capital companies:</u> TOP TAIWAN VII;; TOP TAIWAN VI;; TOP TAIWAN IX;; TOP TAIWAN X;; TOP TAIWAN XI; ELAN(HK); POWER ASIA; NORTH STAR VENTURE CAPITAL; <u>Corporate Representatives & Chairman of the following companies:</u> AVISONIC TECHNOLOGY CORP., METANOIA COMMUNICATION, INC.; & PIXORD CORP. Chimei Motor Electronics; <u>Director of:</u> HUAJU FOUNDATION; and <u>Director of:</u> TwHealth Nexus	Director	YEH, Tung-Ying	Father-Son	(Note 1)
Director	R.O.C.	Yulong Investment Co Ltd	N/A	5.30.2024	3	6.26.2002	7,083,059	2.33%	7,083,059	2.33%	None	None	None	None	None	None	None	None	None	

Title	Nationality or Place of Registration	Name	Sex/ Age	Date Elected	Term (Years)	Date First Elected	Shares Held when Elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shareholder by Nominee Arrangement		Selected Education and Professional Qualification Past Positions Current Positions at Non-profit Organizations (Note 2)	Selected Current Positions at EMC and Other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
	R.O.C.	YEH, Tung-Ying	M 38	5.30.2024	3	7.2.2021	None	None	807,000	0.26%	None	None	None	None	Department of Electrical Engineering and Department of Economics, University of California, San Diego	Corporate Representative: MACROBLOCK and EMINENT ELECTRONIC TECHNOLOGY CO LTD	None	YEH, I-Hau	Father-Son	
Director	R.O.C	YEN, Kuo-Lung	M 67	5.30.2024	3	6.14.1997	1,282,555	0.42%	1,282,555	0.42%	None	None	None	None	Institute of Electronics / National Chiao Tung University Engineer, ITRI Manager/Hualon Microelectronics Co., Ltd.	Corporate Representatives & Chairman of the following companies: EMINENT ELECTRONIC TECHNOLOGY CO LTD; AVISONIC TECHNOLOGY CORP., METANOIA COMMUNICATION, INC. UNIBAND ELECTRONICS CORP. Etc.,	EMI	None	None	

Title	Nationality or Place of Registration	Name	Sex/ Age	Date Elected	Term (Years)	Date First Elected	Shares Held when Elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shareholder by Nominee Arrangement		Selected Education and Professional Qualification Past Positions Current Positions at Non-profit Organizations (Note 2)	Selected Current Positions at EMC and Other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	R.O.C	CHIU, Te-Chen	M 60	5.30.2024	3	2000.3.30	None	None	None	None	25,000	0.008%	None	None	Institute of Business Management /National Chengchi University	Chairman & General Manager of the following venture capital companies: TOP TAIWAN XI; TOP TAIWAN XIII; TOP TAIWAN VII; TOP TAIWAN IX; TOP TAIWAN X; TOP TAIWAN XI; TOP TAIWAN XII; TOP TAIWAN XIII; TOP TAIWAN XIV; General Manager & Director of the following companies: TOP TAIWAN XV CO., LTD.; TOP TAIWAN XV VENTURE CAPITAL; Corporate Representatives of the following companies: DEBAO INDUSTRIAL CO., LTD. SHENGKE ELECTRONICS CO., LTD., Director of AVATACK CO., LTD.	None	None	None	

Title	Nationality or Place of Registration	Name	Sex/ Age	Date Elected	Term (Years)	Date First Elected	Shares Held when Elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shareholder by Nominee Arrangement		Selected Education and Professional Qualification Past Positions Current Positions at Non-profit Organizations (Note 2)	Selected Current Positions at EMC and Other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Note
Director	R.O.C	Tsung Lung Investment Co., Ltd.	N/A	5.30.2025	3	6.26.2002	3,078,903	1.01%	3,078,903	1.01%	None	None	None	None	None	None	None	None	None	
	R.O.C	WEI, Chi-Lin	M 78	5.30.2024	3	6.12.2006	None	None	None	None	None	None	None	None	Doctor of Philosophy, Université de Paris ; Master of Business, Administration, Imperial College London ; Chairman, Land Bank of Taiwan Secretary-General, Executive Yuan Director, Institute of International Business/National Taiwan University	Professor of the Institute of Business Studies of National Taiwan University; Director of Kangshu Technology; Chairman of Qiding and Yuanding Venture Capital; Independent Director of SINBON, Formosa Plastics and Inventec	None	None	None	
Independent Director	R.O.C	LIN, Hsien-Ming	M 73	5.30.2024	3	6.2.2015	None	None	None	None	None	None	None	None	Bachelor of Electronics Engineering / National Chiao Tung University ; General Manager of Acer Computer Co., Ltd.	Chairman & Chief Strategy Officer of Wistron Corp.; Director of Gamania Digital; Chairman of Wistron Ventures Corporation; Director of TwHealth Nexus	None	None	None	

Title	Nationality or Place of Registration	Name	Sex/ Age	Date Elected	Term (Years)	Date First Elected	Shares Held when Elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shareholder by Nominee Arrangement		Selected Education and Professional Qualification Past Positions Current Positions at Non-profit Organizations (Note 2)	Selected Current Positions at EMC and Other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Note
Independent Director	R.O.C	TSAL, Chuang - chuang	F 76	5.30.2024	3	5.30.2024	None	None	None	None	None	None	None	None	Bachelor of Science in Physics, National Taiwan University PhD in Physics, University of Chicago	Director, AU Corporation	None	None	None	
Independent Director	R.O.C	TSAL, Cherng -Ru	M 39	113.5.30	3	5.30.2024	None	None	None	None	None	None	None	None	University of Pennsylvania Bachelor of Commerce, Wharton School Chairman of Fubon Entertainment Co., Ltd. Chairman of Fubon Sports Facilities Co., Ltd. General Manager of Fubon Financial Holdings Venture Capital Co., Ltd. Director of Fubon Property Insurance Co., Ltd.	Vice Chairman, Fubon Life Insurance Director of Fubon Financial Holdings Vice Chairman of Fubon Entertainment Director of Fubon Securities Investment Trust Director of Eternal Hope Limited (BVI) Director of Emmanuel Investments Ltd. Director of Zhichu Venture Capital Management Consultant Director of Taiwan Professional Basketball Development Co., Ltd. Director of Rema International Limited	None	None	None	

Title	Nationality or Place of Registration	Name	Sex/ Age	Date Elected	Term (Years)	Date First Elected	Shares Held when Elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shareholder by Nominee Arrangement		Selected Education and Professional Qualification Past Positions Current Positions at Non-profit Organizations (Note 2)	Selected Current Positions at EMC and Other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Note
Independent Director	R.O.C	LU, Fang-Cheng	M 55	5.30.2025	3	07.02.2021	None	None	None	None	4,000	0.001%	None	None	Ph.D., in Information Engineering, Tsinghua University; Broadweb Overseas Business Associate	Chairman of the following companies: Huaciguan Company, Wangci Company, and Zhencheng Investment Company	None	None	None	

Note 1: The same person as the General Manager in order to promote the Company's operating efficiency and reduce the management level. Responding measure: More than half of the directors on the Board of Directors are not concurrently serving as employees or managers and one seat of independent director is increased during the re-election of directors on July 2, 2021 and May 30, 2024, making total 4 independent directors..

1.2 Main Shareholders of Corporate Shareholders

March 29, 2026

Name of Corporate Shareholders	Major Shareholders
Yulong Investment Co., Ltd.	YEH, I-Hau (100%)
Zonglong Investment Co., Ltd.	YEH, I-Hau (100%)

1.3 Directors' and Supervisors' Professional Qualification and Independent Director's' Independence Status

March 29, 2026

Name	Criteria	Professional Qualification and Experiences (Note 1)	Independence Status (Note 2)	Number of Other Public Companies Concurrently Serving as an Independent Director
YEH, I-Hao		M.Sc. in Electronics Engineering, Cíao Tung University, has served as the chairman and General Manager of Elan Microelectronics Corp. for more than 20 years, and is good at leadership, making operational decisions, and management and is currently not in or under any circumstances stated in Article 30 of the Company Law	Not Applicable	0
YEN, Kuo-Lung		M.Sc. in Electrical Engineering, National Taiwan University, Vice General Manager of EMC for more than 20 years and has rich experience in the IC industry and is currently not in or under any circumstances stated in Article 30 of the Company Law	Not Applicable	0
CHIU, Te-Chen		MBA in Business Administration, National Chengchi University, chairman of venture capital companies and has rich industry experience and is currently not in or under any circumstances stated in Article 30 of the Company Law	Not Applicable	0
Zonglong Investment Representative WEI, Chi-Lin		Government officials and university professors, chairman of Bills Finance Companies, with rich experience in industry, government and academia and is currently not in or under any circumstances stated in Article 30 of the Company Law	Not Applicable	4
Yulong Investment Representative YEH, Tsung-Ying		M.Sc. and MBA in Electronic Engineering and Business Administration from the University of California, San Diego, Company's career development manager. He has been in contact with foreign electronics manufacturers all year round and has foreign business experience.	Not Applicable	0

(Continued)

Name \ Criteria	Professional Qualification and Experiences (Note 1)	Independence Status (Note 2)	Number of Other Public Companies Concurrently Serving as an Independent Director
LIN, Hsien-Ming	Chairman of Wistron Corporation, a well-known electronics manufacturer in Taiwan, with rich industrial and commercial experience and is currently not in or under any circumstances stated in Article 30 of The Company Law	According to the requirements of the competent authority, when the Company elects Independent Directors, it has obtained a written statement from each independent director confirming the independence of himself and his relatives within the second degree relative to the Company.	0
TSAI, Cherng-Ru	Bachelor of Commerce degree from the renowned Wharton School in the United States, and has held a number of management positions in well-known domestic financial holding companies. He is currently the vice chairman of the life insurance company under the financial holding company and has extensive experience in business and finance and is currently not in or under any circumstances stated in Article 30 of The Company Law	According to the requirements of the competent authority, when the Company elects Independent Directors, it has obtained a written statement from each independent director confirming the independence of himself and his relatives within the second degree relative to the Company.	0

(Continued)

Criteria Name	Professional Qualification and Experiences (Note 1)	Independence Status (Note 2)	Number of Other Public Companies Concurrently Serving as an Independent Director
TSAI, Chuang-Chuang	She was a university professor and general manager of an e-paper company. She is currently a director of a major screen panel manufacturer and has both industrial and academic experience and is currently not in or under any circumstances stated in Article 30 of The Company Law	According to the requirements of the competent authority, when the Company elects Independent Directors, it has obtained a written statement from each independent director confirming the independence of himself and his relatives within the second degree relative to the Company.	0
LU, Fang-Cheng	Ph.D., in Information Engineering, Tsinghua University; Chairman of Win Star Investments Limited and is currently not in or under any circumstances stated in Article 30 of the Company Law	According to the requirements of the competent authority, when the Company elects Independent Directors, it has obtained a written statement from each independent director confirming the independence of himself and his relatives within the second degree relative to the Company.	0

(Concluded)

1.4 Board Diversity and Independence:

(1) Board Diversity and Independence:

On November 08, 2018, the third meeting of the ninth session of the Board of Directors of the Company adopted the "Corporate Governance Code", and in Chapter 3 "Strengthening the Functions of the Board of Directors", it stipulates the diversity policy and regulates those directors should generally have the necessary skills to perform their duties, knowledge, skills and literacy. The nomination and selection of members of the Board of Directors of the Company follows the provisions of the Company's Articles of Incorporation and adopts the nomination system for candidates, and follows the "Procedures for Election of Directors" and "Corporate Governance Guidelines" to ensure the diversity and independence of directors. The Company adds additional one director and one independent director to achieve the goal of board diversity during re-election of directors at the meeting of Board of Directors on July 2, 2021, a female director has been elected in accordance with regulations during re-election of directors at the meeting of Board of Directors on May 30, 2024. The goal for the next board re-election is for female directors to account for 1/3 of the board seats to enrich the diversity of the board.

(2) Board Independence:

After the directors have been reelected at the Company's meeting of Board of Directors on May 30, 2024, there are four (4) Independent Directors, accounting for 44% of total nine (9) directors, 33% of the directors with employee status, Mr. YEH, I-Hau (chairman) and Mr. YEH, Tsung-Ying (director) are second-degree relatives.

(2) Information Regarding Management Team

March 29, 2026

Title (Note 1)	Nationality	Name	Sex	Date Elected	Shares Held when Elected		Shares Currently Held by Spouse & Minors		Shareholder by Nominee Arrangement		Selected Education and Professional Qualification Past Positions Current Positions at Non-profit Organizations (Note 2)	Selected Current Positions at EMC and Other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Note
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman and General Manager	R.O.C	YEH, I-Hao	M	09.01.1994	6,447,895	2.12%	None	None	None	None	Institute of Electronics / National Chiao Tung University Engineer, ITRI; Manager/Hua Chang Semi-Conductor Co., Ltd.; Department Head/Hualon Microelectronics Co., Ltd.	Corporate Representatives of the following venture capital companies: TOP TAIWAN VII; TOP TAIWAN IX; TOP TAIWAN VIII; TOP TAIWAN XI; TOP TAIWAN XIV; ELAN(HK); POWER ASIA; NORTH STAR VENTURE CAPITAL; NORTH STAR VENTURE CAPITAL II; METANOIA COMMUNICATION, INC.; <u>Corporate Representatives & Chairman of the following companies:</u> AVISONIC TECHNOLOGY CORP., PIXORD CORP. Chimei Motor Electronics; <u>Director of HUAJU FOUNDATION</u> and TwHealth Nexus	None	None	None	(Note 3)
COO	ROC	YEN, KUO-LUNG	M	11.10.2000	1,282,555	0.42%	None	None	None	None	Institute of Electricity Engineering / National Taiwan University; Engineer, ITRI Manager/Hualon Microelectronics Co., Ltd.	<u>Corporate Representatives & Chairman of the following companies:</u> EMINENT ELECTRONIC TECHNOLOGY CO LTD; AVISONIC TECHNOLOGY CORP., METANOIA COMMUNICATION, INC.; UNIBAND ELECTRONICS CORP.	None	None	None	
Chief Accounting Officer	ROC	CHEN, YI-LIN	M	06.28. 2013	0	0	None	None	None	None	Institute of Accounting/National Chung Cheng University Department of Public Finance, National Chengchi University Assistant Manager of KPMG Manager of Elantech Co., Ltd. Deputy Director of Elan Microelectronics Co., Ltd.	None	None	None	None	

Note 1: All job positions, regardless of the job title, equivalent to General Manager, Vice General Manager or Director shall be disclosed.

Note 2: If the experiences related to the current position involves serving in the firm of the auditing Certified Public Accountant or its affiliate during the prior period thereof, the job title and job descriptions therein shall be specified.

Note 3: The same person as the Chairman in order to promote the Company's operating efficiency and reduce the management level. Responding measure: More than half of the directors on the Board of Directors are not concurrently serving as employees or managers and one independent director is increased during the re-election of directors on July 2, 2021 and May 30, 2024, making total 4 independent directors..

2. Remuneration Paid to Directors, Supervisors, General Manager and Vice General Manager during the last fiscal year

2.1 Remuneration of Directors

December 31, 2025

Unit: NT\$ thousand / Thousand shares

Title	Name	Remuneration								(A+B+C+D) as a % of Net Income (Note 10)		Relevant Remuneration Received by Directors Who are Also Employees								(A+B+C+D) as a % of Net Income (Note 10)		Remuneration Paid to Directors from an Invested Company Other than the Company's Subsidiary (Note 11)		
		Base Remuneration (A) (Note 2)		Severance Pay (B) (Note 1)		Remuneration of Directors (C) (Note 3)		Allowances (D) (Note 4)				Salary, Bonuses, and Allowances (E) (Note 5)		Severance Pay (F) (Note 1)		Remuneration of Employees (G) (Note 6)								
		From EMC	From All Consolidated Entities (Note 7)	From EMC	From All Consolidated Entities (Note 7)	From EMC	From All Consolidated Entities (Note 7)	From EMC	From All Consolidated Entities (Note 7)	From EMC	From All Consolidated Entities (Note 7)	From EMC	From All Consolidated Entities (Note 7)	From EMC	From All Consolidated Entities (Note 7)	From EMC	From All Consolidated Entities (Note 7)	Cash	Shares	Cash	Shares		From EMC	From All Consolidated Entities (Note 8)
Chairman	YEH, I-Hau																							
Director	Yulong Investment																							
	YEH, Tsung-Ying																							
Director	YEN, Kuo-Lung	0	0	0	0	44,500	44,500	300	300	44,800	44,800	30,497	40,854	498	498	19,999	0	19,999	0	95,794	106,151	225		
Director	Zonglong Investment																							
	WEI, Chi-Lin																							
Director	CHIU, Te-Chen																							
Independent Director	LIN, Hsien-Ming																							
Independent Director	TSAL, Cherng-Ru	2,400	2,400	0	0	0	0	690	690	3,090	3,090	0	0	0	0	0	0	0	0	3,090	3,090	0		
Independent Director	TSAL, Chuang-Chuang																							
Independent Director	LU, Fang-Cheng																							

- Please state the policy, system, standards and structure for the payment of independent director's remuneration, and describe the relevance to the amount of remuneration according to the responsibilities, risks, time invested and other factors:
According to the Company's "Directors' Remuneration Management Procedures", the monthly remuneration of an independent director of the Company is set as NT\$50,000, which shall be paid regardless of the Company's profit or loss, provided that the independent director does not take part in the directors' remuneration from annual profit distribution. Any director who leaves the Company due to re-election or resignation during the term of office shall be paid thereof according to the proportion of their actual term to the entire year.
- The remuneration received by the Company's Directors for services e.g. as consultants, advisers etc. from parent company, subsidiaries and all consolidated entities: None

(Note 1): Pension refers to the pension amount contributed in 2025

Schedule of Remuneration

Remuneration range paid to each Director of the Company	Name of Directors			
	Total remuneration amount (A+B+C+D)		Total remuneration amount (A+B+C+D+E+F+G)	
	The Company (Note 8)	From All Consolidated Entities (Note 9)	The Company (Note 8)	From Parent Company and all reinvested companies (Note 9)
Less than NT\$1,000,000	LIN, Hsien-Ming; TSAI, Cherng-Ru; TSAI, Chuang-Chuang; LU, Fang-Cheng;	LIN, Hsien-Ming; TSAI, Cherng-Ru; TSAI, Chuang-Chuang; LU, Fang-Cheng;	LIN, Hsien-Ming; TSAI, Cherng-Ru; TSAI, Chuang-Chuang; LU, Fang-Cheng;	LIN, Hsien-Ming; TSAI, Cherng-Ru; TSAI, Chuang-Chuang; LU, Fang-Cheng;
NT\$1,000,000 (including)~ NT\$2,000,000(excluding)				
NT\$2,000,000 (including) ~ NT\$3,500,000(excluding)				
NT\$3,500,000 (including) ~ NT\$5,000,000(excluding)				
NT\$5,000,000 (including) ~ NT\$10,000,000(excluding)	YEH, I-Hau WEI, Chi-Lin; CHIU, Te-Chen; YEN, Kuo-Lung; Yulong Investment; Zonglong Investment;	YEH, I-Hau WEI, Chi-Lin; CHIU, Te-Chen; YEN, Kuo-Lung; Yulong Investment; Zonglong Investment;	WEI, Chi-Lin; CHIU, Te-Chen; Yulong Investment; Zonglong Investment; YEH, Tsung-Ying	WEI, Chi-Lin; CHIU, Te-Chen; Yulong Investment; Zonglong Investment;
NT\$10,000,000 (including)~ NT\$15,000,000(excluding)				
NT\$15,000,000 (including) ~ NT\$30,000,000(excluding)			YEN, Kuo-Lung	YEN, Kuo-Lung
NT\$30,000,000 (including)~ NT\$50,000,000(excluding)			YEH, I-Hau	YEH, I-Hau
NT\$50,000,000 (including) ~ NT\$100,000,000(excluding)				
NT\$100,000,000 or above				
Total	10 persons	10 persons	11 persons	11 persons

Note 1: The names of the Directors shall be separately presented (a corporate shareholder shall list the name of the corporate shareholder and its representative separately) as general director or independent director respectively, and disclose the amount of each payment in a consolidated manner. If a Director is serving concurrently as a General Manager or Vice General Manager, this form and form (3-1) or (3-2-1) and (3-2-2) herein under shall be filled in.

Note 2: Referred to the Directors' remuneration in the last fiscal year (including Directors' salary, supervisory differential pay, termination pay, various bonuses, incentives, etc.).

Note 3: Fill in Directors' remuneration amount of the last fiscal year authorized by the Board of Directors to be distributed.

Note 4: Referred to the relevant business execution costs (including transportation allowances, special Distributions, various allowances, living quarters, assigned Company cars, etc.) of the Directors incurred during the last fiscal year. If house, car and other transportation or personal expenditures are provided, the nature and costs of the assets so provided, actual rent or rent at fair market value, gasoline allowances and other payments shall be disclosed. In addition, if driver(s) is provided, please specify relevant Remuneration of the driver(s) paid by the Company, of which shall not be included in the remuneration.

- Note 5: Referred to the salary, supervisory differential pay, termination pay, various bonus, incentives, transportation allowances, special Distributions, various allowances, living quarters and assigned Company cars of the Directors for serving concurrently as employee (including serving concurrently as General Manager, Vice General Manager, other manager and employee) incurred during the last fiscal year. If house, car and other transportation or personal expenditures are provided, the nature and costs of the assets so provided, actual rent or rent at fair market value, gasoline allowances and other payments shall be disclosed. In addition, if driver(s) is provided, please specify relevant Remuneration of the driver(s) paid by the Company, of which shall not be included in the remuneration. Furthermore, salary expenses, including employee stock option certificate(s), restricted stock award(s) and participation in stock options at cash capital increase, recognized pursuant to IFRS 2 “Share-based Payment” shall also be included in the remuneration.
- Note 6: The employee bonus (including shares and cash) of the Directors serving concurrently as employee (including serving concurrently as General Manager, Vice General Manager, other manager and employee) during the last fiscal year shall be disclosed upon the Board of Directors’ authorization to distribute. If the amount cannot be estimated, the proposed amount to be distributed shall be based on the proportional actual distributed amount of the previous year and fill out the attached form 1 – 3.
- Note 7: The total amount of various remunerations paid to the Company’s Directors by the companies (including the Company) listed in the consolidated financial statements shall all be disclosed.
- Note 8: The total amount of various remunerations paid to each Director by the Company shall be disclosed in the Schedule of Remuneration along with name of the Directors.
- Note 9: The total amount of various remunerations paid to each Director by the companies listed in the consolidated financial statements shall be disclosed in the Schedule of Remuneration along with name of the Directors.
- Note 10: Net Income After Taxes referred to Net Income After Taxes of the last fiscal year; for those who have adopted the International Financial Reporting Standards, Net Income After Taxes shall be Net Income After Taxes presented on the Parent Company Financial Statements of last fiscal year.
- Note 11: a) The remuneration amount received by the Company’s Directors from the related no subsidiary joint venture business(es) or parent Company shall be clearly stated in this field if applicable, Otherwise, fill in as “N/A”.
- b) If the Company’s Directors received remuneration from related no subsidiary joint venture business(es) or parent Company, the remuneration received by the Company’s Directors from no subsidiary joint venture business(es) or parent Company shall be consolidated in field-I of the Schedule of Remuneration and amend the field name to be “parent Company and all joint venture businesses”.
- c) The remuneration referred to the remunerations (including employee bonus and Directors and Supervisors’ remuneration) and business execution costs related Remuneration received by the Company’s Directors for serving as Directors, Supervisors or managers in the no subsidiary joint venture business(es) or parent Company.

(2) Remuneration of Supervisors

The Company has appointed three Independent Directors in 2015 to establish the Audit Committee in lieu of Supervisors; therefore, there was no remuneration of supervisors in 2025.

(3) Remuneration of the General Manager and Vice General Manager

December 31, 2025

Unit: NTS1000 /1000 shares

Title	Name	Salary (A) (Note 2)		Severance Pay (B)		Bonus and Allowances (C) (Note 3)		Employee Bonus amount (D) (Note 4)				Percentage of A+B+C+D to Net Income After Taxes (Note 8)		Remuneration paid to the General Manager and Vice General Manager from an Invested Company Other Than the Company's Subsidiary (Note 9)
		From EMC	From All Consolidated Entities (Note 5)	From EMC	From All Consolidated Entities (Note 5)	From EMC	From All Consolidated Entities (Note 5)	From EMC		From All Consolidated Entities (Note 5)		From EMC	From All Consolidated Entities (Note 5)	
								Cash amount	Amount in shares	Cash amount	Amount in shares			
General Manager	YEH, I-Hau	17,187	19,605	362	362	7,436	7,839	18,552	0	18,552	0	43,537 1.78%	46,358 1.90%	100
COO	YEN, Kuo-Lung													

[Note] "Severance Pay" referred to the pension amount contributed in 2024.

Schedule of Remuneration

Range of Remuneration paid to each General Manager and Vice General Manager of the Company	Name of the General Manager and Vice General Manager	
	The Company (Note 6)	Parent Company and all joint venture businesses (Note 7)
Less than NT\$1,000,000		
NT\$1,000,000 (including)~ NT\$2,000,000(excluding)		
NT\$2,000,000 (including) ~ NT\$3,500,000(excluding)		
NT\$3,500,000 (including) ~ NT\$5,000,000(excluding)		
NT\$5,000,000 (including) ~ NT\$10,000,000(excluding)		
NT\$10,000,000 (including)~ NT\$15,000,000(excluding)		
NT\$15,000,000 (including) ~ NT\$30,000,000(excluding)	YEH, I-Hau, YEN, Kuo-Lung	YEH, I-Hau, YEN, Kuo-Lung
NT\$30,000,000 (including)~ NT\$50,000,000(excluding)		
NT\$50,000,000 (including) ~ NT\$100,000,000(excluding)		
NT\$100,000,000 or above		
Less than NT\$1,000,000	2 persons	2 persons

- Note 1: The names of the General Manager and Vice General Manager shall be separately presented and disclose the amount of each payment in a consolidated manner. If a Director is serving concurrently as a General Manager or Vice General Manager, this form and form (1-1) or (1-2) herein under shall be filled in.
- Note 2: Referred to the General Manager and Vice General Manager's remuneration in the last fiscal year (including Directors' salary, supervisory differential pay, termination pay, various bonuses, incentives, etc.).
- Note 3: Fill in various bonuses, incentives, transportation allowances, special Distributions, various allowances, living quarters, assigned Company cars and other remuneration amount of the General Manager and Vice General Manager incurred during the last fiscal year. If house, car and other transportation or personal expenditures are provided, the nature and costs of the assets so provided, actual rent or rent at fair market value, gasoline allowances and other payments shall be disclosed. In addition, if driver(s) is provided, please specify relevant Remuneration of the driver(s) paid by the Company, of which shall not be included in the remuneration. Furthermore, salary expenses, including employee stock option certificate(s), restricted stock award(s) and participation in stock options at cash capital increase, recognized pursuant to IFRS 2 "Share-based Payment" shall also be included in the remuneration.
- Note 4: The employee bonus (including shares and cash) of the General Manager and Vice General Manager during the last fiscal year authorized to be distributed by the Board of Directors. If the amount cannot be estimated, the proposed amount to be distributed shall be based on the proportional actual distributed amount of the previous year and fill out the attached form 1 – 3. Net Income After Taxes referred to Net Income After Taxes of the last fiscal year; for those who have adopted the International Financial Reporting Standards, Net Income After Taxes shall be Net Income After Taxes presented on the Parent Company Financial Statements of last fiscal year.
- Note 5: The total amount of various remunerations paid to the Company's General Manager and Vice General Manager by the companies (including the Company) listed in the consolidated financial statements shall all be disclosed.
- Note 6: The total amount of various remunerations paid to each General Manager and Vice General Manager by the Company shall be disclosed in the Schedule of Remuneration along with name of the General Manager and Vice General Manager.
- Note 7: The total amount of various remunerations paid to each General Manager and Vice General Manager by the companies listed in the consolidated financial statements (including the Company) shall be disclosed in the Schedule of Remuneration along with name of the General Manager and Vice General Manager.

Note 8: Net Income After Taxes referred to Net Income After Taxes of the last fiscal year; for those who have adopted the International Financial Reporting Standards, Net Income After Taxes shall be Net Income After Taxes presented on the Parent Company Financial Statements of last fiscal year.

Note 9: a) The remuneration amount received by the Company's Directors from the related no subsidiary joint venture business(es) or parent Company shall be clearly stated in this field if applicable, Otherwise, fill in as "N/A".

b) If the Company's Directors received remuneration from related no subsidiary joint venture business(es) or parent Company, the remuneration received by the Company's Directors from no subsidiary joint venture business(es) or parent Company shall be consolidated in field-I of the Schedule of Remuneration and amend the field name to be "parent Company and all joint venture businesses".

c) The remunerations (including employee bonus and Directors and Supervisors' remuneration) and business execution costs related Remuneration received by the Company's Directors for serving as Directors, Supervisors or managers in the no subsidiary joint venture business(es) or parent Company.

(4) Remuneration Paid to Manager(s)December 31, 2025
Unit: NTS1000 /Share

	Title (Note 1)	Name (Note 1)	Employee Bonus - in Stock (Fair Market Value)	Employee Bonus - in Cash	Total	Ratio of Total Amount to Net Income After Tax (%)
Managers	General Manager	YEH, I-Hau	0	19,282	19,282	0.79%
	COO	YEN, Kuo-Lung				
	Chief Finance and Accounting Officer	CHEN, Yi-Lin				

Note 1: The names and job title(s) of the manager(s) shall be presented and disclose the amount of profit distribution in a consolidated manner.

Note 2: The employee bonus (including shares and cash) of the manager(s) during the last fiscal year authorized to be distributed by the Board of Directors. If the amount cannot be estimated, the proposed amount to be distributed shall be based on the proportional actual distributed amount of the previous year. Net Income After Taxes referred to Net Income After Taxes of the last fiscal year; for those who have adopted the International Financial Reporting Standards, Net Income After Taxes shall be Net Income After Taxes presented on the Parent Company Financial Statements of last fiscal year.

Note 3: "Manager" shall, pursuant to the provisions prescribed in document number Tai-Cai-Zheng-San- Zi-0902001301 issued by the Board of Directors on 27 March 2003, include the following:

- (1) General Manager and those assuming equivalent position;
- (2) Vice General Manager and those assuming equivalent position;
- (3) Director and those assuming equivalent position;
- (4) Chief Financial Officer
- (5) Chief Accounting Officer
- (6) Other managing personnel and signatory of the Company.

Note 4: The Director, General Manager and Vice General Manager who received employee bonus (including shares and cash) shall, in addition to filling out the attached for 1- 2, also fill out this form.

(5) Analysis on the percentage of total remuneration amount paid to the Company's Directors, Supervisors, General Manager and Vice General Manager by the Company and all companies listed in the consolidated financial statements to Net Income After Taxes in the Last Two Years and explain the policies, standards and mix of remuneration, the procedures of setting the remuneration, and the correlation with operating performance:

Unit: NT\$ thousands

Job title	2025				2024			
	The Company		All companies listed in the consolidated financial statements		The Company		All companies listed in the consolidated financial statements	
	Total remuneration amount	Percentage to Net Income After Taxes	Total remuneration amount	Percentage to Net Income After Taxes	Total remuneration amount	Percentage to Net Income After Taxes	Total remuneration amount	Percentage to Net Income After Taxes
Director	47,890	1.96%	47,890	1.96%	54,790	2.00%	54,790	2.00%
Supervisor	0	0%	0	0%	0	0%	0	0%
General Manager and Vice General Manager	43,537	1.78%	46,358	1.90%	49,905	1.82%	52,824	1.93%

Explanation:

(1) The Independent Directors of the Company do not receive other remuneration except for the fixed remuneration and attendance fee. The remuneration of directors and managers shall be handled in accordance with the Company's Articles of Incorporation : Article 29 of the Company's Articles of Incorporation stipulates that if the Company makes a profit in the year, it shall distribute no less than 10% for employee bonus and no more than 2% for directors' remuneration; the remuneration of directors and managers is reviewed by the remuneration committee to review the degree of participation, contribution value and financial

indicators (revenue and net profit after tax) of each director and manager in the Company's operations, and submit to the Board of Directors for approval after considering the level of payment in the industry.

- (2) The employee and director remuneration distributed for 2025 was the proposed amount of remuneration, while the actual amount of remuneration distributed for 2024 was the actual amount of remuneration distributed.
- (3) The decrease in directors' remuneration in 2025 was mainly due to the decrease in pre-tax net profit in 2025 compared to 2024, which resulted in a decrease in directors' remuneration provided based on profit. The decrease rate of directors' remuneration in 2025 was greater than the decrease rate of net profit after tax. The reason was that the net profit after tax in 2025 includes higher income tax expenses than the net profit after tax in 2024, and the directors' remuneration is provided based on the net profit before tax before deducting employees' and directors' remuneration. Therefore, when comparing the decrease rate of directors' remuneration in 2025 with the decrease rate of net profit before tax before deducting employees' and directors' remuneration in 2024, the two are not much different.
- (4) With respect to senior managers' remuneration, the Company has established salary and compensation management methods for managers and incorporated ESG sustainable development into the performance management methods. The ESG performance of senior managers is directly linked to employee bonuses and total employee remuneration based on the linkage factor coefficients and regulatory guidance for the current year. The linkage factor coefficient is increased year by year to strengthen the linkage between ESG performance and variable remuneration.

The ESG Indexes for senior managers are as follows:

Type	ESG Indexes	Proportion of Linkage with Variable Salary		
		2025	2026	2027
Annual performance indicators	(1) Reducing carbon emissions, (2) Green product development, (3) Regulatory compliance, and (4) Health and well-being	25%	30%	30%

3. Implementation of Corporate Governance

(1) Board of Directors Meeting Status

(1) Board of Directors Meeting Status

Elan Microelectronics Corporation (EMC)'s Chairman of the Board of Directors convened the sixth (6th) (A) meetings in 2025. The directors' attendance status was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate in Person (%) (B/A)	Remarks
Chairman	YEH, I-Hau	6	0	100%	
Director	Yulong Investment Co., Ltd. Representative: YEH, Tsung-Ying	6	0	100%	
Director	YEN, Kuo-Lung	6	0	100%	
Director	Zonglong Investment Co., Ltd. Representative: WEI, Chi-Lin	6	0	100%	
Director	CHIU, Te-Chen	5	1	83.30%	
Independent Director	LIN, Hsien-Ming	5	1	83.30%	
Independent Director	TSAI, Cherng-Ru	5	1	83.30%	
Independent Director	TSAI, Chuang-Chuang	6	0	100%	
Independent Director	LU, Fang-Cheng	6	0	100%	

Other mentionable items:

- In the event of any of the following circumstances concerning the operation of the Board of Directors, the date, session number, agenda of the Board Meeting, all Independent Director's opinions and how the Company process the Independent Director's opinions shall be specified:
 - Matters relating to Article 14-3 of the Securities and Exchange Act: N/A (The Company has established an Audit Committee).
 - Other Board resolutions, except the matters mentioned above, opposed or given qualified opinion by Independent Director(s) with record(s) or written statement(s): N/A.
- Where the Director avoided conflict of interests, specify the Director's name, agenda, reason for the avoidance of conflict of interests and participation in voting: N/A.
- The TWSE/GTSM Listed Companies shall disclose the cycle, period, scope, method and contents of the Board's self (or by peer) evaluation and other information, and fill out Schedule 2 "Results of the Implementation of Board of Directors' Evaluation": the Results of the Implementation of Board of Directors' Evaluation for 2024 are shown in the schedule below.
- The goals for strengthening the functions of the Board of Directors in the current year and the most recent year (e.g., establishing an audit committee, improving information transparency, etc.) and implementation status evaluation: In 2021, the shareholders' meeting has added one independent director and one director, bringing the total number of independent directors to four and the total number of directors to nine. In 2024, the shareholders' meeting has elected a female director in accordance with regulations to increase the diversity of the Board of Directors. The Board of Directors and functional committees will also conduct performance evaluations and self-evaluations every year. In 2024, the Company conducted an external evaluation of the performance of the Board of Directors (evaluation period: 2023) to implement corporate governance and improve the performance of the Board of Directors. The target for the next board director re-election for women directors must have at least 1/3 of the board members.

(2) Board of Directors' Performance Evaluation Implementation Status

Date of Board of Directors	Evaluation Cycle (Note 1)	Evaluation Period (Note 2)	Evaluation Scope (Note 3)	Evaluation Method (Note 4)	Evaluation Aspect (Note 5)	Evaluation Results
03/03/2026	Annual	From January 1, 2025 to December 31, 2025	The Board of Directors	Self-assessment by each Board member	<ol style="list-style-type: none"> 1. Involvement in the Company's operation 2. Enhancement of the quality of the board's decision-making 3. Makeup and structure of the board 4. Election of board members and continuing knowledge development 5. Internal controls 	Good
03/03/2026	Annual	From January 1, 2025 to December 31, 2025	The Audit Committee	Self-assessment by each Audit Committee member	<ol style="list-style-type: none"> 1. Understanding of the Company's goals and mission 2. Awareness of the audit committee's duties 3. Involvement in the Company's operation 4. Internal relationship and communication 5. Director's professionalism and continuing knowledge development 6.. Internal controls. 	Good
03/03/2026	Annual	From January 1, 2025 to December 31, 2025	The remuneration committee	Self-assessment by each remuneration committee member	<ol style="list-style-type: none"> 1. Involvement in the Company's operation 2. Awareness of director's duties 3. Enhancement of the quality of the board's decision-making 4. Makeup and structure of the Committee and Election of committee members 	Good
03/03/2026	Annual	From January 1, 2025 to December 31, 2025	The ESG Committee	Self-assessment by each EDG Committee member	<ol style="list-style-type: none"> 1. Involvement in the Company's operation 2. Implementation status of the relevant policies and the Company's sustainable development 3. Expertise and experience 4. Regularly participate in committee meetings 5. True compliance with confidentiality obligations 	Good

Date of Board of Directors	Evaluation Cycle (Note 1)	Evaluation Period (Note 2)	Evaluation Scope (Note 3)	Evaluation Method (Note 4)	Evaluation Aspect (Note 5)	Evaluation Results
03/03/2026	Annual	From January 1, 2025 to December 31, 2025	The Individual Directors	Self-evaluation by the Board member	1. Involvement in the Company's operation 2. Awareness of director's duties 3. Enhancement of the quality of the board's decision-making 4. Election of board members and continuing knowledge development 5. Internal control	Good

Note 1: Fill in the cycle of evaluation executed by the Board of Directors (e.g., annual).

Note 2: Fill in the period of evaluation of the Board of Directors (e.g., evaluate the Board of Directors' performance for the period from January 1, 2025 to December 31, 2025).

Note 3: The scope of the evaluation, which includes performance evaluation on the Board of Directors, Individual Board member and functional committee.

Note 4: The method of evaluation, which includes internal self-evaluation of the Board of Directors, self-evaluation by the Board member, peer evaluation, commissioned performance evaluation by external professional institutions, experts or other appropriate methods.

Note 5: The contents of evaluation, which include at least the following items according to the scope of evaluation:

- (1) Performance evaluation on the Board of Directors: which at least include the level of participation in the Company's operations, quality of decision-making of the Board of Directors, composition and structure of the Board of Directors, election, appointment and continuous training of the directors, and internal control, etc.
- (2) Performance evaluation on the individual member of the Board: which at least include the level of mastering the Company's goals and tasks, understanding of director's duties, the level of participation in the Company's operations, internal relationship management and communication, director's profession and continuous training, and internal control, etc.
- (3) Performance evaluation on the functional committees: the level of participation in the Company's operations, understanding of functional committee's duties, the quality of decision-making of the functional committees, composition and structure of the functional committees, election and appointment of members of the functional committee, and internal control, etc.

In accordance with the Board Performance Evaluation Method, the Company entrusts an external professional independent organization to perform the evaluation work every three years. In March 2024, we commissioned the Chinese Corporate Governance Association, an external independent evaluation organization, to conduct a board performance evaluation of the Company. The evaluation report was issued on April 10, 2024, and was reported to the Board of Directors on December 24, 2024. The evaluation recommendations have been gradually implemented in the Company's practical operations.

(2) **Audit Committee Performance Evaluation Implementation Status:**

The purpose of the Audit Committee is to assist the Board in its oversight of the quality and integrity of the Company's accounting, auditing, financial reporting processes and financial controls.

The subjects reviewed by the audit committee mainly consist of:

- Financial statements;
- Audit and accounting policies and procedures;
- Internal control system and related policies and procedures;
- Major asset or derivative commodity transactions;
- Major capital loan and endorsement or guarantee;
- Placement or issuing securities;
- Derivative financial products and cash investment;
- Compliance;
- Whether there are related party transactions and possible conflicts of interest between the manager and director;
- Complaint filing;
- Fraud prevention plan and fraud investigation report;
- Information security;
- Corporate risk management;
- Qualification, independence and performance evaluation of Certified Public Accountant;
- Appointment, dismissal or remuneration of CPA;
- Appointment and removal of the head of financing, accounting or internal auditing departments;
- Performance of Audit Committee's duties; and
- Self-assessment questionnaire for performance evaluation on Audit Committee.

● Evaluate the effectiveness of the internal control system

The Audit Committee assesses the Company's internal control system policies and procedures (including finance, operation, risk management, information security, outsourcing, compliance and other control Procedures), and reviews the periodic reports of the Company's audit department and Certified Public Accountant.

● Review of financial report

The Board of Directors has prepared the Company's 2025 business report, financial statements, profit distribution proposal, etc., of which the financial statements were commissioned to Klynveld Peat Marwick Goerdeler (KPMG, Taiwan) for audit with an audit report issued upon completion thereby. The Audit Committee had reviewed and believed that there are no discrepancies in the above-mentioned business report, financial statements and profit distribution proposal.

Information Regarding the Audit Committee Members :

Criteria Name/ Title	Professional Qualification and Experiences	Independence Status	Number of Other Public Companies Concurrently Serving as an Audit Committee Member
LU, Fang-Cheng Independent Director (Meeting Convener)	Ph.D. in IT engineering / Tsing Hua University, chairman of a Company, with business experience	According to the requirements of the competent authority, when the Company elects Independent Directors, it has obtained a written statement from each independent director confirming the independence of himself and his relatives within the second degree relative to the Company.	0
LIN, Hsien-Ming Independent Director	Chairman of a well-known electronics manufacturer in Taiwan, with rich industrial and commercial experience	According to the requirements of the competent authority, when the Company elects Independent Directors, it has obtained a written statement from each independent director confirming the independence of himself and his relatives within the second degree relative to the Company.	0
TSAI, Cherng-Ru Independent Director	Bachelor of Commerce from the renowned Wharton School in the United States, and has held a number of management positions in well-known domestic financial holding companies. He is currently the vice chairman of the life insurance company under the financial holding company and has extensive experience in business and finance.	According to the requirements of the competent authority, when the Company elects Independent Directors, it has obtained a written statement from each independent director confirming the independence of himself and his relatives within the second degree relative to the Company.	0
TSAI, Chuang-Chuang Independent Director	She was a university professor and general manager of an e-paper company. She is currently a director of a major screen panel manufacturer and has both industrial and academic experience.	According to the requirements of the competent authority, when the Company elects Independent Directors, it has obtained a written statement from each independent director confirming the independence of himself and his relatives within the second degree relative to the Company.	0

The Audit Committee convened six (6) meetings (A) in 2025. The Independent Directors' attendance status was as follows:

Title	Name	Attendance in Person [B]	By Proxy	Attendance rate (%) [B/A] (Note)	Notes
Independent Director	LIN, Hsien-Ming	5	1	83.30%	
Independent Director	Lu, Fang-Cheng	6	0	100%	
Independent Director	TSAI, Cherng-Ru	5	1	83.30%	
Independent Director	TSAI, Chuang-Chuang	6	0	100%	

Other mentionable items:

- In the event of any of the following circumstances concerning the operation of the Audit Committee, the date, session number, agenda of the Board Meeting, the Audit Committee resolution and how the Company process the Audit Committee resolution shall be specified.
 - Matters relating to Article 14-5 of the Securities and Exchange Act;
 - Other Board resolutions, except the matters mentioned above, authorized by 2/3 (or above) of the Directors but opposed by the Audit Committee:

Audit Committee Meeting Date	Proposal and Resolutions	Independent directors' objections, reservations or major suggestions	Resolutions related to Securities and Exchange Act §14-5:	Proposals that have not been approved by the Audit Committee but have been approved by more than 2/3 of all directors	
The 5th Meeting of the 4 th Session dated 02.27.2025	1. Adoption of the proposal to discuss the Company's 2024 financial report and business report	None	V		
	2. Adoption of the 2024 statement of internal control system on design and implementation effectiveness	None	V		
	3. Adoption of the proposal for appointing the KPMG Taiwan to audit and certify the Company's 2025 financial statements and tax reports.	None	V		
	4. Adoption of the proposal for amendment of the internal control system	None	V		
	5. Adoption of the proposal to subscribe the common shares through cash capital increase in 2025 issued by Pixord Corp.				
	Resolution of the Audit Committee (made on 02.27.2025): The members of the Audit Committee unanimously approved all the resolutions				
	The Company's response to the Audit Committee's Opinion: The Board of Directors approved all such resolutions recommended by the Audit Committee				
The 6th Meeting of the 4 th Session dated 05.06.2025	1. Adoption of the proposal to discuss about the Company's 2025 Q1 self-closing financial statements	None	V		
	2. Adoption of the proposal to discuss about formulation of general principles for the Company's pre-approved non-confirmation service policy	None	V		
	Resolution of the Audit Committee (made on 05.06.2025): The members of the Audit Committee unanimously approved all the resolutions				
	The Company's response to the Audit Committee's Opinion:				

	The Board of Directors approved all such resolutions recommended by the Audit Committee			
The 7 th Meeting of the 4th Session dated 06/05/2025	1. Adoption of the proposal to subscribe the IPO common shares through cash capital increase in 2025 issued by Eminent Electronic Technology Co., Ltd.	None	V	
	Resolution of the Audit Committee (made on 06/05/2025): The members of the Audit Committee unanimously approved all the resolutions			
	The Company's response to the Audit Committee's Opinion: The Board of Directors approved all such resolutions recommended by the Audit Committee			
The 8 th Meeting of the 4th Session dated 08/06/2025	1. Adoption of the proposal to discuss about the Company's 2025 Q2 self-closing consolidated financial statements	None	V	
	2. Adoption of the proposal to subscribe the common shares through cash capital increase issued by JPUP Electron Co., Ltd.	None	V	
	Resolution of the Audit Committee (made on 08/06/2025): The members of the Audit Committee unanimously approved all the resolutions			
	The Company's response to the Audit Committee's Opinion: The Board of Directors approved all such resolutions recommended by the Audit Committee			
The 9 th Meeting of the 4th Session dated 11/06/2025	1. Adoption of the proposal to discuss about the Company's 2025 Q3 self-closing consolidated financial statements	None	V	
	2. Adoption of the proposal to discuss about the establishment of the TwHealth Nexus	None	V	
	3. Adoption of the proposal for the second amendment of the "Payroll Accounting Procedures" for the internal control system	None	V	
	Resolution of the Audit Committee (made on 11/06/2025): The members of the Audit Committee unanimously approved all the resolutions			
	The Company's response to the Audit Committee's Opinion: The Board of Directors approved all such resolutions recommended by the Audit Committee			
The 10 th Meeting of the 4th Session dated 12/23/2025	1. Adoption of the proposal to discuss about formulation of general principles for the Company's pre-approved non-confirmation service policy	None	V	
	2. Adoption of the proposal for the audit plan for the 2026 fiscal year	None	V	
	3. Adoption of the proposal to subscribe the common shares through cash capital increase issued by Uniband Electronic Corp.	None	V	
	Resolution of the Audit Committee (made on 12/23/2025): The members of the Audit Committee unanimously approved all the resolutions			
	The Company's response to the Audit Committee's Opinion: The Board of Directors approved all such resolutions recommended by the Audit Committee			

2. Where the Independent Director avoided conflict of interests, specify the Independent Director's name, agenda, reason for the avoidance of conflict of interests and participation in voting: N/A
3. Communication between the Independent Director and chief audit executive and accountant (include major topics, methods and results relating to the Company's financial and business status that shall be communicated):

Summary of Communications between the Independent Directors and the Internal Auditors

Meeting Date	Meeting held by	Communications between the Independent Directors and the Internal Auditors	Recommendations and results
02/27/2025	Audit Committee	1. Internal audit business report as of January 2025: Investment cycle and R&D cycle 2. Approved the Company's 2024 Internal Control Design and Implementation Effective Statement 3. Proposal for Amendment of the internal control system	no objection
05/06/2025	Audit Committee	1. Internal audit business report as of March 2025: Production cycle and properties, plant and equipment cycle	no objection
06/05/2025	Audit Committee	1. Internal audit business report as of Ending April: Inventory management	no objection
08/06/2025	Audit Committee	1. Internal audit business report from May to June 2025: Budget management, information management and financing cycle	no objection
11/06/2025	Audit Committee	1. Internal audit business report from July to September 2025: Financing cycle, preparation for financial statements and salary cycle 2. Internal control system: 1 st Amendment of payroll accounting procedures	no objection
12/23/2025	Audit Committee	1. Internal audit business report as of Ending October 2025: Purchase and payment cycles 2. Internal control system: 2 nd Amendment of payroll accounting procedures	no objection

Summary of Communications between Independent Directors and the CPA

Date	Communications between the Independent Directors and the CPA	Recommendations and results
02/27/2025	Communication meeting with the corporate governance unit: 1. Ethics and Independence 2. Auditor's Responsibility in Auditing Financial Statements 3. Communication of the Firm's Quality Management System 4. Types of Audit Opinions Issued 5. Scope of Audit 6. Explanation of Key Audit Issues 7. Important Legal Updates	No objection

Note:

- * If an Independent Director left his/her position before the end of the year, the date he/she left the position shall be specified in the "Note" field and the actual attendance rate (%) shall be calculated based on the number of Audit Committee meetings and his/her actual number of times of attendance during his/her term.
- * If there is an independent director re-election before the end of the year, the information of both previous and new Independent Directors shall be filled in the "Note" field specifying who is the previous Independent Director, who is the new or re-elected Independent Director and the re-election date; and the actual attendance rate (%) shall be calculated based on the number of Audit Committee meetings and his/her actual number of times of attendance during his/her term.

(3) Supervisors' participation in the operation of the Board of Directors: N/A.

(Note: The Company has established the Audit Committee in lieu of Supervisors in 2015).

(4) Corporate Governance Implementation Status and Deviations from “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons

Assessment Item	Implementation Status (Note)			Non-Implementation and its Reason(s)
	Yes	No	Summary	
1. Does the Company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	V		The Company has established the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” on November 8, 2018. The information has been disclosed on the Company’s website and the Market Observation Post System (MOPS)..	None
2. Shareholding structure & shareholders’ rights				
(1) Does the Company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?	V		The Company has established the spokesperson system and legal department to process relevant issues.	None
(2) Does the Company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		The Company has established the personnel dedicated to stocks/shares related matters and entrusted agent Masterlink Securities to process stocks/shares related affairs.	None
(3) Does the Company establish and execute the risk management and firewall system within its conglomerate structure?	V		The Company has formulated the “Regulations on the Operating Management of Subsidiary” as the basis for control.	None
(4) Does the Company establish internal rules against insiders trading with undisclosed information?	V		The Company has formulated the “Major Internal Information Processing Procedures” and “Ethical Code of Ethics and Business Conduct” specifications.	None
3. Composition and responsibilities of the Board of Directors				
(1) Does the Board of Directors formulate and implement a diversified approach for the member composition?	V		<p>1. The Company adopted the “Code of Corporate Governance” on the Ninth Session No. 3 Board Meeting on November 8, 2018, of which diversified policy was set out in Chapter 3 “Strengthening the Board Functions”. The nomination and selection of the Board members of the Company adopts the nomination system for candidates as prescribed in the Articles of Incorporation and abides by the “Guidelines Governing the Election of Directors” and “Code of Corporate Governance” to ensure the diversity and independence of the Board members. The Company pays attention to the diversity of the composition of the Board of Directors, and added one director and one independent director during the re-election of the shareholders' meeting on July 2, 2021 to increase the diversity of directors. On May 30, 2024, the shareholders' meeting will elect a female director in accordance with regulations to increase the diversity of the Board of Directors. The target for the next board re-election is for women to account for 1/3 of the board seats, in order to enrich the diversity of the board.</p> <p>2. The Company’s current Board of Directors consists of 5 directors and 4 Independent Directors. Among the directors, they are specialized in leadership, operational judgment, management, crisis management, industrial and international market knowledge such as YEH, I-Hau, YEN, Kuo-Lung, CHIU, Te-Chen, and WEI, Chi-Lin; CHIU, Te-Chen has many years experiences in venture capital management and rich experiences in the industry; WEI, Chi-Lin has served as a professor in</p>	None

Assessment Item	Implementation Status (Note)			Non-Implementation and its Reason(s)
	Yes	No	Summary	
(3) Does the Company set methods of evaluating the performances of the Board of Directors perform the evaluation regularly on a yearly basis and report the performance evaluation results to the Board of Directors as references for individual director's remuneration and nomination?	V		<p>The Company's Board of Directors has formulated the "Methods of evaluating the performances of the Board of Directors" on December 21, 2018, which stipulated that the Board of Directors shall perform an internal Board performance evaluation once a year. The internal evaluation period of the Board of Directors shall be at the end of each year, which shall conduct annual performance evaluations on the entire Board of Directors, individual Board members and the functional committees. The results of the Board's internal performance evaluation shall be completed prior to the earliest Board Meeting of the following year.</p> <p>Performance evaluation of the Board of Directors (functional committee):</p> <ol style="list-style-type: none"> 1. The level of participation in the Company's operations. 2. Improve the quality of decision-making of the Board of Directors. 3. Composition and structure of the Board of Directors. 4. Election, appointment and continuous training of the directors. 5. Internal control. <p>Performance evaluation of the Board members (self or peers) shall at least cover the following six aspects:</p> <ol style="list-style-type: none"> 1. The level of mastering the Company's goals and tasks. 2. Understanding of director's duties. 3. The level of participation in the Company's operations. 4. Internal relationship management and communication. 5. Director's profession and continuous training. 6. Internal control. <p>At the end of each year, each implementation unit shall collect relevant information concerning activities of the Board of Directors and distribute relevant self-assessment questionnaires to fill out. Then, the organizing implementation unit shall collect the data, record the evaluation results report and sends it to the Board of Directors for report.</p> <p>The Company has completed the performance evaluation of the Board of Directors, the remuneration committee, the ESG Development Committee, Audit Committee and the directors in January 2026 and reported at the Board Meeting on March 03, 2026. The Results of the performance evaluation of the Company's Board member and of the members of the various functional committees are all good.</p>	None

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(4) Does the Company regularly evaluate the independence of the Certified Public Accountant (CPA)?	V		<p>In accordance with the Board Performance Evaluation Method, the Company entrusts an external professional independent organization to perform the evaluation work every three years. In March 2024, we commissioned the Chinese Corporate Governance Association, an external independent evaluation organization, to conduct a board performance evaluation of the Company. The evaluation report was issued on April 10, 2024, and was reported to the Board of Directors on December 24, 2024. The evaluation recommendations have been gradually implemented in the Company's practical operations.</p> <p>The Company evaluates the independence and suitability of the accountant before appointing the CPA every year. The Company bases on the Company's Criteria for Assessing the Independence of Accountants (Note 1) and the independence statement issued by the accounting firm and the 13 indicators of the "Audit Quality Indicators (AQIs)" Information to assess the independence and competence of accountants. It is confirmed that the CPAs LU, Chien-Hui and LEE, Fang-Yi of KPMG Taiwan meet the independence requirements. In addition, the CPAs and the CPA firm are superior to the average level in the industry in indicators such as audit experience, training hours, turnover rate, professional support, accountant load, and case quality control review. Accounting firms continue to invest in digital audit platforms to improve audit efficiency. The latest assessment results were submitted for review and approval by the Audit Committee and the Board of Directors on March 03, 2026.</p> <p>Note 1: Criteria for assessing the independence of accountants</p> <table border="1"> <thead> <tr> <th>Assessment Item</th> <th>Assessment Results</th> <th>Independence</th> </tr> </thead> <tbody> <tr> <td>1. Does the Accountant have direct or major indirect financial interests with the Company?</td> <td>No</td> <td>Yes</td> </tr> <tr> <td>2. Does the Accountant have financing or guarantee behaviors with the Company or the Company's Directors?</td> <td>No</td> <td>Yes</td> </tr> <tr> <td>3. Does the Accountant have close business relationship and potential employment relationship with the Company?</td> <td>No</td> <td>Yes</td> </tr> <tr> <td>4. Does the Accountant and its audit team member currently or use to serve in the Company as a director, manager or other position having major influence on the audit work in the Last Two Years?</td> <td>No</td> <td>Yes</td> </tr> </tbody> </table>	Assessment Item	Assessment Results	Independence	1. Does the Accountant have direct or major indirect financial interests with the Company?	No	Yes	2. Does the Accountant have financing or guarantee behaviors with the Company or the Company's Directors?	No	Yes	3. Does the Accountant have close business relationship and potential employment relationship with the Company?	No	Yes	4. Does the Accountant and its audit team member currently or use to serve in the Company as a director, manager or other position having major influence on the audit work in the Last Two Years?	No	Yes	
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4. Does the TWSE/TPEX listed companies arrange adequate Corporate Governance personnel and assign Corporate Governance supervisor to be responsible for corporate governance related affairs (including but not limited to providing information required by the Directors and/or Supervisors to execute the business, assist directors and supervisors to comply with laws and regulations, processing the Board Meeting and shareholders' meeting related matters pursuant to laws and regulation, generating minutes of the Board Meetings and shareholders' meetings, etc.)?	V		<p>On April 28, 2021 the Board of Directors of the Company has appointed the finance and accounting chief officer to be acting as the Corporate Governance Officer to handle matters related to the meetings of the Board of Directors and the shareholders' meetings, prepare the minutes of the Board of Directors and the shareholders' meetings, provide directors with necessary information for business execution, assist directors in continuing education and assist directors to follow the laws, etc.</p> <p>The continuing education training of the Corporate Governance Officer in 2025 is summarized as follows: Total 15 hours</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Host By</th> <th>Training/Speech Title</th> <th>Duration</th> </tr> </thead> <tbody> <tr> <td>08/04/2025-08/04/2025</td> <td>Securities and Futures Institute (SFI)</td> <td>The Importance and Practical Cases of Enterprise Artificial Intelligence Applications</td> <td>3 hours</td> </tr> <tr> <td>12/11/2025-12/11/2025</td> <td>Accounting Research and Development Foundation</td> <td>Analysis of the latest key financial accounting laws and regulations and the driving forces behind their development.</td> <td>3 hours</td> </tr> <tr> <td>12/11/2025-12/11/2025</td> <td>Accounting Research and Development Foundation</td> <td>Analysis of Common Deficiencies and Legal Liabilities in Enterprises' Compliance with Labor Standards Acts and Gender Equality Protection</td> <td>3 hours</td> </tr> <tr> <td>12/12/2025-12/12/2025</td> <td>Accounting Research and Development Foundation</td> <td>Analysis of New and Popular Financial and Tax Practice Topics</td> <td>3 hours</td> </tr> <tr> <td>12/12/2025-12/12/2025</td> <td>Accounting Research and Development Foundation</td> <td>Legal Liability Practice Seminar: Analysis of Recent Major Judicial Cases and Regulatory Penalties under the Securities and Exchange Act</td> <td>3 hours</td> </tr> </tbody> </table>	Date	Host By	Training/Speech Title	Duration	08/04/2025-08/04/2025	Securities and Futures Institute (SFI)	The Importance and Practical Cases of Enterprise Artificial Intelligence Applications	3 hours	12/11/2025-12/11/2025	Accounting Research and Development Foundation	Analysis of the latest key financial accounting laws and regulations and the driving forces behind their development.	3 hours	12/11/2025-12/11/2025	Accounting Research and Development Foundation	Analysis of Common Deficiencies and Legal Liabilities in Enterprises' Compliance with Labor Standards Acts and Gender Equality Protection	3 hours	12/12/2025-12/12/2025	Accounting Research and Development Foundation	Analysis of New and Popular Financial and Tax Practice Topics	3 hours	12/12/2025-12/12/2025	Accounting Research and Development Foundation	Legal Liability Practice Seminar: Analysis of Recent Major Judicial Cases and Regulatory Penalties under the Securities and Exchange Act	3 hours	None
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5. Does the Company establish communication channel with interested parties (including but not limited to shareholders, employees, customers and suppliers), set up an Interested Parties Zone on the Company's website, and duly respond to important corporate social responsibility issues concerned by the interested parties?	V		The Company's website has established an Interested Parties Zone and public e-mail to safeguard the communication channel of the interested parties.	None																								

Assessment Item	Implementation Status (Note)			Non-Implementation and its Reason(s)
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6. Does the Company appoint professional service agency to process affairs of the shareholders' meeting?	V		The Company has entrusted the professional stock agent Taishin Securities Co., Ltd. to handle the shareholders' meeting related affairs.	None
7. Information disclosure				
(1) Does the Company set up a website to disclose information concerning financial operations and corporate governance?	V		The Company has established an external website (URL http://www.emc.com.tw) to disclose financial operations information and corporate governance information.	None
(2) Does the Company adopt other means of disclosing information (such as setting up an English website, assigning someone to take charge of the collection and disclosure of the Company's information, implementing the Spokesperson system, posting Corporate Conference process on the Company's website)?	V		Currently, the Company has a dedicated website and dedicated Spokesperson. The video/audio files and newsletter of Corporate Conference will also be posted on the Company's website for public references.	None
(3) Does the Company declare and file annual financial report within two months after the end of the fiscal year, and declare and file the financial reports and monthly Implementation Status for the first, second, and third quarter within the required deadline?	V		The Company has disclosed and filed its annual financial report within two months after the end of fiscal year 2024; and the financial reports and monthly business operation status for the first, second, and third quarters 2025 are all and filed before the required deadline.	None

Assessment Item	Implementation Status (Note)			Non-Implementation and its Reason(s)																																
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8. Does the Company possess other important information (including but not limited to employee rights, employee care, investor relations, supplier relations, rights of the interested parties, trainings of the Directors and Supervisors, implementation status of risks manage policies and risks measurement standards, implementation status of customer policies, liability insurance purchased by the Company for the Directors and Supervisors, etc.) that can help in understanding the corporate governance operating status?	V		<p>1. In addition to common benefit such as health insurance, social security, group insurance and pension, employees of the Company also enjoy benefits provided by the Company such as bonuses for the year, employee bonus , regular health checkups, established medical room to care for employees' health, employee travel allowances and club activities.</p> <p>2. The Company has established a Spokesperson, Acting Spokesperson, Investment contact person and public e-mail as communication channels between the Company and the investors. The Company's external website (URL http://www.emc.com.tw) also has established an Interested Parties Zone to present various aspects concerned by the interested parties and related means of communication and response.</p> <p>3. Education Training of Directors and Supervisors in 2025:</p> <table border="1"> <thead> <tr> <th>Title</th> <th>Name</th> <th>Month</th> <th>Host By</th> <th>Training/Speech Title</th> <th>Duration (Hours)</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Chairman</td> <td rowspan="2">YEH, I-Hau</td> <td>03/2025</td> <td>Securities and Futures Institute</td> <td>Corporate Governance Lecture Series, Session 230</td> <td>3</td> </tr> <tr> <td>08/2025</td> <td>Securities and Futures Institute</td> <td>The Importance and Practical Cases of Enterprise Artificial Intelligence Applications</td> <td>3</td> </tr> <tr> <td rowspan="2">Director</td> <td rowspan="2">YEN, Kuo-Lung</td> <td>08/2025</td> <td>Securities and Futures Institute</td> <td>The Importance and Practical Cases of Enterprise Artificial Intelligence Applications</td> <td>3</td> </tr> <tr> <td>11/2025</td> <td>Securities and Futures Institute</td> <td>Sustainability Strategies Based on Core Competencies: How Enterprises Can Build Long-Term Resilience and Competitive Advantage Through ESG</td> <td>3</td> </tr> <tr> <td>Director</td> <td>CHI, Te-Ch</td> <td>07/2025</td> <td>Taiwan Corporate Governance Association</td> <td>Corporate Risk and Corporate Social Responsibility</td> <td>3</td> </tr> </tbody> </table>	Title	Name	Month	Host By	Training/Speech Title	Duration (Hours)	Chairman	YEH, I-Hau	03/2025	Securities and Futures Institute	Corporate Governance Lecture Series, Session 230	3	08/2025	Securities and Futures Institute	The Importance and Practical Cases of Enterprise Artificial Intelligence Applications	3	Director	YEN, Kuo-Lung	08/2025	Securities and Futures Institute	The Importance and Practical Cases of Enterprise Artificial Intelligence Applications	3	11/2025	Securities and Futures Institute	Sustainability Strategies Based on Core Competencies: How Enterprises Can Build Long-Term Resilience and Competitive Advantage Through ESG	3	Director	CHI, Te-Ch	07/2025	Taiwan Corporate Governance Association	Corporate Risk and Corporate Social Responsibility	3	None
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			<p>4. If the Board Meeting convened by the Company involves personal interests of the Director(s) which are potentially damaging to the Company's interests, the Director(s) shall uphold self-discipline to avoid the participation in voting or represent other Director(s) in exercising voting power.</p> <p>5. The Company has purchased NT\$160,000,000 liability insurance for the Directors and managers, of which the related underwriting period and premiums has been reported in the Board Meeting on August 06,2025.</p>	
<p>9. Please state the status of improvement for issues identified in the corporate governance evaluation results issued by the Corporate Governance Center of Taiwan Stock Exchange Corporation in the last fiscal year and propose priority enhancements and Procedures for those that have not yet improved. (This is N/A for the companies not listed as a rated Company):</p> <p>The issues identified in the Company's 2025 corporate governance evaluation results that have been improved: The Company has formulated specific measures to enhance corporate value, submit them to the Board of Directors, and disclose relevant information in the "Corporate Value Enhancement Plan Zone" of the open-source Market Observation Post System of the TWSE (https://mops.twse.com.tw).</p> <p>Future priorities include: disclosing on the Company's website the details of negotiations with investors (such as investor briefings, in-person visits, video conferences, telephone calls, or emails), as well as key information regarding investor questions and the Company's responses.</p>				

Note: Explanations shall be specified in the "Summary" field regardless whether "Yes" or "No" was selected for the operating status.

(5) Information Regarding remuneration committee Members

Criteria Name Title	Professional Qualification and Experiences	Independence Status	Number of Other Public Companies Concurrently Serving as an Audit Committee Member
LIN, Hsien-Ming Independent Director (Meeting Convener)	Chairman of a well-known electronics manufacturer in Taiwan, with rich industrial and commercial experience	According to the requirements of the competent authority, when the Company elects Independent Directors, it has obtained a written statement from each independent director confirming the independence of himself and his relatives within the second degree relative to the Company.	0
TSAI, Chuang-Chuang Independent Director	She was a university professor and general manager of an e-paper company. She is currently a director of a major screen panel manufacturer and has both industrial and academic experience and is currently not in or under any circumstances stated in Article 30 of The Company Law	According to the requirements of the competent authority, when the Company elects Independent Directors, it has obtained a written statement from each independent director confirming the independence of himself/herself and his/her relatives within the second degree relative to the Company.	0
LU, Fang-Chen Independent Director	Ph.D. in IT engineering / Tsing Hua University, chairman of a Company, with business experience	According to the requirements of the competent authority, when the Company elects Independent Directors, it has obtained a written statement from each independent director confirming the independence of himself and his relatives within the second degree relative to the Company.	0

(6) Remuneration Committee Meeting Status

1. The Company has a total of three (3) remuneration committee members
2. The sixth term of office of the remuneration committee members: LIN, Hsien-Ming, LU, Fang-Chen and TSAI, Chuang-Chuang tenures from May 30, 2024 to May 29, 2027. The Chairman of the remuneration committee convened 4 meetings (A) in 2025. The qualifications and attendance of the committee members were as follows:

Title	Name	Attendance in Person [B]	By Proxy	Attendance rate (%) [B/A] (Note)	Remarks
Meeting Convener	LIN, Hsien-Ming	4	0	100%	
Committee Member	TSAI, Chuang-Chuang	4	0	100%	
Committee Member	LU, Fang-Cheng	4	0	100%	

The dates, sessions, motions and resolutions of the remuneration committee's meetings in 2025, and the Company's actions taken towards the remuneration committee's opinions:

Meeting Date	Proposals	Resolutions	The Company's response to the remuneration committee's Opinion
The 4th Meeting Session No. 6 Feb. 27, 2025	1. Managers' performance bonus payment for 2024 2. Manager's employee remuneration payment plan for 2024	The members of the remuneration committee unanimously approved all the resolutions	The Board of Directors approved all such resolutions recommended by the remuneration committee
The 5th Meeting Session No. 6 May 06, 2025	1. Directors' remuneration distribution plan for fiscal year 2024	The members of the remuneration committee unanimously approved all the resolutions	The Board of Directors approved all such resolutions recommended by the remuneration committee
The 6th Meeting Session No. 6 Aug. 06, 2025	1. Proposal for adjusting the manager salary 2. Amendment to the Regulations and Rules for Management of the manager's remuneration"	The members of the remuneration committee unanimously approved all the resolutions	The Board of Directors approved all such resolutions recommended by the remuneration committee
The 7th Meeting Session No. 6 Dec. 23, 2025	1. Update the schedule for directors and managers' compensation planning	The members of the remuneration committee unanimously approved all the resolutions	The Board of Directors approved all such resolutions recommended by the remuneration committee

Other mentionable items:

1. In the event of where the Board of Directors did not approve or correct the remuneration committee's propose, the date, session number, agenda of the Board Meeting, the Board resolution and how the Company process the remuneration committee's resolution shall be specified (if the remuneration authorized by the Board of Directors is better than that of proposed by the remuneration committee, please specify the differences and reason therefor): None.
2. In the event of where the remuneration committee's resolutions opposed or given qualified opinion by its member(s) with record(s) or written statement(s), the date, session number, agenda of the remuneration committee meeting, opinions of all members and how the members' opinions were processed: None.

Notes:

- (1) If a remuneration committee member left his/her position before the end of the year, the date he/she left the position shall be specified in the "Note" field and the actual attendance rate (%) shall be calculated based on the number of remuneration committee meetings and his/her actual number of times of attendance during his/her term.
- (2) If there is a remuneration committee member re-election before the end of the year, the information of both previous and new remuneration committee members shall be filled in the "Note" field specifying who is the previous remuneration committee member, who is the new or re-elected remuneration committee member and the re-election date; and the actual attendance rate (%) shall be calculated based on the number of remuneration committee meetings and his/her actual number of times of attendance during his/her term.

(7) Sustainable Development Implementation Status as Required by the Taiwan Financial Supervisory Commission

Assessment Item	Implementation Status (Note 1)			Non-Implementation and its reason(s)
	Yes	No	Summary	
1. Does the Company have a governance structure for sustainability development and a dedicated (or ad-hoc) sustainable development organization with Board of Directors authorization for senior management, which is reviewed by the Board of Directors?	V		<p>1. Following the vision and mission of the Company's ESG policy, the Corporate Social Responsibility Committee (CSR Committee)" was established in 2014, and was renamed as the "ESG Committee " in 2021 as the sustainable development decision-making center. Three Independent Directors and the General Manager serve as committee members, and the General Manager serves as the convener to jointly review the Company's core operating capabilities and establish the medium and long-term sustainable development plans.</p> <p>2. Implementation Status</p> <p>(1) The Industrial Performance Management Office is a part-time unit that promotes sustainable development. It was approved by the ESG Committee in May 5, 2022 to serve as the secretary group, responsible for the cross-departmental communication platform of vertical integration and horizontal connection.</p> <p>(2) There are eight groups under the ESG Committee, including corporate governance, environmental management, health and safety, information security management, human rights and care, sustainable supply chain, green product design, corporate governance and ethics, and the team members are from various departments of the Company. The secretarial group is responsible for integrating relevant sustainability issues and assisting in introducing sustainability strategies into various departments for implementation. At the beginning of each year, the work team submits its annual work plan/sustainability goals, etc.; in the middle of the year, it submits a sustainability report for the previous year; and at the end of the year, it submits a report on the implementation of the annual work plan/sustainability goals. A total of 27 sustainability goals were set, all of which were achieved.</p> <p>(3) In 2025, total 3 ESG Committee meetings (on February 27, August 06 and December 23, 2025 respectively) have been held,</p> <p>3. The Company's Board of Directors reviews the proposals submitted by the Sustainability Committee on a quarterly basis (including the greenhouse gas inventory plan, the 2024 sustainability report, the annual corporate governance report, etc.). By regularly reviewing the company's sustainability progress, the Board of Directors also urges the Sustainability Committee to make adjustments as needed.</p>	None

			<p>The operation status of the "ESG Committee" this year is summarized as follows:</p> <table border="1"> <thead> <tr> <th>Meeting Date</th> <th colspan="3">Major Resolutions</th> </tr> </thead> <tbody> <tr> <td>Feb. 27, 2025</td> <td colspan="3"> There are three proposals submitted by the committee members this year: 1. Sustainable Development Goals for 2025 2. Key Tasks of Each Group for 2025 3. Major Themes of the 2023 Sustainable Development Report These proposals were passed with unanimous consent of all present members of the committee. Resolution: Request for survey information security insurance matters in order to reduce security risks. </td> </tr> <tr> <td>Aug. 06, 2025</td> <td colspan="3"> One of the committee's report proposals: 1. 2024 Sustainability Report The proposal was passed with unanimous consent of all present members of the committee. </td> </tr> <tr> <td>Dec. 23, 2025</td> <td colspan="3"> The committee's two reports are as follows: 1. Status of achievement of the Sustainable Development Goals in 2025 2. Status of achievement of the key tasks of each subgroup in 2025 These proposals were passed with unanimous consent of all present members of the committee </td> </tr> </tbody> </table>				Meeting Date	Major Resolutions			Feb. 27, 2025	There are three proposals submitted by the committee members this year: 1. Sustainable Development Goals for 2025 2. Key Tasks of Each Group for 2025 3. Major Themes of the 2023 Sustainable Development Report These proposals were passed with unanimous consent of all present members of the committee. Resolution: Request for survey information security insurance matters in order to reduce security risks.			Aug. 06, 2025	One of the committee's report proposals: 1. 2024 Sustainability Report The proposal was passed with unanimous consent of all present members of the committee.			Dec. 23, 2025	The committee's two reports are as follows: 1. Status of achievement of the Sustainable Development Goals in 2025 2. Status of achievement of the key tasks of each subgroup in 2025 These proposals were passed with unanimous consent of all present members of the committee			
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<p>2. Does the Company follow materiality principle to conduct risk assessment for environmental, social and corporate governance topics related to Company operation, and establish risk management related policy or strategy? (Note 2) (The TWSE/GTSM Listed Companies should report the implementation status, not compliance or explanation.)</p>	V		<p>1. The disclosure information covers the Company's sustainable development performance at its main bases from January 2025 to December 2025. The boundary of risk assessment is mainly based on the Company, and the existing bases in Taiwan and mainland China are included in the scope.</p> <p>2. The ESG Committee conducts risk assessments related to important issues in accordance with the materiality principles of the sustainability report, communicates with internal and external stakeholders, and then establish risk management for effective identification, measurement, evaluation, supervision, and control based on the assessed risks strategies and response measures to reduce the impact of related risks. The report was submitted to the Board of Directors for reference on December 27, 2025.</p> <table border="1"> <thead> <tr> <th>Major Issue</th> <th>Scope of Risk Assessment</th> <th>Scope of Risk Assessment</th> <th colspan="2">Risk Management Strategies and Countermeasures</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td colspan="2"></td> </tr> </tbody> </table>				Major Issue	Scope of Risk Assessment	Scope of Risk Assessment	Risk Management Strategies and Countermeasures							None						
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			Environ- ment	Environment al Risk	Assess various environmental risk profiles that may result in regulatory revisions, regional power outages, water shortages, greenhouse effects, waste disposal, etc.	<ul style="list-style-type: none"> ✓ Establish environmental policies and manage them in accordance with the environmental safety and health management manual, adopted the ISO 14001 certification of the environmental management system, and establish an environmental management system that meets the requirements. ✓ The institutionalized plan-do-check-act (PDCA) management cycle can effectively reduce the impact on the environment; at the same time, an energy-saving and carbon-reduction plan is formulated every year, and the progress of various goals is tracked and reviewed regularly to ensure the achievement of the goals. ✓ In response to climate change, the Company conducts greenhouse gas inventory ISO 14064-1 certification every year, and in 2024, the Company has passed the implement energy management system ISO 50001 certification and simultaneously achieving the goal of using 5% renewable energy demonstrates the determination and results of continuously improving greenhouse gas reduction efforts. ✓ Regarding the selection of product materials, the use of substances with negative environmental impacts is reduced and avoided. Since 2024, a hazardous substances process management system (IECQ QC080000) has been implemented in phases to comply with the EU RoHS Directive and customer requirements. 	
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					<ul style="list-style-type: none"> ✓ The ISO 14001 risk assessment includes environmental and climate change (TCFD) issues and was submitted to and approved at the management review meeting on September 22, 2025
			Society	Operational Risk	<p>Assess labor environment and product issues that may affect operational delays or interruptions, etc.</p> <ul style="list-style-type: none"> ✓ There is an occupational safety and health policy, and the occupational safety and health management system ISO 45001 is adopted, and management is carried out in accordance with the environmental safety and health management manual. ✓ Have a quality policy, and have adopted the quality system ISO 9001 certification, and manage according to the quality manual. ✓ The management team holds regular monthly management meetings, and also has an occupational safety and health committee, which holds quarterly meetings. ✓ ISO9001/ISO45001 system regularly holds management review meetings every year.

						<p>✓ Supplier evaluation management mechanism: The Company is committed to the mutual development cycle of IC design and supplier manufacturing, and establishes a long-term cooperative relationship with suppliers to become partners and co-prosperity. In addition to taking into account the supplier's delivery date and price, it also jointly produces and manufactures High-quality products that meet customer requirements; also continue to pay attention to suppliers' sustainable development and friendly environmental protection actions.</p> <p>The Company adopts five strategies of system management (ISO), monitoring and auditing (supplier auditing), risk management (system questionnaire filling and survey), continuous improvement (outsourcing meeting), and two-way communication (supplier conference, stakeholder questionnaire) in order to actively do the feasible study and require suppliers to implement social responsibilities and strive towards sustainable development.</p> <p>✓ To comply with the policy of not using conflict minerals.</p> <p>✓ We proactively conduct customer service satisfaction surveys annually, optimize the survey system environment, improve customer feedback response rates, listen to customer ideas, and strengthen cooperative relationships with customers.</p>	
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			Corporate Governance	Information Security Risk	Assess the confidentiality, ethical , usability, legal compliance, etc. of the information system that may be affected. The system may suffer accidental or malicious damage and improper use, making the information security system unable to operate.	<ul style="list-style-type: none"> ✓ Regularly conduct social engineering drills and information security training for all employees. ✓ Regularly perform vulnerability scans on servers. ✓ Incorporate third-party security scoring platforms (Security Scorecard, Panorays) into internal management and auditing to mitigate server vulnerability risks. ✓ Conduct annual internal information security audits. ✓ Establish an Information Security Management Committee to submit an annual information security governance report to the Board of Directors. 	
			Corporate Governance	Financial Risk	Assess the impact of changes in domestic and foreign industrial conditions on the Company's revenue, production costs, exchange rates, etc., and the possible impact on the Company's profit and loss and cash flow.	<ul style="list-style-type: none"> ✓ Comply with the relevant provisions of "International Financial Reporting Standards (IFRS)", "International Accounting Standards (IAS)" and government regulations. ✓ Regularly produce quarterly and annual financial reports. ✓ Important financial issues are implemented by the Board of Directors in accordance with relevant regulations and internal control mechanisms are implemented to ensure that all personnel and operations of the Company truly abide by relevant laws and regulations. 	

<p>3. Environmental Topic</p> <p>(1) Has the Company set an environmental management system designed to industry characteristics?</p>	V	<p>The Company has completed the ISO 14001:2015 verification in 2016, covering the Hsinchu headquarters and the Zhonghe plant. The current certificate is valid up to November 20, 2028. The relevant units are requested to fill in the environmental risk assessment every year, and also every quarter. Environmental protection regulations (international and Taiwan laws) will be reviewed, and an environmental management plan will be established for improvement, and an environmental management review meeting will be held with senior executives to regularly confirm the progress of implementation.</p>	None						
<p>(2) Is the Company committed to improving resource efficiency and to the use of renewable materials with low environmental impact?</p>	V	<p>1. Since 2001, the paperless operation has been implemented successively to reduce the use of paper. From the record in 2011, from 1449 packs to 1037 packs in 2025, a total decrease of 28.43%.</p> <p>2. Review and adjust the lighting fixtures in public areas, reduce the number of lights used, replace them with LED lights, manage computer shutdown times, and adjust air conditioning shutdown times to improve energy efficiency.</p> <p>3. Recycling of packaging materials: such as trays / tubes / wafer boxes / cartons / buffer materials etc. In the plant , when the warehouse destroys the scrapped products every quarter, the pallets after having been scrapped, the PKG packaging IC will be kept, and the manufacturer will be asked to recycle them from time to time. The percentage of pallets used in recycled products in 2025 was 7.72%. The rest, such as tube strips/wafer boxes/cartons/buffer materials, etc., are kept in the warehouse area/storage area for on-site recycling.</p> <p>4. In order to align with the international trend of carbon reduction and advocate the goal of RE100 (100% use of renewable energy), Elan Microelectronics has completed the renewable energy assessment plan in 2023 and has reached the goal of using 5% renewable energy in 2024. The Company obtained 522.233 renewable energy certificates in 2025, and the carbon reduction can reach approximately 247.538 tonCO₂-e (calculated based on the 2024 electricity carbon emission coefficient); the purchase quota is expected to increase by at least 700 certificates in 2026.</p>	None						
<p>(3) Does the Company evaluate current and future climate change potential risks and opportunities and take procedures related to climate related topics?</p>	V	<p>Physical Risks:</p> <table border="1" data-bbox="898 975 1962 1372"> <thead> <tr> <th data-bbox="898 975 1205 1007">Risk Factors</th> <th data-bbox="1205 975 1585 1007">Risk Impact</th> <th data-bbox="1585 975 1962 1007">Response Procedures</th> </tr> </thead> <tbody> <tr> <td data-bbox="898 1007 1205 1372">Increased severity and frequency of extreme weather events</td> <td data-bbox="1205 1007 1585 1372">The company headquarters and all operational locations are located in Taiwan, a region prone to typhoons and sudden heavy rainfall, which can cause localized flooding and disrupt operations and facilities. The company's outsourced manufacturing plants are located in Kunshan and Chongqing, mainland China, and Hanoi, Vietnam. These areas have</td> <td data-bbox="1585 1007 1962 1372"> <ul style="list-style-type: none"> ✓ Activate the emergency handling mechanism: remind colleagues in advance of the daily business response plan; ✓ Initiation of the continuous secondary supplier backup plan; ✓ Purchase comprehensive commercial fire insurance. ✓ Use online conference visits. ✓ The manufacturing department receives notification from the </td> </tr> </tbody> </table>	Risk Factors	Risk Impact	Response Procedures	Increased severity and frequency of extreme weather events	The company headquarters and all operational locations are located in Taiwan, a region prone to typhoons and sudden heavy rainfall, which can cause localized flooding and disrupt operations and facilities. The company's outsourced manufacturing plants are located in Kunshan and Chongqing, mainland China, and Hanoi, Vietnam. These areas have	<ul style="list-style-type: none"> ✓ Activate the emergency handling mechanism: remind colleagues in advance of the daily business response plan; ✓ Initiation of the continuous secondary supplier backup plan; ✓ Purchase comprehensive commercial fire insurance. ✓ Use online conference visits. ✓ The manufacturing department receives notification from the 	None
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				<p>experienced extreme weather events such as typhoons, torrential rains, short-duration heavy rainfall, and floods, which may pose potential risks to the plants' transportation routes, drainage systems, logistics, and operational continuity.</p>	<p>foundry in advance and directly moves the day's production needs to foundries in other regions.</p>	
			<p>Changes in rainfall patterns</p>	<p>In recent years, changes in rainfall patterns and increased rainfall concentration have led to uneven spatial and temporal distribution of water resources. Although the probability of drought is relatively low, the risk of water shortage still exists during periods of prolonged drought or no rain, requiring continued attention to water resource allocation and management.</p>	<ul style="list-style-type: none"> ✓Regularly clean water towers and promote water-saving measures. ✓Continue to pay attention to climate change and regularly review response measures Continue to pay attention to climate change and regularly review response measures 	

			<p>Rising mean temperatures</p>	<p>According to the "Scientific Report on Climate Change in Taiwan 2024," the long-term temperature trends at various weather stations in Taiwan are consistent, showing a continuous warming phenomenon with low-frequency oscillations on an interdecadal scale, and the warming rate has become more pronounced in recent times. Data from a century of weather stations show that the average temperature rise rate has increased from approximately 0.15°C per decade to 0.27°C; the warming trend in the summer half-year has increased to 0.32°C, while the warming trend in the winter half-year over the past 50 years has been approximately 0.29°C, although the warming rate in the winter half-year has slowed relatively in the last 30 years.</p>	<ul style="list-style-type: none"> ✓ Adjust the opening time of the air conditioner ✓ Outdoor lamps changed to solar lamps ✓ Install timer on water dispenser ✓ Use inductive lighting ✓ Review the power consumption status in each area and adjust the lamps ✓ Continue to pay attention to power-saving products 	
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			<p>Rising sea levels</p>	<p>According to the Taiwan Climate Change Science Report 2024, under a global warming of 2.0°C, the coastal flooding caused by sea level rise in Taiwan will extend deeper inland and be deeper than under a global warming of 1.5°C. At 1.5°C, the percentage of flooded area in each county and city ranges from 0.08% to 2.71%; at 2.0°C, the percentage of flooded area in each county and city increases to 0.30% to 4.30%. In both scenarios, Yunlin County has the highest percentage of flooded area. Under the global warming scenario of 1.5°C, the coastal cities and counties with coastal flooding depth exceeding 1.5 meters include New Taipei City, Changhua County, Yunlin County, Chiayi County and Taitung County; under the global warming scenario of 2.0°C, in addition to the above-mentioned cities and counties, the coastal cities and counties with coastal flooding depth exceeding 1.5 meters will also include Taoyuan City, Hsinchu County and City, Tainan City, Kaohsiung City and Hualien County. The increased warming will significantly exacerbate the risk of flooding in coastal areas.</p>	<ul style="list-style-type: none"> ✓ For locations that may face the risk of rising sea levels, adjust the storage location of inventory based on the risk level assessment and raise it during construction to avoid the possibility of being flooded. ✓ In case of extreme rainstorms, additional floodgates or pumping equipment may be needed. ✓ Launch a continuous second supplier backup plan. 	
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			<p>annual report every year in accordance with the above regulations.</p> <p>In April 2024, the Financial Supervisory Commission issued the "Guidelines for the Establishment of Internal Control Systems for TWSE/ GTSM Listed Companies", requiring listed companies to incorporate sustainability information management into their internal control systems and list it as an annual necessary audit item. The relevant regulations will take effect from 2025.</p> <p>Since 2024, TWSE and GTSM have expanded the breadth and depth of the review of perpetual reports. Listed companies will be selected as audited companies at least once every five years. If the audit finds that there are major disclosure omissions in the perpetual information, the two units will impose a penalty and send a letter to the company requesting it to make corrections. The report may also be used as a reference for deduction of points in the corporate governance evaluation.</p>	<p>ensure consistency among all disclosed documents.</p> <p>✓ Climate-related risks are systematically identified, assessed, and managed according to the TCFD framework, with emissions disclosure and regulatory compliance listed as major climate risks. Response measures and their implementation are reviewed regularly.</p>	
		Carbon Pricing Schemes	The government intends to officially start collecting carbon fees in 2026. According to the resolution of the Carbon Fee	Elan is not one of the first companies to be asked, but it still needs to continue to pay attention to the overall policy	

				<p>Review Committee of the Ministry of Environment, the general rate of carbon fee is set at NT\$300 / per metric ton, and will be gradually increased in stages in the future. The first wave of tax collection targets the power, gas supply and manufacturing industries with annual emissions exceeding 25,000 metric tons, affecting approximately 281 companies and 500 factories.</p>	<p>development trend and formulate corresponding measures.</p>
			<p>Mandates on and regulation of existing products and services</p>	<p>ELAN Microelectronics currently complies with the existing product service and regulatory requirements (RoHS/Reach...)</p>	<p>✓ Participate in international/customer regulatory communication to make regulatory projects reasonable and feasible ✓ Keep an eye on regulatory updates</p>
			<p>Substitution of existing products and services with low emissions options</p>	<p>Currently, Elan has three products that rank first in market share. It continues to pay attention to the market and customers' low-power consumption needs and conducts early technical development to avoid the dilemma of failing to successfully develop low-carbon services.</p>	<p>✓ In response to market trends and market demands, develop key components with lower power consumption</p>
			<p>Changing in customer behavior</p>	<p>As customers place increasing demands on sustainability and carbon reduction, suppliers are required to comply with various international sustainability initiatives and disclosure mechanisms. Failure to respond promptly to these requirements may affect customers'</p>	<p>✓ The marketing planning/business units regularly participate in customer and supplier ESG meetings to understand new customer needs, communicate internally, and meet customer requirements on schedule</p>

				assessment of the company's long-term sustainable operating capabilities and pose potential risks to operational continuity and order stability.	<ul style="list-style-type: none"> ✓ It is expected that the Elan Group GHG Protocol inventory will be promoted in 2025 for reaching the goal to submit it to the SBTi for validation
			Increased costs of raw materials	<p>Electricity prices have been rising year by year, increasing energy costs.</p> <p>Overall outsourced wafer manufacturing saw a slight decrease to flat. Back-end testing/packaging costs remained flat to a 5-10% increase.</p> <p>Strong AI demand and continued global raw material price increases will lead to capacity constraints, continued cost increases, longer lead times, and material shortages.</p>	<ul style="list-style-type: none"> ✓ Improve energy efficiency ✓ Seeking renewable energy suppliers from multiple sources ✓ Start the evaluation of purchasing green electricity ✓ Design needs to find alternative solutions ✓ Suppliers process alternative materials ✓ Continue to pay attention to the cost trend of the market/suppliers
			Mandatory requirement to use renewable energy	<p>Large electricity consumers (5000KW) must have 10% renewable energy by 2025. ELAN Microelectronics is currently not a large electricity consumer, therefore, is not subject to mandatory requirements.</p>	<ul style="list-style-type: none"> ✓ The Company continues to expand the use of renewable energy and aims to achieve RE100 by 2050 as a long-term goal. It will gradually increase the proportion of renewable energy use by setting phased ratios.
			Poor performance in the International Advocacy Evaluation	<p>ELAN Microelectronic's ESG evaluations have not experienced any unfavorable situations. If such situations occur, it may affect customer perception, resulting a long-term impact on orders</p>	<ul style="list-style-type: none"> ✓ Assign dedicated personnel to handle relevant evaluation operations ✓ Communicate the results of implementation with stakeholders through the Company website, annual reports, and sustainability reports

Opportunities:		
Opportunity Factors	Description of Opportunities	Response Procedures
Utilize more efficient buildings	The new plant in Zhubei city is expected to be completed in 2026 and adopts green building silver level/smart building platinum level/elevator power supply recycling/solar energy, which will contribute to the organization's greenhouse gas reduction and increase the value of the fixed assets.	The new plant is expected to obtain green building/smart building certification /energy-saving glass, be friendly to the environment and reduce carbon emissions, and enhance corporate image.
Reduced water usage and consumption	The factory treats mostly domestic sewage, no process water, and will not introduce new equipment	<ul style="list-style-type: none"> ✓Set a target of reducing water consumption by 1% per person per year ✓Install sensor faucets in toilets
Developing and/or expansion of low emission goods and services	<p>Customers continue to require key component products to have low power consumption, high interference, waterproof, high/low temperature resistance, industrial specifications, etc.</p> <p>Elan must first check the carbon footprint of the product before starting to reduce carbon emissions, introduce green design thinking, reduce energy consumption in product manufacturing and use, and then increase revenue through the demand for low-carbon products and services.</p>	<ul style="list-style-type: none"> ✓The marketing planning/ business unit holds regular meetings with customers to understand their new needs. ✓ Feedback new customer needs to the R&D department, initiate evaluation, and find solutions that meet market trends and customer needs.
Use of low-emission source of energy	Actively promote energy conservation and carbon reduction solutions to	<ul style="list-style-type: none"> ✓ About 520,000 kWh of renewable energy has been purchased in 2025

				improve energy efficiency; Strengthen energy management measures and improve energy resource performance to achieve the 2050 RE100 target.	✓ Set 2050 RE100 target: 5% renewable energy use in 2024 (reach target); 20% renewable energy use in 2030; and 30% renewable energy in 2035;
			Seek opportunities in new markets	The international carbon rights trading platform has launched the first batch of international carbon rights at the end of 2023. On the first day of listing, 27 companies including TSMC, China Steel, Foxconn, and various financial holding companies participated in the purchase. The domestic carbon trading platform was launched in October 2024. Elan plans to prioritize reducing carbon emissions through its own reduction measures. Once the reduction rate approaches the feasible limit (approximately 10%), it will then evaluate using carbon credit trading as a supplementary reduction tool.	✓ Continue to pay attention to the trading information of the international carbon trading platform, and then evaluate the purchase of carbon rights based on demand.
			Take advantage of public sector incentives	Participate in the brand factory's "big lead small" plan to complete the carbon footprint of specific products.	✓ Provide data evidence and discuss with the guide team to finally obtain the carbon footprint of a specific product.
			Access to new markets	As customer demand for Digital Power solutions increases, the Company has assessed that improving power control efficiency through digitalization and developing	✓ Market planning/business units continue to collect market trends, customer requirements, and competitor roadmaps ✓ Regularly hold technical

			<p>high-efficiency, low-power products and solutions will help us enter new application markets and increase product added value.</p>	<p>development meetings and communicate with senior management/RD units about the development sequence of new products</p> <p>✓3. Actively looking for suitable suppliers (chip/package)</p>	
<p>(4) Does the Company collect data for greenhouse gas emissions, water usage and waste quantity in the past two years, and set greenhouse gas emissions reduction, water usage reduction and other waste management policies?</p>	V		<p>The Company started to compile the CSR report independently in 2014, and adopted the third-party verification, which includes the self-disclosure of greenhouse gas emissions, and the coverage is divided into the scope of the ESG report.</p> <p>(1) Greenhouse gases: Greenhouse gases: (Since some data are not yet available, the data is estimated and will be based on the ESG report)</p> <p>The total greenhouse gas emissions (Scope 1 and Scope 2) in 2025 are 2,461.512tCO₂-e, a decrease of 7.67% from the total greenhouse gas emissions of 2,666.1203tCO₂-e in 2024.</p> <p>Category 1 primarily comprises emissions from gasoline and diesel fuel used in official vehicles, diesel fuel for forklifts, diesel fuel for emergency generators, bottled gas in kitchens, refrigerant, and septic tanks. Direct greenhouse gas emissions in this category total 354.5046 tCO₂-e in 2025, a 1.21% decrease from 358.8443 tCO₂-e in 2024. The main reductions are attributed to the replacement of fuel-electric official vehicles and adjustments to the timing of bottled gas replacements.</p> <p>Category 2 primarily consists of emissions from electricity generation. Indirect greenhouse gas emissions in this category total 2,107.0074 tCO₂-e in 2025, a 8.68% decrease from 2,307.2760 tCO₂-e in 2024. Key measures include reviewing and adjusting public area lighting, replacing lights with LEDs, managing computer shutdown times, adjusting air conditioning operating times, improving energy efficiency, and increasing renewable energy usage by 2025.</p> <p>Category 3 primarily discloses emissions from waste treatment and disposal, as well as raw material generation. The estimated emissions for 2025 are 532.156 tCO₂-e, an increase from 496.5191 tCO₂-e in 2024, attributed to expanded audit sites.</p>		None

The greenhouse gas emission intensity of the Elan Group is calculated by using the total number of employees as a metric and dividing it by the combined direct (Category One) and indirect (Category Two) greenhouse gas emissions to determine the annual greenhouse gas generation per employee. The estimated intensity for 2025 is 2.1 tCO₂-e/person-year, a 10.64% decrease from 2.35 tCO₂-e/person-year in 2024.

(2) Water consumption:

The Company is an IC design company and mainly uses water for domestic purposes. Only our Hsinchu headquarters is our own building, while the rest of our locations are rented office buildings. They do not have independent electricity meters, and the water charges are directly included in the management fees. Therefore, we only disclose the portion for our Hsinchu headquarters.

In 2025, the total water consumption in Hsinchu was 17,592 kWh, a decrease of 2.04% compared to 17,959 kWh in 2024. The per capita annual water consumption in 2025 was 28.06 kWh, a decrease of 2.97% compared to 28.92 kWh in 2024. The main reason for this is that the overall temperature in 2025 was lower than in 2024, so the chiller units were mainly switched to smaller chiller units, resulting in less overall evaporative water consumption.

(3) Waste:

The waste of Elan Group is mainly general waste and a small amount of hazardous waste generated during laboratory testing. The waste is divided into general waste (Class D), resource recovery (Class R), and a small amount of hazardous waste (E-0222, E-0217). For more confidential files, we will arrange for destruction once a year. Regarding waste disposal, general waste and confidential documents are disposed of by incineration; electronic components (codes E-0222, E-0217) are physically shredded.

		2024	2025
General Waste	Category D	38.13 ton	37.852ton
Resource Recovery	Category R	9.968 ton	10.390ton
Hazardous Industrial Waste	Category E	5.612 ton	5.094ton

The above-mentioned data are in plant-based statistics as of February 2026 and the ESG report has not yet been reviewed. It is expected to be verified by a third party in 2026 Q2. The actual information shall be based on the ESG Report.

<p>4. Social Topic</p> <p>(1) Does the Company set policies and procedures in compliance with regulations and internationally recognized human rights principles?</p>		<p>In addition to its legally established and approved work rules, the Company has also formulated a "Human Rights Policy" through its Board of Directors. This policy serves as the highest guiding principle for the Company's protection of human rights, aiming to create a respectful, equal, safe, and harassment-free work environment.</p> <p>The Company recognizes and supports internationally recognized fundamental human rights principles, including the Universal Declaration of Human Rights, the UN Global Covenant, and the core conventions of the International Labor Organization (ILO). This ensures that discrimination, forced labor, child labor, or other human rights violations do not occur, and protects employees' freedom of association, right to privacy, and workplace safety.</p> <p>The Board of Directors oversees the Human Rights Policy and its implementation. The Human Resources and Performance Management Department serves as the responsible window, promoting human rights risk management, labor law compliance, and complaint mechanisms, and reporting regularly to management.</p> <p>Besides complying with the labor laws and regulations of the operating locations, the Company also requires its partners and supply chain partners to adhere to human rights regulations in their operations, preventing any infringement or violation of human rights, and treating all stakeholders with dignity and respect.</p> <p>The Company has established multiple communication and grievance channels to ensure that employee opinions are fully reflected and properly handled; no major human rights violations occurred during the reporting year.</p>	None
<p>(2) Has the Company established appropriately managed employee welfare Procedures (include salary and Remuneration, leave and others), and link operational performance or achievements with employee salary and Remuneration?</p>		<p>The Company has established comprehensive work rules and personnel management regulations, covering employee salaries, working hours, leave, insurance, retirement system, occupational safety and health, and occupational injury compensation, all of which comply with the Labor Standards Act and related laws and regulations to protect the legitimate rights and interests of employees.</p> <p>1. Compensation Policy</p> <p>The Company's compensation system is based on employees' job responsibilities, professional abilities, performance, and market salary levels, and also takes into account the company's overall operating performance when adjusting salaries and distributing bonuses.</p> <p>According to the Company's articles of association, if there is an annual profit, no less than 10% should be allocated to employee compensation, and no less than 3% of the total employee compensation should be allocated to lower-level employees, appropriately reflecting the company's operating results in the employee compensation policy.</p>	None

		<p>2. Retirement System</p> <p>The Company has established and implemented a comprehensive labor retirement system in accordance with relevant laws and regulations, with employees classified as either new or old systems depending on their eligibility, to protect employees' retirement rights.</p> <p>Employees who joined the company after July 1, 2005, are subject to the new labor retirement pension system. The Company will contribute no less than 6% of each employee's total actual salary to the labor retirement pension fund monthly, and this amount will be fully deposited into the individual labor retirement pension account established by the Bureau of Labor Insurance. Contributions will be processed monthly in conjunction with salary payments, and there are no delays or underpayments to date. Employees who reach the age of sixty may apply for retirement benefits from the Bureau of Labor Insurance. The Company will also provide the required supporting documents to assist employees in their retirement pension applications.</p> <p>Employees who joined the company before July 1, 2005, and chose to apply for the old system will contribute to retirement reserves in accordance with the Labor Standards Act. Our company will contribute 2% of the total salary paid monthly to the retirement reserve fund, in accordance with the Regulations Governing the Contribution and Management of Labor Retirement Reserves, and deposit this amount into the Employee Retirement Reserve Account at the Bank of Taiwan. Actuarial reports will be reviewed annually to ensure the fulfillment of retirement pension payment obligations. When employees meet the retirement requirements, they will apply for retirement from the company as required, and retirement benefits will be paid in accordance with the law. The amount of old-system retirement pension contributions allocated in 2025 was NT\$5,805,000.</p> <p>Retirement requirements under the Labor Standards Act:</p> <p>A. Mandatory Retirement:</p> <ol style="list-style-type: none"> a. Aged 65 or older, or b. Mentally or physically disabled and unable to perform work. <p>B. Voluntary Retirement:</p> <ol style="list-style-type: none"> a. 25 years of service, or b. Aged 55 or older and 15 years of service, or c. Aged 60 or older and 10 years of service. <p>C. Basis for Computing Retirement Payment: Average salary for the 6 months prior to retirement.</p> <p>Retirement Benefits under the Labor Standards Act: For each full year of service subject to the Labor Standards Act, 2 base amounts are awarded. For service exceeding 15 years, 1 base amount</p>	
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		<p>is awarded for each additional year, up to a maximum of 45 base amounts.</p> <p>3. Employee Welfare Measures The Company has established an Employee Welfare Committee that allocates employee welfare funds in accordance with the law and handles various employee welfare matters, including holiday bonuses, employee travel subsidies, health checkups, education and training subsidies, and subsidies for weddings, funerals, and other celebratory events. We also provide leave measures that exceed those stipulated by law, such as leisure leave and public service leave, to improve employee well-being, promote work-life balance, and encourage employees to participate in social welfare activities.</p>	
(3) Does the Company provide employees with a safe and healthy working environment, with regular safety and health training?		<p>1. The Company completed the ISO 45001:2018 certification in 2019, covering the Hsinchu headquarters and the Zhonghe plant. The current certification validity date is April 29, 2028.</p> <p>2. The Company has established a first-level unit of occupational safety and health management, which conducts a risk assessment in the work area once a year, formulates a management plan, and holds a quarterly occupational safety and health meeting with senior managers and labor representatives for regular review and adjustment.</p> <p>3. Implementation results in 2025:</p> <p>3-1 Complete occupational safety and health education and training for 23 specific operators in 2025.</p> <p>3-2 The test results of the working environment in the plant are all in line with the applicable laws and regulations of Taiwan.</p> <p>3-3 Provide colleagues with free health checks every year, and the check items are more than those stipulated by laws and regulations.</p> <p>3-4 In 2025, a total of 149 new employees have completed the safety and health education and training.</p> <p>3-5 The occurrence rate of occupational disasters in the plant in the current year is 0.</p> <p>3-6 A total of 409 persons attended the Health Promotion Lectures.</p> <p>3-7 The number of participants in physicians' on-site service was 133.</p> <p>3-8 A total of 185 persons participated in the blood donation activities held in 2025.</p> <p>3-9 In the 2025 weight loss campaign, the average weight loss per person was increased from 2.5 kg in 2024 to 3 kg in 2025.</p> <p>3-10 The Company provides a good pregnancy project for female labors, providing breastfeeding rooms, parking spaces for pregnant women, books and maternity chairs.</p> <p>3-11 In 2025 Zhubei AI Park Headquarters Building New Construction Project won the Excellent Friendly Construction Site Award.</p> <p>3-12 In 2024, the Hsinchu plant obtained the "Sports Enterprise Certification" accreditation award from the Sports Administration, Ministry of Education.</p> <p>3-13 A self-assessment workplace health promotion certificate awarded by the Health Promotion Administration (HPA) in 2025.</p>	None

		<p>4. The Company had no fire incidents in 2025.</p> <p>Regarding the fire protection planning and equipment management within the factory, the Company is required by law to implement fire inspection and maintenance declaration once a year and building public safety inspection and maintenance declaration once every two years.</p> <p>Regarding personnel management, in order to strengthen our colleagues' ability to respond to fires, in addition to fire escape and fire extinguishing training for new employees, we also conduct fire escape drills in the factory area (including accommodation for foreign colleagues) every six months.</p> <p>In addition, the Hsinchu headquarters will participate in the Innovation Road section civil defense training and joint drills with other companies every year; the Zhonghe plant will participate in the joint fire drills organized by the Management Committee and the New Taipei City Zhonghe District typhoon flood and earthquake complex disaster prevention and rescue drills every year.</p>	
<p>4) Has the Company established effective career development training plans?</p>		<p>Elan Electronics regards talent as its most important asset and the foundation of innovation. It prioritizes talent attraction, retention, and development, which directly impacts product R&D capabilities, technological competitiveness, and ESG (Environmental, Social, and Governance) performance, supporting the company's long-term sustainable value.</p> <p>The Company continuously promotes talent training and career development policies, jointly committing to strengthening the quality of its management talent pool to support the company's sustainable competitiveness.</p> <p>The development and training plan includes the following aspects:</p> <ol style="list-style-type: none"> 1. Strengthening employer branding and diverse talent recruitment, continuously building a competitive compensation system to attract outstanding talent. 2. Establishing a comprehensive education, training, and development system and key talent development programs to build a sustainable talent supply and organizational competitiveness. 3. Establishing employee care and work-life balance systems to improve employee satisfaction and engagement. <p>Through a multi-faceted assessment mechanism to enhance employee identification with the company:</p> <ol style="list-style-type: none"> 1. Regularly conducting employee satisfaction surveys to assess employees' identification with the corporate culture, job development, and workplace environment. 2. Tracking talent development performance indicators, including average training hours and employee satisfaction. 3. Establish a systematic talent evaluation mechanism and conduct regular annual performance reviews to ensure the competitiveness of human capital. 	<p>None</p>

		<p>The medium- to long-term development plan includes the following:</p> <ol style="list-style-type: none"> 1. Deepen employer branding, build robust and sustainable industry-academia exchanges, and cultivate potential talent interested in future chip technology R&D. 2. Strengthen the capacity of the company's management talent and implement training and development for key successors. 3. Jointly build a friendly workplace, integrate talent attraction and retention policies into the company's sustainable development strategy and ESG long-term goals, and ensure the stability of core human capital. <p>As for the implementation results in 2025, Elan employees will have an average of 12.6 hours of training, 100% of direct staff will pass skills assessments, and 100% of senior executives will complete anti-corruption training. Systematic management: Employee data and performance records will be 100% integrated into the system to support management decision-making.</p>	
(5) Does the Company's product and service comply with related regulations and international rules for customers' health and safety, privacy, sales, labeling and set policies to protect consumers' or customers' rights and consumer appeal procedures?		<ol style="list-style-type: none"> 1. The marketing and labeling of the Company's products and services follows the international standards of "ISO 9001 Quality Management System" and "ISO 14001 Environmental Management System", and green products meet the requirements of international regulations such as RoHS/Reach/RMI. 2. The Company formulates the relevant processes of the "Customer Service Procedures " and the "Customer Complaint Handling Management Procedures", and builds a customer service website, with business colleagues, communicates with customers from time to time, actively contacts and visits, and grasps needs; accepts customers appeal to protect the rights and interests of customers. 3. The Company has established a personal data protection management system and policy, and has set up a personal data protection task force to manage and protect customer privacy. Through the internal audit of personal information, external verification, crisis prevention and education and training, we can check the customer's information. 	None
(6) Does the Company set supplier management policy and request suppliers to comply with related standards on the topics of environmental, occupational safety and health or labor right, and their implementation status?		<p>The Company has established the "Corporate Social Responsibility Management System and Promotion Plan" and "Supplier Management Procedures" to establish the screening conditions for suppliers to protect the environment, human rights, safety, health and sustainable development, and to provide suppliers with environmental protection. Requirements and expectations for safety and health risks, prohibition of child labor, labor management, non-hazardous labor fundamental rights, ethical standards, and ethical management.</p> <p>The Company has established a supplier training project. Through the selection of suppliers, audit training, performance evaluation, training and supplier conferences, based on cooperation, the requirements of sustainability are implemented in the daily management of the supply chain. The Company has cooperated with its supply chain in 2025 and 100% meet the following conditions.</p>	None

			<p>Supplier Evaluation</p> <p>All suppliers must pass supplier assessment and comply with the Supplier Code of Ethics and Business Conduct. Suppliers of process-related raw materials must pass ISO9001 quality management system certification, suppliers must obtain valid factory registration certificates and ISO14001 environmental management certification issued by the government according to their business categories, and all factory and related work contractors must obtain ISO45001 occupational safety and health management system certification.</p>	
			<p>Supplier Audit</p> <p>The Company has established an audit team and guided improvement mechanism to trace and improve suppliers' deficiencies, and jointly improve product quality and technical capabilities, strengthen environmental protection, safety and hygiene performance, and introduce automation to increase production capacity, as well as to require to commit reduce wastes together.</p>	
			<p>Supplier Trainings</p> <p>The Company will hold trainings from time to time. Through different forms of guidance and communication, the performance of environmental protection, safety and health can be effectively improved and in line with international norms. The courses include workplace hygiene, employee health, fire protection maintenance, carbon inventory, climate change, regulatory risks and business ethics etc. .</p>	
			<p>Suppliers' Meeting</p> <p>The Company holds a supplier meeting every year to effectively improve environmental protection and safety and health performance and comply with international standards through guidance and communication. The courses include workplace hygiene, employee health, fire maintenance, carbon management, climate change, regulatory risks, professional ethics and conflict minerals etc..</p>	
5. Does the Company refer to international reporting rules or guidelines to publish Sustainability Report to disclose non-financial information of the Company? Has the said Report acquired third party verification or statement of assurance?			<p>The Company's sustainability report has been prepared in accordance with the GRI General Standards 2021 published by the Global Sustainability Reporting Association, and is disclosed in accordance with the "Operational Guidelines for the Preparation and Submission of Sustainability Reports by Listed Companies", "Code of Practice for Sustainability Development of TWSE/GTSM Listed Companies", "Sustainability Development Roadmap for TWSE/GTSM Listed Companies", "Sustainability Accounting Standards Board (SASB)" standards and "Task Force on Climate-related Financial Disclosures (TCFD)" framework.</p> <p>This report was independently assured by SGS Taiwan Inspection Technology Co., Ltd. (BSI TW) on June 09, 2025 based on AA1000 v3 Type 2 Medium Assurance Level, "TCFD for Climate-related Financial Disclosures".</p>	
6. If the Company has established its sustainable development code of practice according to "Listed Companies Sustainable Development Code of Practice," please describe the operational status and differences: None				

7. Other important information to facilitate better understanding of the Company's implementation of sustainable development:

Supporting Talent and Intern Programs – College Students

Elan is a professional IC design Company; cultivating talents is the most direct and effective way to give back to the society. Up to the end of 2025, 197 job vacancies have been provided for internships for university students.

Industry-Academia Collaboration and Talent Development – Graduate and Undergraduate Students

Elan Microelectronics evaluates its internal needs and selects suitable universities and academic research institutions to collaborate with professors on technology development projects. Since 2022 up to the end of 2025, Elan has engaged in 55 industry-academia collaboration projects with research institutions and universities. Additionally, the Company has awarded scholarships to a total of 124 students, including PhD, Master's, and Bachelor's degree candidates.

Implementation of Ecological Conservation

EMC agrees with the Lovely Taiwan Foundation's philosophy of focusing on organic diet, land education, and hometown identity. Since 2020, EMC has participated in the so-called "Agriculture Plan", donating a total of NTD 4 million for consecutive 5 years, mainly to assist Zhongxing Elementary School in Miaoli and Zhonghe Elementary School in developing distinctive and cross-disciplinary teaching application courses.

Sponsoring the 2025 "e-Reading for a Brighter Future" Public Welfare Donation – Elementary School Students

Elan Microelectronics has participated in the "e-Reading for the Future" charity project initiated by E Ink Holdings for three consecutive years since 2023, donating a total of 3,137 color e-readers (with approximately 390,000 built-in e-books). This has helped build digital reading learning environments in 121 elementary schools in Keelung City, Yunlin County, and Miaoli County, benefiting over 50,000 students. By using technology to read, the project aims to bridge the urban-rural gap and aligns with the United Nations Sustainable Development Goals (SDGs) SDG 4 "Quality Education".

Christmas Warmth Donation – Helping Huiming School for the Blind Stay Warm This Winter

Since 2024, E-Long has launched the "Christmas Warmth Fundraising Project" for Huiming School for the Blind for two consecutive years. Through joint investment from employees and the company, a total of NT\$580,000 has been raised, providing 164 teachers and students with necessary winter clothing, improving their winter living conditions, and demonstrating the company's care and support for disadvantaged groups.

Charity Leave System – Encouraging Employees to Voluntarily Participate in Social Welfare

Since 2022, E-Long has implemented a charity leave system, encouraging employees to participate in external organizations' charitable activities outside of work. By the end of 2025, a total of 763 employees had participated, including in community cleanups, environmental conservation groups, animal protection groups, library services, blood donation drives, and disaster relief efforts in Hualien.

Protecting the environment and cherishing the Earth – Let's start with beach cleanups!

Elan Microelectronics organized five beach and mountain cleanup events, with 345 company employees and their families participating. Together, they removed 464.4 kg of waste, including 90.48 kg of recyclables, 344.76 kg of non-recyclables, and 29.16 kg of broken glass. This action effectively reduced waste entering nature, contributing to SDG 14's goal of "Conserving Marine Ecosystems." Additionally, 93 employees participated in AU Optronics' "Green Party Anti-Invasive Living Festival," removing invasive species to deepen environmental education and awareness, thus contributing to SDG 15's goal of "Life on Land".

- Note : If you check "Yes" for the implementation situation, please specify the important policies, strategies, Procedures and implementation situations adopted; if you check "No" for the implementation situation, please specify the "Non-Implementation and its reason(s)" column and explain the circumstances and reasons for discrepancies, and describe plans to adopt relevant policies, strategies and Procedures in the future.
However, regarding promotion projects 1 and 2, the TWSE/GTSM listed companies should describe the governance and supervision structure of sustainable development, including but not limited to management guidelines, strategy and goal formulation, review measures, etc. It also describes the Company's risk management policies or strategies for environmental, social and corporate governance issues related to operations, and its assessment status.
- Note 2: The materiality principle refers to those environmental, social and corporate governance issues that have significant impact on the Company's investors and other stakeholders.
- Note 3: For the method of disclosure, please refer to the best practice reference examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange.

TCFD Report
(Climate-Related Information to be released by TWSE/GTSM Listed Companies)

Description	Implementation Status
<p>1. Disclose the Board’s oversight and the organization’s governance around climate-related risks and opportunities.</p>	<p>1. The Board of Directors serves as the highest supervisory body for the Company’s management of climate-related risks and opportunities. It is responsible for overseeing the effective operation of the climate governance framework and, through the review of the annual corporate governance report, ensures the proper implementation of climate risk management systems.</p> <p>The Company has established a Sustainability Development Committee as the highest-level internal ESG promotion body. This committee is responsible for coordinating the planning and execution of climate change-related strategies, carbon reduction targets, and action plans. It regularly reports the results of climate risk management and implementation performance to the Board of Directors, enabling the Board to stay informed of significant climate issues and provide strategic guidance.</p> <p>The Elan Group passed the Science Based Targets Initiative (SBTi) validation in October 2025, covering group entities including Elan Microelectronics, Pixord Corp., Avisonic Technology Corp., Elan (HK), Elan Shanghai and Elan Shenzhen. Using 2023 as the base year, the Group has committed to achieving a 42% reduction in Scope 1 and Scope 2 greenhouse gas emissions by 2030, as well as a 25% reduction in Scope 3 emissions related to “purchased goods and services,” “processing of sold products,” and “use of sold products.”</p> <p>In addition, the Environmental Management Department follows the TCFD framework to annually identify climate-related risks and opportunities. For items with significant financial impact, it formulates management targets and response measures. The results are incorporated into the ISO 14001 management review mechanism for regular evaluation and are scheduled to be reported to the Sustainability Development Committee by the end of 2025.</p>
<p>2. Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning identified over the short, medium, and long term.</p>	<p>Short-term risks include two main items: enhanced emissions disclosure requirements and increased raw material costs. In response to strengthened government regulations on emissions and climate-related information disclosure, the Company is required to publish an annual sustainability report, greenhouse gas (GHG) inventory reports, and obtain assurance/verification for its annual report. These requirements increase operational costs.</p> <p>Medium-term risks include three items: carbon pricing mechanisms, changes in customer behavior, and underperformance in international initiative assessments. In response to ongoing demands from governments and customers, Elan has initiated carbon fee evaluations, progressively implemented GHG inventories in accordance with the GHG Protocol, committed to the Science Based Targets initiative (SBTi), adopted 100% renewable energy usage for its products, and conducted product carbon footprint assessments, among other actions. These efforts will lead to additional consulting and implementation costs. Currently, there has been no occurrence of poor performance in international initiative assessments.</p> <p>Long-term risks include four items: increased severity and frequency of extreme weather events (such as typhoons and</p>

	<p>heavy rainfall), changes in precipitation patterns and extreme weather conditions, rising average temperatures, and the replacement of existing products and services with low-carbon alternatives, as well as evolving requirements and specifications for current products and services.</p> <p>At the same time, the transition to low carbon presents business opportunities. Customers continue to require key component products to meet specifications such as low power consumption, high interference resistance, waterproofing, and industrial-grade standards. The R&D department evaluates and develops corresponding solutions, which require significant investment in research and development as well as carbon footprint assessments. The Company also continuously monitors the evolution of international regulations to avoid potential violations or penalties.</p>
<p>3. Describe the financial impact of climate-related risks and transition risks</p>	<p>The occurrence of extreme climate events, such as typhoons and sudden heavy rainfall, may disrupt product transportation and lead to operational interruptions at various sites and suppliers, thereby affecting production. To mitigate such risks, Elan Microelectronics annually procures comprehensive commercial fire insurance.</p> <p>In addition, the transition actions taken to mitigate and adapt to climate change create climate-related opportunities for the organization, including the following:</p> <ol style="list-style-type: none"> 1. The new Zhubei plant, scheduled for completion in 2026, is designed as a high-efficiency building that meets Green Building Silver and Intelligent Building Gold certifications. In addition to contributing to the Company's greenhouse gas reduction, it is expected to enhance the value of fixed assets. 2. In 2025, the Company acquired 522.233 renewable energy certificates (RECs), corresponding to an estimated carbon reduction of approximately 247.538 tons of CO₂e (calculated based on the 2024 electricity emission factor). Going forward, the Company will continue to procure green electricity based on actual needs, with the goal of achieving net-zero electricity emissions by 2050. 3. The R&D department will continue to invest in research and development. The growing demand for low-carbon solutions presents business opportunities and is expected to contribute to increased revenue.
<p>4. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.</p>	<p>The Company's existing ISO 14001 environmental management system has incorporated climate change issues into risk management. The Environmental Management Team follows the TCFD disclosure framework every year to identify, assess climate-related risks/opportunities, and develop goals and action plans to implement them. The results of overall risk management are reviewed annually by the Management Review Committee.</p> <p>The above data was factory statistics as of March 2026. The ESG report has not yet been reviewed. It is expected to be verified by a third party in 2026 Q2. The actual data shall be mainly based on the ESG report.</p>

5. Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including parameters, assumptions, analysis factors, and major financial impacts	Scenario Analysis	How do the results of situational analysis affect business objectives and strategies?
	Scenario 1: RE100 (100% renewable energy)	<p>In alignment with Taiwan’s Nationally Determined Contributions (NDCs) target of achieving net-zero emissions by 2050, the Company has formulated the following strategies:</p> <ol style="list-style-type: none"> 1. Complete annual ISO 14064-1 verification to enhance the reliability of greenhouse gas (GHG) data. 2. Elan Microelectronics’ renewable energy procurement targets: <ul style="list-style-type: none"> ● Achieve 5% renewable energy usage in 2024 (target achieved) ● Achieve 20% renewable energy usage by 2030 ● Achieve 30% renewable energy usage by 2035 ● Achieve 100% renewable energy usage by 2050 <p>Based on Elan Microelectronics’ total electricity consumption in 2022, the Company has assessed a phased plan to procure green electricity starting in 2024 and achieve RE100 by 2050. It is estimated that the additional cost of green electricity will increase by approximately NT\$103.87 million.</p> <ol style="list-style-type: none"> 3. The Company obtained ISO 50001 certification in November 2024 and will continue to maintain the effectiveness of the system annually. The estimated annual verification cost is NT\$90,000. <p>In 2025, Scope 2 emissions accounted for 85% of the Elan Group’s total greenhouse gas emissions (Scope 1 + Scope 2), with electricity consumption being the primary source of emissions. Therefore, the Company will prioritize energy-saving measures and the procurement of renewable energy to reduce GHG emissions. This will be followed by new technologies to reduce carbon emissions, until reductions become impossible, at which point carbon credits will be purchased for neutralization, aiming to achieve net-zero carbon emissions by 2050.</p>
	Scenario 2: Flood Risks	
	(1) Short-term Based on the daily rainfall data provided by the Central Weather Bureau in 2025, the maximum 24-hour rainfall is used to assess the flood situation in New Taipei ,	(3) Short-term: A Flood potential assessment (FRA) conducted based on “350mm of rainfall in 24 hours” for the Hsinchu plant shows no significant impact. For the Company’s plants located in Zhonghe, Tainan, and Kaohsiung areas, flood potential assessments conducted based on “200mm of rainfall in 24

	<p>Hsinchu, Tainan, and Kaohsiung areas using the Disaster Potential Map provided by the National Science and Technology Center for Disaster Reduction (NCDR.)</p> <p>(2) Long-term:</p> <p>Simulation is conducted based on the “RCP8.5” scenario in the NCDR Climate Change Disaster Risk Adaptation Platform. This scenario assumes a time frame from 2021 to 2040, with an increase in the annual mean temperature by 1.5°C.</p>	<p>hours” indicates only minor flooding issues in some road sections near the Kaohsiung plant.</p> <p>The depth of flooding does not exceed 1 meter, and the current assessment Does not affect employees’ commutation between their residences and the working places. Other plant areas show no significant impact.</p> <p>(4) Long-term:</p> <p>Simulation is conducted based on the “RCP8.5” scenario in the NCDR Climate Change Disaster Risk Adaptation Platform. The simulation result shows that with a 1.5°C increase in annual mean temperature, except for the Hsinchu plant area, all other plant areas are classified as high-risk flood zones.</p>
<p>6. Describe the index and targets used by the organization to identify and manage physical risks and transition risks and performance against targets</p>	<p>Currently, the plan for the Zhubei AI Park headquarters building is to adopt green and smart building designs. The Company has obtained ISO 50001 Energy Management System certification in November 2024, and will set energy-saving targets in the future to achieve the goal of carbon reduction.</p>	
<p>7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated</p>	<p>In 2025, the Company established its “Internal Carbon Pricing Policy,” adopting a shadow carbon pricing approach. With reference to the Ministry of Environment’s carbon fee regulations, a carbon price of NT\$300 per metric ton was set and applied to the evaluation of energy-saving and carbon reduction projects.</p> <p>In 2025, the Company implemented three energy-saving initiatives, achieving total electricity savings of approximately 54,000 kWh, equivalent to a reduction of 25.596 metric tons of CO₂e. In addition, based on the internal carbon pricing mechanism, the reduction in emissions corresponds to a decrease in potential external carbon costs of NT\$7,679.</p>	
	<p>Current targets are as follows:</p>	

<p>8. If climate-related goals are set, it should explain the activities covered, scopes of greenhouse gas emission, planning schedule, and the progress achieved each year, etc. If carbon offsetting or Renewable Energy Certificates (RECs) are used to achieve these goals, it should explain the source and quantity of carbon offsets or the number of RECs exchanged.</p>	<ol style="list-style-type: none"> 1. In 2025, Elan Microelectronics set a short-term target to reduce annual greenhouse gas (GHG) emissions (Scope 1 and Scope 2) by 1% compared to the previous year. In 2025, GHG emissions decreased by 7% compared to 2024, exceeding the target. Following the Company’s approval by the Science Based Targets initiative (SBTi) in 2025, the revised short-term target for Scope 1 and Scope 2 emissions is to achieve an 18% reduction by 2026 compared to the base year (2023). 2. A short- to medium-term target was established to achieve a cumulative electricity-saving rate of 10% from the base year (2019) to 2025. As of 2025, the cumulative electricity-saving rate has reached 10.29%, and the target has been successfully achieved. 3. In 2024, the Company achieved its interim target of sourcing 5% of its electricity from renewable energy. Going forward, it will continue to increase the procurement of renewable energy (primarily solar power) in line with its target timeline. In 2025, the Company obtained 492 renewable energy certificates (RECs) (as of November 2025), corresponding to an estimated carbon reduction of approximately 236.526 metric tons of CO₂e (calculated based on the 2024 electricity emission factor). The renewable energy targets are as follows: <ul style="list-style-type: none"> •20% renewable energy usage by 2030 •30% renewable energy usage by 2035 •100% renewable energy usage by 2050
<p>9. Describe the greenhouse gas inventory and verification status, along with reduction targets, strategies, and specific action plans (also filled in sections 1-1 and 1-2)</p>	<p>In 2025, the Company conducted a Greenhouse Gas Inventory in accordance with the International Standard ISO 14064-1 for the year 2024. Other related enterprises are conducting their own Greenhouse Gas Inventory in accordance with the regulations specified by the Financial Supervisory Commission and will prepare their ESG (Environmental, Social, and Governance) reports accordingly. According to the regulations of the Financial Supervisory Commission, each related enterprise should conduct their Greenhouse Gas Inventory in accordance with the International Standard ISO 14064-1 latest by 2027 and verify the effectiveness of the reduction by 2029.</p>

1-1 Information regarding the greenhouse gas inventory and verification status for the Company over the past two years:

1-1-1 Greenhouse Gas Inventory Information

<p>Describe the Greenhouse Gas Emissions: (metric tons of CO₂e), Intensity: (metric tons of CO₂e per million dollars of revenue) and the scope of data scope of the greenhouse gases (GHG) in the past two years.</p>
<p>The greenhouse gas inventory results (GHG emissions) for the Company (including the Hsinchu headquarters, Zhonghe Plant 1, Tainan R&D Center, and Kaohsiung R&D Center) for the years 2024 and 2025 are summarized as follows:</p> <p>Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</p>

GHG Emissions:

2024

Green Gas Category:

Scope 1: 352.6604 metric tons of CO₂e; Scope 2: 2,444.9829 metric tons of CO₂e; Total Scope 1 + Scope 2 emissions: 2,597.6433 metric tons of CO₂e

Scope 3: 496.5181 metric tons of CO₂e (including raw materials and waste disposal)

2025:

Green Gas Category:

Scope 1: 348.6496 metric tons of CO₂e; Scope 2: 2,050.19257 metric tons of CO₂e; Total Scope 1 + Scope 2 emissions: 2,398.8422 metric tons of CO₂e

Scope 3: 515.9255 metric tons of CO₂e (including raw materials and waste disposal)

Intensity: (Total Scope 1 + Scope/ per million dollars of revenue)

Intensity in 2024: 0.210 metric tons of CO₂e per million dollars of revenue

Intensity in 2025: 0.200 metric tons of CO₂e per million dollars of revenue

Note 1: Direct emissions (Category 1, that is, directly from emission sources owned or controlled by the Company), indirect emissions (Category 2, that is, indirect greenhouse gas emissions from the input of electricity, heat or steam) and Other indirect emissions (Category 3, i.e. emissions generated by Company activities, are not indirect emissions from energy, but come from emission sources owned or controlled by other companies).

Note 2: The scope of direct emissions and indirect emissions data shall be handled in accordance with the timetable specified in the order specified in Paragraph 2 of Article 10 of these Guidelines. Another indirect emissions information may be disclosed voluntarily.

Note 3: Greenhouse gas inventory standard: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 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 turnover, but at least the data calculated in terms of turnover (NT\$ million) should be stated.

1-1-2 Greenhouse Gas Assurance Information

Describe the confidence situation in the last two years as of the publication date of the annual report, including Assurance Scope, Assurance Provider, Assurance Standard and Assurance Opinion:
Assurance Scope: ELAN Microelectronics (including Hsinchu headquarters, Zhonghe Plant 1, Tainan R&D Center, and Kaohsiung R&D Center) Assurance Provider: The British Standards Institution (BSI) Assurance Standard: Scope 1 and Scope 2: Reasonable Assurance Level; Scope 3: Agreed-upon Procedures (AUP) Assurance Opinion: N/A The greenhouse gas emissions inventory for the year 2024 was certified in May 2025. The ISO 14064-1 verification for 2025 will be conducted by an independent organization in April 2026. The assurance scope, provider, and standard for conducting the GHG inventory remain consistent with those conducted in 2024. A complete assurance information will be disclosed in a sustainability report.

Note 1: It should be handled in accordance with the timetable specified in the order stipulated in Article 10, Paragraph 2 of the Criteria for matters that should be recorded in the annual reports of public listed companies. If the Company fails to obtain a complete greenhouse gas assurance opinion by the publication date of the annual report, it should indicate that "the complete assurance information will be disclosed in the sustainability report." If the Company does not prepare a sustainability report, it should indicate that "Complete and confident information will be disclosed in the "Taiwan Stock Exchange Market Observation, Post System" (<https://mops.twse.com.tw>) and disclose complete and confident information in the next annual report.

Note 2: Assurance Provider should comply with the relevant requirements for certified institutions on sustainability reports stipulated by the Taiwan Stock Exchange Corporation and the Securities Over-the-Counter Trading Center of the Republic of China.

Note 3: For disclosure content, please refer to the Best Practice Reference Examples on the website of the Taiwan Stock Exchange's "TWSE Corporate Governance Center".

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

Describe the greenhouse gas reduction base year and its data, reduction targets, strategies, specific action plans and achievement of reduction targets.
After checking the greenhouse gas emissions at the boundary of the financial report, there is currently no gas emissions. According to the regulations of the Financial Supervisory Committee, the verification should be completed by 2029 at the latest.

Note 1: It should be handled in accordance with the timetable specified in the regulations and rules stipulated in Article 10, Paragraph 2 of the Criteria for matters that should be recorded in the annual reports of public listed companies;

Note 2: The base year should be the year in which the review is completed based on the boundaries of the consolidated financial report. For example, in accordance with the provisions of Article 10, Paragraph 2 of these Criteria, companies with a capital of more than 10 billion NT Dollars should complete the consolidated financial report for 2024 in 2025. For the review of the consolidated financial statements, the base year is 2024. If the Company has completed the inventory of the consolidated financial report in advance, the earlier year can be used as the base year. In addition, the data for the base year can be calculated as the average of a single year or several years.

Note 3: For further details of the disclosure content, please refer to the Best Practice Reference Examples posted on the website of the Taiwan Stock Exchange's (TWSE) Corporate Governance Center.

(8) Deviations from the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons

Assessment Item	Implementation Status (Note 1)			Non-Implementation and its Reason(s)
	Yes	No	Summary	
<p>1. Establishment of ethical operation policies and plans</p> <p>(1) Does the Company set ethical operation policies authorized by the Board of Directors and specify the ethical operating policies and practices and the commitment of the Board of Directors and management level to actively implement operating policies practices in Articles of Incorporation and external documents?</p> <p>(2) Does the Company establish assessment mechanism for risk of unethical conducts, regularly analyze and evaluate business activities with high risk of unethical conducts within the scope of business, and formulates an unethical conducts prevention plan to at least covers the preventive Procedures for behaviors identified in Paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”?</p> <p>(3) Does the Company establish appropriate precautions against high-potential unethical conducts, stipulate operating procedures, code of conduct, punishment for violation and complaint filing system in various plans, implement accordingly and regularly review and amend the plan thereof?</p>	V		<p>(1) The Company has established the “Ethical Corporate Management Best Practice Principles” and “Ethical Corporate Management Best Practice Procedures and Code of Ethics and Business Conduct”, which were authorized by the Board of Directors; the management level actively implemented the ethical operating policies based on fair, honest, trustworthy and transparent principles of engaging operating activities.</p> <p>(2) The Company has established the operating procedures, code of conduct, punishment for violation and complaint filing system in various plans in accordance to “Ethical Corporate Management Best Practice Principles”, “Ethical Corporate Management Best Practice Procedures and Code of Ethics and Business Conduct” and “allegation reporting system” and implement accordingly.</p> <p>(3) The Company has established the “Ethical Corporate Management Best Practice Principles” and “Ethical Corporate Management Best Practice Procedures and Code of Ethics and Business Conduct” to prevent operating activities with higher risks of unethical conduct within its scope of business.</p>	None
<p>2. Implementation of ethical operation</p> <p>(1) Does the Company evaluate ethical records of the counterparties, and specify provision of ethical conduct in the contract it entered into with its transaction counterparties?</p> <p>(2) Does the Company establish dedicated unit under the Board of Directors to promote corporate ethical operation and regularly</p>	V		<p>(1) The Company fully understood counterparties’ ethical operating conditions when entering into contract with others, and specified in the contract that the contract may be unconditionally terminated or rescind if the operating activities involve unethical conduct.</p> <p>(2) The Company designates the General Manager’s office as a unit responsible for promoting corporate ethical management. If an</p>	None

Assessment Item	Implementation Status (Note 1)			Non-Implementation and its Reason(s)
	Yes	No	Summary	
<p>(at least once a year) report the status of its implementation of ethical operation policies and unethical conducts prevention plan and supervisory to the Board of Directors?</p> <p>(3) Does the Company formulate, provide and implement policies to prevent conflict of interests and suitable channel to express opinion / statement?</p> <p>(4) Does the Company establish effective accounting system and internal control system and have the internal audit unit formulating relevant audit plan based on the results of assessment on risk of unethical conduct, while examining the compliance with the unethical conduct prevention plan (or commissioning an accountant to perform the examination)?</p> <p>(5) Does the Company regularly hold internal and/or external training on ethical operation?</p>	V		<p>incident of dishonest behavior occurs, the General Manager's office will report to the Board of Directors on its handling methods and follow-up review and improvement Procedures, and the annual ethical management implementation status will be reported to the Board of Directors on a regular basis every year. The operation and implementation of the ethical management unit in 2025 were reported to the Board of Directors on December 23, 2025.</p> <p>(3) In the event when Company's staff member performed the Company's business found that there is a conflict with the interests of his/her own or the juristic person it represents, or may result in the obtaining of improper interests by him/herself or him/herself spouse, parent(s), children or interested parties, he/she shall report the matter to his/her direct superior and the Company's dedicated unit, and the direct superior shall provide adequate guidance.</p> <p>(4) The Company has established effectively accounting system and internal control system; external accounts or secret account(s) are prohibited, and review were conducted to ensure that the design and implementation of the system continues to be effective. The internal audit unit regularly check compliance of the relevant systems according to the audit plan.</p> <p>(5) Since 2018, the Company's new employee on-the-job training program has included anti-corruption digital courses, the relevant training and online tests of which are subject to be completed 100% and updated regularly thereafter. In 2025, the Company held internal and external education trainings on ethical operations (including courses on compliance with ethical operations regulations, accounting systems, internal control systems and other relevant courses) with 1,124 man-count and total 1,201 man-hours. The Company's new employee training program includes provisions for preventing insider trading and prohibiting stock trading during the closed period 30 days before the release of the annual financial report and 15 days before the quarterly report announcement. In 2025, the Company arranged for two additional directors to attend a course on preventing insider trading. All newly appointed directors have signed and received director</p>	

Assessment Item	Implementation Status (Note 1)			Non-Implementation and its Reason(s)
	Yes	No	Summary	
			<p>orientation materials, which include the "Director and Supervisor Orientation Manual", "Director's Statement" and "Securities Market Regulatory Matters that Listed Companies, Their Directors, Supervisors and Major Shareholders Should Note".</p> <p>The Company has amended the "Corporate Governance Code" and "Internal Important Information Processing Procedures" in 2022 to add regulations: "Company insiders' stock trading control measures from the day they learn of the Company's financial report or related performance content, including (but not limited to) directors are not allowed to trade their stocks during the closed period of 30 days before the announcement of the annual financial report and 15 days before the announcement of the quarterly financial report."</p> <p>In May 2025, the Company notified all directors of the expected meeting date of the Board of Directors in the second half year of 2024 and in the first half year of 2025, including the expected approval time of each quarterly and annual financial report, so that all directors can follow the aforementioned regulations.</p> <p>In addition, starting from 2023, the Company will notify directors by email of the stock trading closure period before the announcement of each quarterly financial report to prevent directors from accidentally violating this regulation.</p>	
<p>3. Implementation Status of the Company's allegation reporting system</p> <p>(1) Does the Company set specific reporting allegations and reward system, establish convenient reporting allegations channel, and assign appropriate dedicated personnel to process the allegations?</p> <p>(2) Does the Company set standards operating procedures, post-investigation Procedures and related confidentiality mechanisms to be taken to process allegations?</p>	V		<p>(1)The Company has established the specific reporting allegations and reward system, of which the employee may report to the Supervisors, managers, internal audit unit or other appropriate personnel when violation of laws and regulations or Ethical Code of Ethics and Business Conduct is suspected or found.</p> <p>(2) The Company's website is equipped with a "Complaint Mailbox" and "Employee Complaint Procedures" for employees and outsiders Report on anonymously, and the head of the Industry Performance Management Department was appointed as the responsible person therefor. The Company has established the standards operating procedures and related confidentiality mechanisms. The Intellectual Property Rights & Legal Department was established as the dedicated</p>	None

Assessment Item	Implementation Status (Note 1)			Non-Implementation and its Reason(s)
	Yes	No	Summary	
(3) Does the Company adopt Procedures to protect those who reported allegations from improper treatment due to the allegations?	V		unit for processing business secrets, responsible for formulating and implementing the Company's business secrets management, storage and safeguarding procedures to ensure continued effectiveness of the operating procedures. (3) The Company will do its best to protect safety of who reported allegations from improper treatment due to the allegations.	
4. Strengthen information disclosure Does the Company disclose its set Ethical Corporate Management Best Practice Principles contents and effectiveness in promotion on its website and Market Observation Post System?	V		The Company has disclosed its "Ethical Corporate Management Best Practice Principles" and "Ethical Corporate Management Best Practice Procedures and Code of Ethics and Business Conduct" on its website and the Market Observation Post System, and disclose status of the implementation of ethical operations under "corporate governance" section of the Company's website.	None
5. Where the Company has formulated its own Ethical Corporate Management Best Practice Principles based on the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies", please specify the differences between the two: None				
6. Other important information that may facilitate the understanding about the status of the Company's ethical operation: (such as: The Company's review and amend its own Ethical Corporate Management Best Practice Principles) As of the end of 2025, the Company did not incur any case of corruption, violation of business ethics and trust.				

Note 1: Explanations shall be specified in the "Summary" field regardless of whether the assessment item is archived or not.

- (9) Other important information that may facilitate the understanding about the implementation status of the corporate governance operation shall also be disclosed: There are regulations concerning corporate governance under “Code of Corporate Governance” in the Company’s external webpage.
- (10) Disclosure about the implementation of internal control system shall include the following items:
1. Statement on Internal Control: (please refer to the updated information disclosed on the Market Observation Post System (<https://mops.twse.com.tw/mops/#/web/t06sg20> (Select: Quick Search: Input Company Name/Corporate Governance//Company Regulations/Statement on Internal Control)).
 2. Where there is ad hoc audit on internal control system by outsourced accountant(s), the Accountant’s audit report shall be disclosed: None.
- (11) Where, during the last fiscal year and as of the publishing date of the annual report, the Company and its staff members were sanctioned by law and/or the Company applied punitive Procedures on its staff members who violated provisions of the internal control system, if the result of the punishment may have a significant impact on shareholders’ equity or the price of securities, the content of the punishment, the major deficiencies and improvement thereof shall be specified: None.
- (12) Major resolutions adopted by shareholders’ meeting and the Board Meeting during the last fiscal year and until the publishing date of the annual report are summarized as follows::

Major Resolutions of Shareholders’ Meeting and the Implementation:

Date	Item	Major resolutions	Implementation status
05.28.2025	2025 Annual Meeting of Shareholders	Acknowledgement:	
		Resolution to approve the Company’s 2024 Consolidated Financial Statements business report and	Actions to be taken according to the resolution
		Discussion:	
		Resolution to approve the proposal for amending the Articles of Incorporation of the Company.	On June 3, 2025, the Company was approved for registration of amending the Articles of Incorporation of the Company by the Hsinchu Science Park Administration.
		Other proposal:	
		Resolution to approve the Proposal of Release of Restrictions on Competitive Activities of the Company’s Directors	Actions to be taken according to the resolution

Major Resolutions of Board Meetings

Date	Item	Major Resolutions
02.27.2025	Board Meeting	<ol style="list-style-type: none"> 1. Report on the Board of Directors’ performance self-assessment results 2. Report on the Sustainability Development Committee’s performance self-assessment results 3. Report on the remuneration committee’s performance self-assessment results 4. Report on the Audit Committee’s performance self-assessment results 5. Report on the completion status of greenhouse gas inventory, verification, and disclosure schedule 6. Report on the implementation status of treasury stock repurchase 7. Adoption of the proposal raised by the remuneration committee for Distribution of 2024 performance bonuses to managers 8. Adoption of the proposal raised by the remuneration committee: Distribution of 2024 employee remuneration to managers 9. Adoption of the proposal for the Company’s 2024 unaudited consolidated financial statements and business report, submitted for review 10. Adoption of the proposal to discuss the distribution of earnings for the second

Date	Item	Major Resolutions
		<p>half of 2024</p> <ol style="list-style-type: none"> 11. Adoption of the proposal to discuss the record date and payment date for the cash dividend distribution for the second half of 2024 earnings 12. Adoption of the proposal for the distribution of employee compensation and directors' remuneration 13. Adoption of the proposal to discuss the definition and scope of the company's entry-level employees, 14. Adoption of the proposal for amending the Company's Articles of Incorporation. 15. Adoption of the proposal for removal of non-compete restrictions for directors 16. Adoption of the proposal for amending the internal control system. 17. Adoption of the proposal for deciding the date, place for convening the general shareholders' meeting 2025 18. Adoption of the proposal to set the period and place for accepting shareholders' proposal 19. Adoption of the proposal to approve the internal control statement, based on the completion of the self-assessment for the 2024 internal control system 20. Adoption of the Proposal to subscribe to the 2025 cash capital increase of Pixord Corp. Co., Ltd. 21. Adoption of the proposal to appoint KPMG Taiwan as the external auditor to audit and attest the Company's 2025 financial statements and tax reports
05.06.2025	Board Meeting	<ol style="list-style-type: none"> 1. Adoption of the proposal for the distribution of director remuneration for 2024 raised by the remuneration committee. 2. Adoption of the proposal for the Company's unaudited consolidated financial statements for 2025 Q1. 3. Adoption of the proposal for formulating general principles for the Company's pre-approved non-confirmation service policy, and submit them for discussion.
06.05.2025	Board Meeting	<ol style="list-style-type: none"> 1. Adoption of the proposal for subscription of shares issued by Eminent Technology Co., Ltd. for cash capital increase in 2025 2. Adoption of the proposal for changing the title of the Company's general manager to CEO 3. Adoption of the proposal for appointing the Company's chief operating officer.
08.06.2025	Board Meeting	<ol style="list-style-type: none"> 1. Report on the purchase of directors' and managers' liability insurance. 2.. Report on the completion status of greenhouse gas inventory and verification disclosure schedule. 3. Adoption of the proposal raised by the remuneration committee for adjusting the managers' salaries. 4. Discussion on the Company's thirteenth share repurchase, partial transfer to employees, and determination of the base date. 5. Adoption of the proposal raised by the remuneration committee for revisions to the "Management Salary and Compensation Management Regulations" . 6. Adoption of the Company's consolidated financial statements for 2025 Q2. 7. Adoption of the proposal for the Company's unaudited consolidated financial statements for 2025 H1 (Q1 + Q2). 8. Adoption of the proposal for subscription of shares issued by Jpup Electron Co., Ltd. for cash capital increase in 2025. 9. Adoption of the proposal for preparation of the 2024 Sustainability Report. 10. Adoption of the proposal for application for accounts receivable factoring and financing from Far Eastern Bank, Mega Bank, O-Bank, KGI Bank, and Chang Hwa Bank.
11.06.2025	Board Meeting	<ol style="list-style-type: none"> 1. Report on the completion status of the Company's greenhouse gas inventory and verification schedule. 2. Adoption of the proposal for the Company's unaudited consolidated financial statements for 2025 Q3. 3. Adoption of the proposal for establishment of "TwHealth Nexus". 4. Adoption of the proposal for amending the internal control system "Payroll Procedures".

12.23.2025	Board Meeting	<ol style="list-style-type: none"> 1. Report on the performance evaluation of the Company's Board of Directors. 2. Report on the implementation status and results of the Corporate Social Responsibility plan. 3. Report on the implementation of risk management. 4. Report on communication with stakeholders. 5. Report on the operation and implementation of the Integrity Management Department. 6. Report on the implementation of specific information security management measures. 7. Report on the implementation of intellectual property management. 8. Adoption of the proposal raised by the remuneration committee: Scheduling of the compensation plan for directors and managers. 9. Adoption of the proposal to establish the 2026 audit plan. 10. Adoption of the proposal for ratifying the appointment of risk assessment report prepared by KPMG Taiwan on the royalty transaction with Chimei Motor Electronics Co., Ltd., 11. Adoption of the proposal for subscription of shares issued by Uniband Electronics Co., Ltd. for cash capital increase in 2025 12. Adoption of the proposal for further amending the internal control system "Payroll Procedures". 13. Adoption of the proposal for accounts receivable factoring from the buyer - Chicony Electronics (Chongqing) Co., Ltd., via KGI Bank .
03.03.2026	Board Meeting	<ol style="list-style-type: none"> 1. Report on the Board of Directors' performance self-assessment results. 2. Report on the Sustainability Development Committee's performance self-assessment results. 3. Report on the remuneration committee's performance self-assessment results. 4. Report on the Audit Committee's performance self-assessment results. 5. Report on the completion status of the greenhouse gas inventory, verification, and disclosure schedule. 6. Report on the implementation status of treasury stock repurchase. 7. Adoption of the proposal raised by the remuneration committee: Distribution of 2025 performance bonuses to managers. 8. Adoption of the proposal raised by the remuneration committee: Distribution of 2025 employee remuneration to managers. 9. Adoption of the proposal for the Company's 2025 unaudited and consolidated financial statements and business report. 10. Adoption of the proposal to discuss the earnings distribution plan for the second half of 2025. 11. Adoption of the proposal to discuss the record date and distribution date for cash dividends related to the second half of 2025 earnings. 12. Adoption of the proposal for the distribution of employee and director remuneration . 13. Adoption of the proposal to discuss the date and place for the 2026 Annual General Meeting of Shareholders. 14. Adoption of the proposal to set the period and location for accepting shareholders' proposals. 15. Adoption of the proposal to approve the internal control declaration, based on the completion of the self-assessment for the 2025 internal control system. 16. Adoption of the proposal for subscription of shares issued by Avisonic Technology Corp. for cash capital increase in 2026. 17. Adoption of the proposal to appoint KPMG Taiwan to provide advisory services for the implementation of the IFRS perpetual disclosure standard. 18. Adoption of the proposal to appoint KPMG Taiwan as the external auditor to audit and attest the Company's 2026 financial statements and tax reports. 19. Adoption of the proposal for changing the CPAs 20. Adoption of the proposal for application for a financing line from the Taiwan Cooperative Bank

03.27.2026	Board Meeting	<ol style="list-style-type: none"> 1. Adoption of the proposal for Distribution of remuneration for grassroots employees. 2. Adoption of the proposal for Amendments to the Company's Rules of Procedure for Shareholders' Meetings. 3. Adoption of the proposal for the 2026 Annual Shareholders' Meeting. 4. Adoption of the proposal to appoint KPMG Taiwan to prepare an economic analysis report on the pricing of the royalty transaction with Eminent Electronic Technology Co., Ltd.,
05.07.2026	Board Meeting	<ol style="list-style-type: none"> 1. Adoption of the proposal raised by the remuneration committee for the distribution of directors' remuneration for the fiscal year 2025. 2. Adoption of the proposal for the Company's unaudited consolidated financial statements for 2026Q1. 3. Adoption of the proposal for subscription of shares issued by Eminent Electronics Corp., Ltd. for cash capital increase in 2025 4. Adoption of the proposal for establish YiYun Smart Technology Co., Ltd. 5. Adoption of the proposal for establish a Vietnam office in Ho Chi Minh City, Vietnam.

(13) Where there are recorded or written statements during the last fiscal year and until the publishing date of the annual report regarding the Directors or Supervisors' opposing on important Board resolution(s), its main contents are: None.

4. Audit Fee Information:

Range of Audit fee (please check-mark the corresponding range or fill in the amount)

(Unit: NT\$ thousands)

Accounting Firm	Name of CPA	Audit period	Audit Fee	Non-audit Fees	Total	Note
KPMG Taiwan	LU, Chien-Hui	01.01. 2025~12.31. 2025	4,460	1,612	6,072	
	LEE, Fang-Yi	01.01. 2025~12.31. 2025				

Please specify the non-audit fees for the following services: tax visa fees, payroll check visa fees, independent assessment fees for Data Protection Requirements (DPR), fees for applying for new articles of association for changes of registered agents of offshore companies, and maintenance fees for offshore investment companies.

Note: If the company changed its accountant or accounting firm this year, please list the audit period separately, explain the reason for the change in the remarks column, and disclose the audit and non-audit fees paid in sequence. Non-audit fees should also include a description of the services provided.

(1) Nature of Non-Audit Fees: Tax visa fees, payroll check visa fees, independent assessment fees for Data Protection Requirements (DPR), fees for applying for new articles of association for changes of registered agents of offshore companies, and maintenance fees for offshore investment companies.

(2) Change of Accounting Firm and a Decrease in Audit Fees Compared to the Previous Year: No change.

(3) Decrease in Audit Fees by More Than 10% Compared to the Previous Year: None.

5. Information Regarding Change of Certified Public Accountant (CPA)

(1) Regarding the former CPA

Replacement Date	March 03, 2026		
Replacements reasons and explanation	Due to the internal organizational adjustment of the accounting firm appointed by the Company, starting from the first quarter of 2026, the Company's certified public accountants have been changed from accountants LU, Chien-Hui and LEE, Fang-Yi to LU, Chien-Hui and Chou, Pao-Lian.		
Describe whether the Company terminated or the CPA die not accept the appointment	Parties		
	Status	CPA	The Company
	Termination of Appointment	N/A	
	No longer accepted (continued) appointment		
Other issue (except for unqualified issue) in the audit reports within the last two years	N/A		
Difference with the Company	Yes	-	Accounting principles or practices
		-	Disclosure of Financial Statements
		-	Audit scope and steps
		-	Others
	None	V	
	Remarks/specify details:		
Other revealed Matters (Items 1-4 to 1-7 of Paragraph 6 of Article 10 of the Regulations Governing Information to be Published in Annual Reports of Public Companies should be disclosed)	None		

(2) Regarding the successor CPA

Name of accounting firm	KPMG Taiwan
Name of CPA	LU, Chien-Hui and CHOU, Pao-Lian
Date of appointment	March 03, 2026 (approved by the Board of Directors)
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the Company's financial reports that the CPA might issue prior to the engagement	None
Succeeding CPA's written opinion of disagreement toward the former CPA	None

(3) Reply from the former CPA on matters Items 1 and 2-3 of paragraph 6 of Article 10 of the Regulations Governing Information to be Published in Annual Reports of Public Companies: Not applicable

6. The Company's Chairman, General Manager, Chief Financial Officer or Chief Accounting Officer who hold any positions in the Company's independent auditing firm or its affiliates during the last fiscal year: None

7. Any transfer of shareholdings and changes in equity pledge from the directors, managers and shareholder(s) holding more than 10% of the shares during the last fiscal year and until the publishing date of the annual report:

(1) Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders

Please refer to the Taiwan Stock Exchange Market Observation Post System:

https://mops.twse.com.tw/mops/#/web/query6_1

(Stock Transfer: Market Observation Post System>Single Company>Changes in Shareholding/Securities Issued>Share Transfer Information Enquiry>Post Facto Report on Changes in Insider's Shareholding;
Shareholding Changes/Securities Issuance > Pledging and Unpledging by Insiders > Announcement of Pledging and Unpledging by Insiders;
Changes in share pledges: https://mopsov.twse.com.tw/mops/web/STAMAK03_1)

(2) The counterparty of equity transfer or equity pledge that is also a related party shall disclose name of the counterparty, the relationship with the Company, Director, Supervisor, and/or shareholder holding more than 10% of the shares and number of shares obtained or pledged:

2.1 Equity transfer information: N/A, because it is traded freely in the exchange market.

2.2. Equity pledge information: N/A.

8. Relationship among the Top Ten Shareholders:

Name	Current Shareholding		Spouse's/ minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees (Note 3)		Note
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Capital Tip Customized Taiwan Select High Dividend ETF	15,690,000	5.16%	N/A	N/A	N/A	N/A	-	-	
ELAN Investment Corp., Representative: YEH, I-Ming	12,438,199	4.09%	N/A	N/A	N/A	N/A	-	A subsidiary of the EMC	
	6,447,895	2.12%	N/A	N/A	N/A	N/A	Yulong Investment	Major Shareholder	
Bank of Taiwan is entrusted with the custody of Yuanta Taiwan High Dividend Low Volatility ETF	9,967,000	3.28%	N/A	N/A	N/A	N/A	-	-	
Hua Nan Commercial Bank is entrusted with the custody of Yuanta Taiwan Value High Interest ETF	8,501,000	2.80%	N/A	N/A	N/A	N/A	-	-	
New Labor Pension Fund	7,443,018	2.45%	N/A	N/A	N/A	N/A	-	-	
Yulong Investment Co., Ltd. Representative: CHEN, Hsio-Chu	7,083,059	2.33%	N/A	N/A	N/A	N/A	YEH, I-Hau	Major shareholders of EMC	
	0	0%	N/A	N/A	N/A	N/A	YEH, I-Hau	A second- degree relative (SDR)	
YEH, I-Hau	6,447,895	2.12%	N/A	N/A	N/A	N/A	Yulong Investment Co., Ltd.	Major shareholder	
Nan Shan Life Insurance Company, Ltd. Representative: Chung-Yao Yin	6,443,000	2.12%	N/A	N/A	N/A	N/A	-	-	
	0	0%	N/A	N/A	N/A	N/A	-	-	
Taipei Fubon Commercial Bank Co., Ltd. in its capacity as custodian for Fuh Hwa Taiwan Technology Dividend Highlight ETF Securities Investment Trust Fund	6,288,000	2.07%	N/A	N/A	N/A	N/A	-	-	
Taiwan Cooperative Bank (TCB) Representative: LIN, Yen-Mao	4,835,000	1.59%	N/A	N/A	N/A	N/A	-	-	
	0	0%	N/A	N/A	N/A	N/A	-	-	

Note 1: The top ten shareholders shall be listed in full; corporate shareholder shall list its name and the names of its representative separately;

Note 2: The calculation of the shareholding percentage referred to the percentage of shares held in his/her/its own name, or under the name of his/her/its spouse, children under 20 years of age, or others;

Note 3: The relationship between above-listed juristic person shareholders and natural person shareholders shall be disclosed pursuant to the regulations governing the preparation of financial statements of the issuer.

9. Ownership of Shares in Affiliated Enterprises

Unit: Thousand shares/ %

Affiliated Enterprises (Note)	Ownership by the Company		Direct or Indirect Ownership by Directors, Supervisors, Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
Elan (HK)	29,328	100.00%			29,328	100.00%
Elan Investment Corporation	50,000	100.00%			50,000	100.00%
Elan Information	65	100.00%			65	100.00%
Jpup Electronic Co., Ltd.	2,064	71.67%			2,064	71.67%
Metanoia Communications Inc.	47,363	39.14%	831	0.69%	48,194	39.83%
Avisonic Technology Corporation	20,569	83.40%	1,575	6.39%	22,144	89.79%
Tongfu Investment Co., Ltd.	3,000	46.73%			3,000	46.73%
Lighting Device Technologies Corp.	1,805	45.07%			1,805	45.07%
PiXORD Corporation Co., Ltd.	14,957	94.21%	739	4.65%	15,696	98.86%
Eminent Electronic Technology Co., Ltd.	6,516	31.74%	1,496	7.29%	8,012	39.03%
Top Taiwan X Venture Capital Co., Ltd.	15,162	30.00%			15,162	30.00%
Uniband Electronic Corporation	750	24.69%			750	24.69%
Finger Pro. Incorporation	600	23.08%			600	23.08%
Chimei Motor Electronics Co., Ltd.	14,050	46.83%			14,050	46.83%
TwHealth Nexus	6,000	20.00%			6,000	20.00%

Note: Long-term equity investments of the Company using equity method.

III. Capital Overview

1. Capital and Shares: (1) Source of Capital

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-up Capital		Remark		
		Shares	Amount (NT\$ thousands)	Shares	Amount (NT\$ thousands)	Source of Capital	Capital Increased by Assets Other than Cash	Other
May 1994	10	100,000	1,000,000	100,000	1,000,000	Established	N/A	N/A
Aug. 1997	10	110,600	1,106,000	110,600	1,106,000	Retained Earnings Transferred to Capital 100,000 Employee bonus 6,000	N/A	Document No. (86)Tai-Cai-Zheng(1)-52750 issued on July 5, 1997
Jul. 1998	10	147,140	1,471,400	147,140	1,471,400	Retained Earnings Transferred to Capital 331,800 Employee bonus 33,600	N/A	Document No. (87)Tai-Cai-Zheng(1)-52941 issued on June 18, 1998
Sep. 1999	10	164,854	1,648,540	164,854	1,648,540	Retained Earnings Transferred to Capital 147,140 Employee bonus 30,000	N/A	Document No. (88)Tai-Cai-Zheng-63446 issued on July 12, 1999
Jun. 2000	10	220,810	2,208,102	220,810	2,208,102	Retained Earnings Transferred to Capital 494,562 Employee bonus 65,000	N/A	Document No. (89)Tai-Cai-Zheng-35156 issued on May 2, 2000
Jul. 2001	10	450,000	4,500,000	295,038	2,950,383	Retained Earnings Transferred to Capital 662,431 Employee bonus 79,850	N/A	Document No. (90)Tai-Cai-Zheng(1)-43780 issued on May 2, 2001
Jul. 2002	10	450,000	4,500,000	329,239	3,292,391	Retained Earnings Transferred to Capital 295,038 Employee bonus 46,970	N/A	Document No. (91)Tai-Cai-Zheng-Yi-Zi-0910137334 issued on July 8, 2002
Jul. 2003	10	450,000	4,500,000	330,792	3,307,923	Convert corporate bonds to shares 15,532	N/A	Document No. Yuan-Shang-Zi-0920020871 issued on July 30, 2003
Oct. 2003	10	450,000	4,500,000	335,307	3,353,071	Convert corporate bonds to shares 45,148	N/A	Document No. Yuan-Shang-Zi-0920029312 issued on October 21, 2003
Jan. 2004	10	450,000	4,500,000	338,311	3,383,114	Convert corporate bonds to shares 30,043	N/A	Document No. Yuan-Shang-Zi-0930001801 issued on January 29, 2004
Apr. 2004	10	450,000	4,500,000	338,903	3,389,028	Convert corporate bonds to shares 5,914	N/A	Document No. Yuan-Shang-Zi-0930010383 issued on April 21, 2004
Jul. 2004	10	450,000	4,500,000	343,235	3,432,348	Convert corporate bonds to shares 43,319	N/A	Document No. Yuan-Shang-Zi-09300199753 issued on July 27, 2004
Sep. 2004	10	450,000	4,500,000	355,684	3,556,841	Retained Earnings Transferred to Capital 101,493 Employee bonus 23,000	N/A	Document No. Yuan-Shang-Zi-0930025813 issued on September 21, 2004
Jan. 2005	10	450,000	4,500,000	364,625	3,646,253	Convert corporate bonds to shares 89,412	N/A	Document No. Yuan-Shang-Zi-0940001655 issued on January 20, 2005
Apr. 2005	10	450,000	4,500,000	359,625	3,596,253	Capital reduction by Treasury Stock Retired (50,000)	N/A	Document No. Yuan-Shang-Zi-0940011303 issued on April 28, 2005
Oct. 2005	10	450,000	4,500,000	367,876	3,678,760	Retained Earnings Transferred to Capital 67,507 Employee bonus 15,000	N/A	Document No. Yuan-Shang-Zi-0940026465 issued on October 5, 2005

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-up Capital		Source of Capital	Remark	
		Shares	Amount (NT\$ thousands)	Shares	Amount (NT\$ thousands)		Capital Increased by Assets Other than Cash	Other
Aug. 2006	10	450,000	4,500,000	366,876	3,668,760	Capital reduction by Treasury Stock Retired (10,000)	N/A	Document No. Yuan-Shang-Zi-0950022 570 issued on August 23, 2006
Oct. 2006	10	450,000	4,500,000	371,755	3,717,548	Retained Earnings Transferred to Capital 36,788 Employee bonus 12,000	N/A	Document No. Yuan-Shang-Zi-0950025 887 issued on October 2, 2006
Nov. 2006	10	450,000	4,500,000	361,785	3,617,848	Capital reduction by Treasury Stock Retired (99,700)	N/A	Document No. Yuan-Shang-Zi-0950029 921 issued on November 15, 2006
Oct. 2008	10	480,000	4,800,000	410,670	4,106,698	Capital addition from merger 488,850	N/A	Document No. Yuan-Shang-Zi-0970029 807 issued on October 21, 2008
Aug. 2009	10	480,000	4,800,000	415,936	4,159,360	Employee stock option executed 11,480 Retained Earnings Transferred to Capital 41,182	N/A	Document No. Yuan-Shang-Zi-0980023 343 issued on August 26, 2009
Jul. 2010	10	480,000	4,800,000	416,094	4,160,936	Employee stock option executed 1,576	N/A	Document No. Yuan-Shang-Zi-0990020 694 issued on July 19, 2010
Jul. 2011	10	480,000	4,800,000	416,343	4,163,428	Employee stock option executed 2,492	N/A	Document No. Yuan-Shang-Zi-21017 issued on July 21, 2011
Oct. 2012	10	480,000	4,800,000	418,245	4,182,445	Employee stock option executed 19,017	N/A	Document No. Yuan-Shang-Zi-32156 issued on October 17, 2012
Jan. 2013	10	480,000	4,800,000	418,938	4,189,381	Employee stock option executed 6,936	N/A	Document No. Yuan-Shang-Zi-1954 issued on January 17, 2013
Apr. 2013	10	480,000	4,800,000	428,228	4,282,277	Employee stock option executed 92,896	N/A	Document No. Yuan-Shang-Zi-1020010 764 issued on April 16, 2013
Jul. 2013	10	480,000	4,800,000	432,599	4,325,985	Employee stock option executed 43,708	N/A	Document No. Yuan-Shang-Zi-1020020 794 issued on July 15, 2013
Oct. 2013	10	480,000	4,800,000	433,215	4,332,125	Employee stock option executed 6,140	N/A	Document No. Yuan-Shang-Zi-1020031 608 issued on October 18, 2013
Apr. 2014	10	480,000	4,800,000	435,121	4,351,214	Employee stock option executed 19,089	N/A	Document No. Zhu-Shang-Zi-10300109 97 issued on April 18, 2014

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-up Capital		Source of Capital	Remark	
		Shares	Amount (NT\$ thousands)	Shares	Amount (NT\$ thousands)		Capital Increased by Assets Other than Cash	Other
May 2014	10	480,000	4,800,000	438,598	4,385,978	Employee stock option executed 34,764	N/A	Document No. Zhu-Shang-Zi-10300140 30 issued on May 19, 2014
Oct. 2014	10	480,000	4,800,000	439,335	4,393,348	Capital addition by employee stock option 7,370	N/A	Document No. Zhu-Shang-Zi-10300305 08 issued on October 20, 2014
Dec. 2014	10	480,000	4,800,000	441,145	4,411,448	Employee stock option executed 18,100	N/A	Document No. Zhu-Shang-Zi-10300383 14 issued on December 26, 2014
Aug. 2016	10	480,000	4,800,000	434,115	4,341,148	Capital reduction by Treasury Stock Retired (70,300)	N/A	Document No. Zhu-Shang-Zi-10500232 50 issued on August 16, 2016
Aug. 2018	10	480,000	4,800,000	303,880	3,038,804	Capital reduction 1,302,344	N/A	Document No. Zhu-Shang-Zi-10700253 45 issued on August 29, 2018

Type of Stock:

Unit: share

Share Type	Authorized Capital			Note
	Issued Shares (TWSE stocks)	Un-issued Shares	Total Shares	
Registered common stocks	303,880,392	176,119,608	480,000,000	—

(2) List of Major Shareholders

As of March 29, 2026

Shareholder's Name	Shareholding	
	Shares	Percentage
Name of Major Shareholders		
Capital Tip Customized Taiwan Select High Dividend ETF	15,690,000	5.16%
ELAN Investment Corp.,	12,438,199	4/09%
Bank of Taiwan is entrusted with the custody of Yuanta Taiwan High Dividend Low Volatility ETF	9,967,000	3.28
Hua Nan Commercial Bank is entrusted with the custody of Yuanta Taiwan Value High Interest ETF	8,501,000	2.80%
New Labor Pension Fund	7,443,018	2.45%
Yulong Investment Co., Ltd.	7,083,058	2.33%
YEH, I-Hau	6,447,895	2.12%
Nan Shan Life Insurance Company, Ltd.	6,443,000	2.12%
Taipei Fubon Commercial Bank Co., Ltd. in its capacity as custodian for Fuh Hwa Taiwan Technology Dividend Highlight ETF Securities Investment Trust Fund	6,288,000	2.07%
Taiwan Cooperative Bank (TCB)	4,835,000	1.59%

(3) Dividend Policy and Implementation Status

(1) Dividend policy

The Company's dividend policy is to consider future capital needs, changes in the overall internal and external environment, and to meet shareholders' needs for cash inflows. If there is a surplus after the annual financial statements, in addition to paying the profit-seeking enterprise income tax and making up for losses in previous years, 10% of the surplus shall be set aside as a statutory surplus reserve and a special surplus reserve shall be set aside for the amount of shareholders' equity reduction in the current year. If there is still a surplus and no undistributed surplus at the beginning of the same period, the Board of Directors shall prepare a surplus distribution plan, which shall be distributed in the form of issuing new shares and submitted to the shareholders' meeting for resolution.

In accordance with the provisions of the Company Act, the Company authorizes the Board of Directors to distribute all or part of the dividends and bonuses or the statutory surplus reserves and capital reserves specified in Article 241, Paragraph 1 of the Company Act in cash upon the attendance of more than two-thirds of the directors and the resolution of a majority of the directors present, and report to the shareholders' meeting.

The dividend distribution ratio is as follows:

The amount of profit to be distributed in the current year shall not be less than 50% of the accumulated distributable profit; taking into account future expansion plans and investment capital needs, cash dividends shall not be less than 10% of the total dividends for the current year.

(2) Proposed Distribution of Dividend at the shareholders' meeting

The Company's profit distribution proposal for the first half of 2025 has been approved by the 8th Meeting of the Eleventh office term of Board of Directors in 2025, and it is proposed to distribute a shareholder dividend of NT\$790,089,020 from the distributable profit, with a cash dividend of NT\$2.64 per share. The profit distribution proposal for the second half of 2025 has been approved by the Eleventh Meeting of the Eleventh office term of Board of Directors in 2026, and it is proposed to distribute a share dividend of NT\$1,321,879,705 from the distributable profit, with a cash dividend of NT\$4.42 per share. The Chairman is authorized to have full authority regarding the dividend base date and dividend payment date. The dividend base date for the first half of 2025 was October 4, 2025, and the dividend payment date was October 22, 2025; the dividend base date for the second half of 2025 was April 02, 2026, and the dividend payment date was April 22, 2025.

(3) Any anticipated material changes in dividend policies shall be explained: N/A.

(4) The impact of stock grants to be proposed at the shareholders' meeting on the Company's business performance and earnings per share: N/A

Because the Company did not disclosure 2025 financial forecast information pursuant to document number Tai-Cai-Zheng (1)-OO371 issued on 1 February 2000, provided that the Company is not required to disclose such information.

(5) Employee Bonus and Directors' and Supervisors' Remuneration

1. Information relating to employee bonus and the Directors and Supervisors' remuneration is stipulated in the Articles of Incorporation:

The Company shall, if there is a surplus of the year, contribute no less than 10% as employee bonus and no more than 2% as Directors' remuneration, provided that, if the Company still has accumulated loss, the amount for making up the previous losses shall be reserved first.

2. The Estimated Basis for Calculating the Employee Bonus and Directors' and Supervisors' Remuneration of the period and if the actual distribution amount is different from the estimated

amount: For this period, the Company relied on the Articles of Incorporation and past references of actual Directors and Supervisors' remuneration payment to estimate possible payment amount for the employee bonus and directors' remuneration. Any difference between the actual payment amount and the estimated amount will be treated according to "Changes in Accounting Estimates" and listed as profit or loss of the following year.

3. Profit Distribution for Employee Bonus and Directors' and Supervisors' Remuneration approved in Board of Directors Meeting:

The Company held a meeting of Board of Directors on March 03, 2026 and adopted a resolution to distribute the 2025 employee remuneration and director remuneration as follows in accordance with the Company's Articles of Incorporation:

Recommended Distribution of Employee Bonus and Directors' Remuneration:

Unit: NT\$ thousands; Thousand Shares

Amount Items	Cash Distribut- ion	Share distribution – in Cash/Stock			Remuneration	Any difference with the recognized estimated expenses of the year?
		Amount	Shares	Proportion to the sum of Net Income After Taxes plus employee bonus		
Employee Bonus	443,000	0	0	0	0	None
Directors' Remuneration	0	0	0	0	44,500	

4. Actual distribution of remuneration for employees, directors and supervisors in the previous year:

On February 27, 2025, the Board of Directors of the Company passed a resolution to distribute employee remuneration and director remuneration for 2024 in the same amount as originally recognized. The actual distribution was as follows:

Unit: NT\$ thousands; Thousand Shares

Amount Items	Cash Distribution	Share distribution- In Cash/Stock			Remuneration	Differences between the expenses recognized with the original amount proposed by the Board of Directors
		Amount	Shares	Proportion to profit transferred		
Employee Bonus	3,506,000	0	0	0	0	None
Directors and Supervisors' Remuneration	0	0	0	0	51,000	

(6) The Company's Buyback (Repurchase) of Stock:

Repurchase Times	The 13 th time
Purpose of Repurchase	Transfer of shares to Employees
Repurchase Period	08/06/2021~10/05/2021
Price Range of Repurchase	140-200
Type and Quantity of Shares repurchased	Common Stock
Number of shares repurchased	6,857,000股
Ratio of the Repurchased quantity to the scheduled buy-back quantity (%)	68.57%
Ratio of repurchased quantity to the scheduled repurchase quantity and the number of shares that have been cancelled and transferred	1,738,000 shares
Number of shares held at the time of reporting	Common Stock 5,119,000 Shares
Ratio of the cumulative number of shares held by the Company to the total number of issued shares (%)	1.68%

2. Corporate Bonds: N/A.

3. Preferred Stock: N/A.

4. Issuance of Global Depositary Receipt: N/A.

5. Employee Stock Options:

- (1) The progress of the Company's outstanding Employee Stock Options as of the publishing date of the annual reports and its impact on shareholders' equity shall be disclosed: The Company has no outstanding employee stock option certificate.
- (2) Name of the managers who acquired Employee Stock Options and top 10 employees who acquired stock option certificates, and the detailed of the Employee Stock Options acquisition as of the publishing date of the annual reports: N/A.
- (3) Status of restricted stock awards: N/A.

6. Status of New Shares Issuance in Connection with Mergers and Acquisitions: N/A.

7. Funding Plans and Implementation: N/A.

IV. Operational Highlights

1. Business Activities

(1) Business Scope

(1) Main areas of business operations

Research, development, production, manufacturing, and sales of the following products:

- (a) Touchscreen Controller
- (b) Touchscreen Controller with Pen
- (c) Touchpad Module
- (d) Pointing Stick
- (e) Biometric chip (including fingerprint and face recognition)

(2) 2025 Main Products, Revenue and Weightage

Scope of Business	Revenue (In thousand NT dollars)	Weightage (%)
Consumer touch IC	3,416,261	27.72
Notebook input device module	8,618,913	69.92
Others	291,178	2.36
Total	12,326,352	100.00

(3) New Products Development

The new products planned to be developed by the Company are summarized as follows:

- Edge computing AI intelligent traffic control system
- High-performance, low-power encrypted fingerprint recognition solution
- Multi-protocol active stylus control chip for tablets and laptops
- AI performance enhancement and intelligent touch integration solution for automotive displays
- Integrated AI touchpad solution for tablets and laptops

(2) Industry Overview

(1) Relevance of the upstream, midstream and downstream of the industry

The semiconductor industry is an important driving force for Taiwan's manufacturing and exports, and has a significant impact on the downstream supply chain, including the rapidly growing technology, automotive, medical, energy and other industries. In recent years, it has been combined with innovative applications such as generative artificial intelligence (Generative AI) to drive the vigorous development of Taiwan's technology industry.

Taiwan semiconductor industry features a complete upstream-to-downstream supply chain and a globally unique specialization model. Its overall development holds a critical position worldwide. The most important characteristic is this specialization, which has also been the key driving force behind the country's semiconductor development over the past fifty years.

Recently, the Taiwan Semiconductor Industry Association announced that the output value of Taiwan's IC industry is projected to reach approximately NT\$6.5 trillion in 2025, representing an annual growth rate of 22.7%. Although the industry continues to face challenges such as tariff policy impacts, rising geopolitical risks, global supply chain restructuring, and macroeconomic uncertainties, long-standing

issues such as inflation and unemployment have eased, which is expected to boost market consumer confidence. Looking ahead to 2026, Taiwan's semiconductor output is projected to continue growing significantly. IEK forecasts that Taiwan's IC industry output will increase to NT\$7.7 trillion, with an annual growth rate of 18.3%. In the face of high global economic uncertainty and emerging technological developments, Taiwan should adopt a more proactive approach to challenges, aiming to extend its semiconductor advantages across various industries and become an indispensable partner in the global supply chain.

(2) Product Development Trends and Competitive Landscape

In response to the rapid development of Generative AI in recent years, the Company has broadly applied its long-developed artificial intelligence (AI) technologies to its products, particularly in image recognition processing. Since 2018, the Company has collaborated with Academia Sinica to develop AI technologies. In addition to sponsoring the Taiwan AI Academy, the Company has sent hundreds of internal managers to participate in comprehensive AI training programs to learn key AI technologies. These capabilities have since been applied across multiple product lines, including AI image recognition algorithms used in automotive ADAS, smart transportation AI CCTV systems, drones, and robotics applications. Additionally, products such as touchpad modules, touchscreen controller ICs, and fingerprint recognition chips have incorporated AI technologies to enhance human-machine interface interactions. The Company also continues to work with key customers to explore additional application areas and functionalities.

In addition to AI, the Company is also driving operational growth by enhancing product features and specifications. For example, the adoption rate of haptic feedback (Haptic Pad) has increased through brand customer promotion; AI applications rely more heavily on fingerprint security to protect large volumes of confidential data; and more intuitive operation models are boosting the penetration of touchscreen controller ICs. Meanwhile, the Company has long invested in the development and application of image recognition algorithms and touch technologies across various fields, and holds patents in the United States, Japan, China, and Taiwan.

To support overall business growth, the Company continues to strengthen its applications in image recognition and expand toward diversified product applications, particularly focusing on On-Device AI devices, which are currently among its top priorities in the short term.

The Company is also actively expanding into non-notebook applications. First, Advanced Driver Assistance Systems (ADAS) is one of its key focus areas. In collaboration with investee companies, the Company is developing ADAS-related products centered on driving safety, including camera modules, sensor fusion algorithms, and external components, providing high-quality integrated solutions for electric buses and large buses. This serves as a stepping stone into the automotive electronics market. Revenue contributions began in 2024, with future plans to expand beyond electric buses to logistics vehicles and taxis, and to promote these technologies in international markets such as Southeast Asia, where traffic environments are similar to Taiwan.

Furthermore, in line with government initiatives to improve traffic safety, the Company has developed smart transportation AI CCTV systems for intersections. By utilizing augmented reality (AR) and Generative AI, these systems create a more comprehensive monitoring solution for vehicles and pedestrians. Delivered in the form of On-Device AI, they enable real-time computation and reduce the response time previously required for transmitting traffic signal data to the cloud.

To further expand the application of AI image recognition algorithms and drive business growth, the Company is actively entering the drone market. Drones have a wide range of applications spanning military, commercial, agricultural, and civilian uses, offering significant future market potential. Current demand is increasing due to geopolitical risks. By continuously optimizing the cost-performance ratio of its module products, the Company aims to increase adoption among domestic and international drone manufacturers. It has already successfully partnered with several manufacturers for product shipments. To enhance market competitiveness, the Company not only provides AI image recognition algorithms but also offers human-machine interface touch products for integration into drone controllers, delivering optimal competitiveness to customers.

The Company currently has three major product categories and six primary product lines:

The three categories are touch solutions, non-touch solutions, and AI products. Touch-related products are the main driver of revenue in 2025, accounting for 78% of total revenue, while non-touch products account for 17%, and AI products account for 5%. The six product lines include touchscreen controller ICs, touchpad modules, and fingerprint recognition chips under touch solutions; microcontroller units (MCUs) and pointing sticks under non-touch solutions; and AI products.

Touchscreen Controller ICs: Applications include laptops, AI PCs, industrial computers (IPC), drone controllers, e-readers, smartphones, and tablets. In automotive electronics, these are gradually being adopted in smart cockpit systems, integrating touch, fingerprint recognition, and Mini LED local dimming technologies.

Touchpad Modules and ICs: Primarily used in laptops.

Biometric Chips: Widely used in laptops, tablets, smart cards, smartphones, PC peripherals, and wearable devices. The Company is actively entering the automotive smart cockpit market, focusing on capacitive and optical fingerprint recognition chips with high value-added features such as encryption support, payment functionality, and anti-spoofing capabilities, aiming to maximize revenue and profit.

Microcontroller ICs (MCUs): Mainly used in household appliances, security systems, communication peripherals such as chargers, high-end interactive toys, mobile phones, electronic dictionaries, language learning devices, optical mice, and keyboard controllers.

Pointing Stick Devices: Primarily used in laptops and remote-controlled devices requiring remote control.

(3) Research and Development

(1) Research and Development Expenses by the Elan Microelectronics in the Past Two Years

Unit: NT\$ thousands

Items	Year	2025	2024
Research and Development expenses		2,194,414	2,284,823
Net Income		12,326,352	12,695,862
Proportion to Net Income		18%	18%

Source: CPA’s report

- (2) The following technology or products are successfully developed:
- Advanced Driver Assistance Systems (ADAS) Image Processing Solutions
 - Electric Bus AI Emergency Steering Protection System
 - Single-Layer Touchscreen Solution
 - AI-Enabled Industrial Control Computer Touchscreen Solution
 - High-Resolution Local Dimming Control Display Solution
 - Edge computing AI intelligent traffic control system
- (3) Affiliates: Products and planned product developments of **Avisonic Technology Corp., PiXORD Corp., and Chime Electronics Co., Ltd.**, etc.

Avisonic Technology Corp.:

The main products include: (1) Fisheye lens correction image processing chip; (2) Million-pixel high-resolution image processing chip; and (3) Artificial intelligence box for advanced driver assistance systems (ADAS);

PiXORD Corp.:

New products planned for development: Gun-type cameras with AI image recognition function (AI cameras)

Eminent Electronic Technology Co. Ltd.:

The main products include (1) Ambient light sensors; (2) Proximity sensors; (3) Ambient light-proximity sensor three-in-one modules; (4) LED ambient light under OLED screen-Proximity sensors;

Chimei Motor Electronics Co., Ltd.:

Front/Rear/Side Camera Detection System - Surround View System and AI Image Recognition System

(4) Long-term and short-term business development plan

(1) Short-term development plan

A. Marketing strategy:

- (a) Based on the needs of end customers, the Company provides the most ideal solutions to end customers with its innovative R&D technology, comprehensive maintenance services and solid customer relationships. It also provides diversified choices to meet the rich designs and concepts of the notebook market, reflecting the higher competitiveness brought by differentiation.
- (b) Business marketing personnel go deep into the industry and directly face the needs of clients to improve their understanding of the overall industry supply chain, understand the key needs of the market and the customers who can generate business energy, and seek cooperation with powerful industry players. At the same time, the Company has stationed offices in major markets and deployed after-sales service engineers to be on call at all times to provide the best service to customers in line with business needs.

B. Product development direction:

- (a) A haptic feedback touchpad solution that uses motor-driven vibrations to provide haptic feedback to the user while reducing noise, and offers full-area control and customizable quick settings.
- (b) Development of fingerprint recognition application solutions for AI PCs to mitigate the increasing risk of identity theft as artificial intelligence (AI) advances.
- (c) Introducing glove-compatible and waterproof touchpads, touchscreens, and driver chips into the automotive market.
- (d) A low-power fingerprint recognition solution that prevents fake fingerprints, further protecting personal data security. This will help expand business opportunities in smartphones, laptops, wearable devices, credit cards, debit cards, employee access cards, and automotive electronics.
- (e) A touchpad solution with an active pen, providing optimal usage for online learners.
- (f) Providing Mini-LED local dimming technology for strong outdoor light, ensuring that screen quality remains clear and high-contrast regardless of ambient light in automotive and outdoor use scenarios.
- (g) Based on AI image recognition algorithms, and utilizing augmented reality (AR) and generative AI, the products will be extended to application areas such as automotive, smart transportation, drones, and robots.

C. Production strategies:

Strengthen the automated operation planning and management of the entire production process, improve module output efficiency, and achieve rapid delivery. At the same time, we fully maintain close cooperative relationships with upstream, midstream and downstream players in the semiconductor industry to take flexible measures to respond, focus on the outlook for end-customer orders, plan production in advance, take into account product quality and maintain good delivery efficiency to meet end-customer expectations.

D. Operating strategies:

- (a) Flexible product sales strategy: In order to strengthen market expansion and

effectively increase revenue scale and meet customer needs, we adopt a variety of sales methods such as modularization and single chip.

- (b) Focus: In response to the increasingly fierce overall market competition, the Company introduced artificial intelligence (AI) technology into its products to clearly differentiate itself from its competitors and focus on competitive and profitable application markets.
- (c) Performance maximization: Activate the touch performance of the Company's entire product line and introduce the competitive pen function and anti-fake fingerprint function into various terminal consumer products with the goal of increasing the gross profit margin of the products.
- (d) Advancing with brand customers, ODMs, panel manufacturers, and related supply chain customers: We will strengthen cooperation plans with brand customers and, at the same time, cooperate with customer resources such as ODM manufacturers, panel manufacturers, and upstream, midstream, and downstream supply chains to diversify and advance in order to improve operational performance.

E. Financial strategy:

Seeking cooperation opportunities in the industry's upstream, mid-stream and downstream supply chains to achieve corporate financial benefits by means of investment, to increase product complementarities and drive revenue growth by combining the resources of both companies, while achieving maximum effectiveness in fund utilization through sound financial operation.

(2) Long-term development plan

A. Marketing strategy:

- (a) With Taiwan in Asia as the operating headquarters, as the center of strategic planning, the deployment of a global marketing network and channel system, including the world's well-known brand manufacturers such as laptops, smart phones and tablets, are important customers of the Company, and flexible Using our own energy and the marketing and technical support capabilities of the agency distribution system, and combining with the cooperation of well-known companies in the United States, Japan and mainland China, we will jointly develop new application markets to strive for products to become the most important market leader and provide a full range of marketing and complete after-sales service to drive revenue growth to increase market visibility and market share
- (b) Actively establish the Company's own elite talent pool, to enhance international marketing capabilities and strengthen technical support, and obtain cooperative opportunities with world-class manufacturers.

B. Product development direction:

- (a) Continue the collaboration with multiple renowned platform industry players in U.S. and Japan to launch products that respond to the latest demands of the market, which will be applied in smart phones, tablet PCs, notebooks, smart home appliances and other products, in order to cost effectively promote the increase in volume and price.
- (b) Actively collaborate with affiliate(s) of joint venture(s) and related IoT technology companies to jointly develop AI technology related platforms and the trending products such as Mini LED/Micro LED etc. as well as to invest in automotive electronics, smart home, smart city, smart transportation, video surveillance, and wearable product etc. different fields.

C. Production strategies:

- (a) Continuously improve product yields to improve product quality, reduce production costs, and effectively increase gross margins.
- (b) Establish a close cooperative relationship or strategic alliance with the outsource factories to ensure sufficient production capacity.

D. Operating strategies:

- (a) Focus on competitive products and expand their application scope, create

differentiated advantages through breakthroughs in existing technologies and product design based on understanding end-customer needs. Based on years of experience in developing artificial intelligence (AI) technology, we are committed to extending AI technology to various application areas, thereby strengthening our international competitiveness and supporting our long-term development advantages.

(b) Strategic alliance: Formulate supplier strategies, establish a complete upstream and downstream ecosystem, and long-term cooperative partnerships to achieve production capacity adjustment and quickly support end-customer needs.

E. Financial strategies:

Fully utilize, in line with the continuous expansion of business scale, various types of financial instruments in the capital market to obtain lower-cost working capital and strengthen the financial structure.

2. Market and Sales Overview

(1) Market analysis:

(1) Sales (Service) region of major products in the Last Two Years

Unit: NT\$ thousands

Year Region \ sales	2025		2023	
	Sales amount	Percentage (%)	Sales amount	Percentage (%)
Taiwan	855,970	6.94	990,987	7.81
China	2,198,010	17.83	2,380,449	18.75
Hong Kong	8,951,969	72.62	9,071,745	71.45
Other Area	320,403	2.61	252,681	1.99
Total Net Income	12,326,352	100.00	12,695,862	100.00

Affected by the slowdown in global economic growth, demand in the global notebook market showed a moderate recovery in 2025, with total annual shipments estimated at 190 million units. Although inflation and unemployment pressures have somewhat eased, uncertainties in the overall economy and geopolitical conflicts continue to weigh on the consumer electronics industry, resulting in a relatively gradual recovery.

Consumer electronics products are recovering at a moderate pace. With the rise of generative artificial intelligence (Generative AI), end customers are actively developing products that integrate AI into personal computers (AI PCs). This development is expected to enhance personal productivity and work efficiency, reshape the long-standing development landscape of PCs, and further advance intelligent human-machine interaction. In addition to higher hardware specification requirements, it may also drive functional upgrades of components, injecting new momentum into the notebook market. The Company will continue to strengthen product functions and upgrade specifications, introducing competitive products to create differentiated advantages and increase market share.

The notebook market continues to focus on upgrading product functions and specifications while reducing power consumption to replace existing products. Products with relatively low penetration rates are being further promoted and introduced, and there remains room for growth in products with lower market share.

Meanwhile, since 2018, the Company has collaborated with Academia Sinica to develop artificial intelligence technologies, and is actively expanding into fields such as automotive ADAS, intelligent transportation AI CCTV, drones, and robotics. Beyond consumer electronics, the Company aims to break into new markets with superior technology, creating competitive advantages through both technical excellence and cost-performance.

The Haptic Pads were first shipped in 2022, contributing over NTD 100 million in revenue. In 2023, shipments were affected by macroeconomic weakness. However, with the recovery of the notebook market and the innovative applications driven by AI PCs, customer adoption willingness significantly increased in 2024, and revenue performance surpassed that of the previous two years. In 2026, the number of branded models adopting this technology is expected to increase, which should help boost revenue. Going forward,

the Company will further collaborate with brand customers to develop more user-friendly interfaces and customized operations, creating features that better meet user needs.

The penetration rate of fingerprint recognition products in notebooks remains relatively low, especially for higher-priced MOC (Match-on-Chip, where fingerprint verification is completed before system unlock). With strong growth prospects, the Company aims to capture a majority of the market and achieve a leading position within the next two to three years. The launch of larger touchpads is expected to increase average selling prices. The active promotion and mass production of single-layer on-cell touch panels (SLOC) will benefit revenue from touch display chips. Despite global macroeconomic uncertainties and intense market competition, the Company continues to strengthen its chip design and engineering capabilities, effectively reduce costs, and improve operational efficiency.

Regarding notebook pointing devices (Pointing Stick), the Company currently holds the number one global market share and primarily supplies leading global notebook manufacturers. As these manufacturers continue to expand their market share, the Company's position is expected to strengthen further. Additionally, the trend toward thinner and lighter designs is expected to support higher average selling prices. As market demand for improved control experience continues to rise, the Company's pointing devices are not only used in notebooks but have also successfully expanded into applications such as remote controls and other devices.

The Company's microcontroller products will continue to focus on developing lower-power chip platforms, providing optimal solutions to customers. It will also strengthen cooperation with solution providers in mainland China and offer control chips with the best cost-performance ratio.

The Company's customers include major global brands across the United States, Japan, Korea, Taiwan, and mainland China. It holds a dominant position in the notebook component sub-industry. In 2026, the Company will continue striving to expand market share and achieve improved operational performance.

(2) Market share

The Company is a professional IC design firm providing comprehensive integrated solutions, supported by a strong R&D team. More than 15% of annual revenue is invested in research and development, reflecting a business model centered on new product innovation. The quality of the Company's products has been widely recognized by customers, with more than half of its revenue derived from top-tier global manufacturers. Currently, three of its products rank No. 1 worldwide: touch controller ICs for notebook displays, touchpad modules, and pointing devices.

"According to data from IEK (Industrial Economics and Knowledge Center) of ITRI, the total output value of Taiwan's IC design industry is projected to reach approximately NT\$1.425 trillion (US\$45.7 billion) for the full year of 2025. The Company accounts for about 0.87% of this market share."

(3) Future Market Supply, Demand, and Growth Potential:

The semiconductor industry is primarily driven by changes in end-market demand. The largest share of semiconductor chip usage is in consumer electronics, including smartphones, notebooks, tablets, and televisions. In 2025, macroeconomic growth faces numerous uncertainties. Although long-standing inflationary pressures have eased, the market is still affected to some extent - particularly by international trade policies. However, as supply chain inventory levels have returned to pre-pandemic norms, and with steady demand from end customers, along with the positive development of AI PCs, there are emerging opportunities for improved operations in 2026.

In addition, consumer electronic products are expected to incorporate increasingly diverse functionalities, which will require more powerful and feature-rich chips. At the same time, many consumer electronics products continue to seek optimal cost-performance solutions, ensuring that demand for chips will continue to grow. Electric vehicles (EVs), which have the greatest growth potential, require several times more semiconductor chips than traditional internal combustion engine vehicles. This applies not only to passenger EVs but also to large buses, which are also moving toward electrification and intelligent systems. Electric buses, in particular, show strong future prospects. Therefore, the outlook for the semiconductor industry remains highly positive, with long-term market demand firmly established.

Furthermore, artificial intelligence (AI) applications represent the next major wave of opportunities following smartphones, PCs, and tablets. The Company has already begun integrating AI capabilities into its existing products, including applications in notebooks, automotive systems, wearables, intelligent transportation, drones, mobile phones, and smart cards. With long-term investment in AI technologies, the Company leverages AI to enhance product functionality and collaborates with customers to create differentiated advantages, thereby driving operational growth.

(4) Competitive Advantages:

- A. A strong R&D team and extensive patented technologies.
- B. Mastery of key technologies and intellectual property (IP), forming critical competitive strengths.
- C. Specialized AI technology services, along with effective product integration and engineering support for customers.
- D. Modularized solution offerings that differ from industry peers, combined with differentiated sales strategies to strengthen customer relationships.
- E. Close partnerships with the world's top five notebook brands, supported by a well-established distribution network and global marketing presence.
- F. Extensive collaboration and mass production experience with smartphone module manufacturers, touch solution providers, panel makers, and notebook ODM manufacturers both domestically and internationally.

(5) Favorable and unfavorable factors of development in the long term:

A. Favorable factors

- The Company is focused on the wide global markets not limited to certain regional markets, which combined with renowned platforms providers and specification makers in the United States and Japan, and conducted comprehensive contacts with tier-one brands and customers in China to gain purchase orders. The focus of market development in 2026 is to continue to strengthen the modular sales model, strengthen product functions and drive the increase in average selling prices, strengthen the market expansion of non-notebook products, which is conducive to the increase in revenue, and actively strive for global brands, the penetration rate of large manufacturers using the Company's chip products, as well as first-tier brand customers in mainland China, etc.
- Flexible business strategies: modularized, single-chip or chipset methods of sales are available.
- Touch applications have clearly penetrated into various consumer electronic products, and the penetration rate has been increasing year by year. The Company has a considerable number of semiconductor-related technologies that can be widely used in various consumer electronic products, just in line with the development trend of the market.
- The Company has a strong research and development (R & D) team and hundreds of patented technologies.
- Close to the market: outsource production in the vast consumer market, achieve the goal of rapid delivery, and strengthen customer service.
- Complete system of production chain: Fully maintain close cooperative relations with upstream, midstream and downstream manufacturers in the semiconductor industry.
- Long-term collaboration with upstream, midstream, and downstream supply chains of the customers: understand the requirements of production and process nodes, reduce processing time, reduce peripheral costs and increase production efficiency.
- In response to the demand for market price/function ratio: As the market is increasingly competitive, continue to provide cost-effective products has always been the goal of the Company. At the same time, with regard to the different requirements of product features in different markets, the Company also provides a diversified product range to provide different product solutions in response to customer demand.
- Product diversification: low impact from the economic environment, broad distribution channels, low impact from changes in a single market, and a stable customer base.

- Consumer electronic digitalization has become the mainstream of the market. Since the establishment of the Company, it has oriented towards consumer electronics and the market, and realized that consumer electronics is already the mainstream industry in the future. Therefore, the continuous introduction of new products helps the Company in meeting the market demand.

B. Unfavorable factors

- The chip design industry is highly dependent on wafer production capacity and is easily controlled by wafer fabs. Although wafer production capacity is no longer tight, the overall economic uncertainty in the short term is high, which leads to conservative orders from brand customers. Although we are positive about the growth of the notebook market in 2026, we still need to operate cautiously in the short term.
- In addition to the IC foundry, the overall semiconductor upstream, midstream and downstream supply chain and the Company's supply chain dedicated to module products such as printed circuit boards, connectors, resistors, etc. are very important and indispensable, so keep all relevant close supply chain cooperation is critical.
- The amount of development funds invested in artificial intelligence-related applications is relatively high, the application environment is in the thriving period, the product life cycle is short and the changes are rapid, creating pressure on product development. At present, we focus mainly on products to be applied together with AI functions, in order to use the product function to build the threshold of competition and eliminate competition obstacles.
- Insufficient domestic R & D manpower and foreign semiconductor companies have come to Taiwan one after another to exploit the new markets and looking for local talented manpower resources. Under the circumstances of very few talented manpower resources are available at present, recruiting new employees has become a headache for enterprises.
- Competition and price war among domestic and foreign IC design companies have become increasingly fierce; the increasing pressure on product prices created operating pressure.

(6) Countermeasures:

- To understand the evolution of market trends and formulate corresponding strategies. Global laptop market demand has been weak for the past two years. This year, due to rising memory and raw material prices, the market has been highly volatile; however, we are still striving to secure market orders. We observe that with the development of generative AI in the laptop industry, end customers are beginning to develop AI PCs, which are expected to utilize chips with AI capabilities.
- Furthermore, Haptic Pads are gradually gaining acceptance from brand manufacturers, and market demand is showing signs of warming up. The penetration rate of MOC (Match-On-Chip) fingerprint sensors is increasing. These new opportunities, representing an increase in the average selling price of chips or modules, will substantially benefit our operations.

In addition, with the advent of the Mini LED/Micro LED era, the Company continues to collaborate with our subsidiary, Macroblock Technology, to develop related control chips. Our products are used in laptops, automotive systems, wearable devices, and various remote-control products for outdoor applications. In addition, the Company will collaborate with its subsidiary Chi Mei Motor Electronics Co., Ltd. to promote Advanced Driver Assistance Systems (ADAS) in the automotive market, with particularly promising results in the electric bus market in the short term.

Adapting to changing market trends, the Company continues to adhere to a differentiated business strategy. For example, our capacitive biometric sensing chips, enhanced with anti-spoofing fingerprint technology, can be applied to smartphones and laptops, and we are also expanding into the new financial industry, targeting credit cards, debit cards, and personal social security cards. While the credit card fingerprint function market is not yet fully developed, we continue to focus on reducing chip costs to offer the best price-performance ratio and gain customer recognition.

All product development targets are aiming to applications in laptops, tablets, and artificial intelligence (AI) related products, and we are seeking to develop new application areas. Simultaneously, we are actively investing in the field of artificial intelligence (AI) to improve future product development, hoping to effectively enhance the added value of our chip products, strengthen our competitiveness, and drive further operational innovation.

- Flexible business strategies: modularized, single-chip or chipset methods of sales are available. Among them, the modularized sales model can enhance closer collaboration with system manufacturers and establish competition threshold.
- Continuous recruit specialized R & D talents, implement localization strategies, increase overall engineering manpower, reduce related operating costs, build the strength of R & D teams, and achieve the goal of shortening product development schedules.
- Expanding the market through strategic alliances with domestic and foreign peers or related players to accelerate revenue and profit growth.
- To build marketing channels, expand marketing outlets at home and abroad, and actively develop new customers.
- To understand the market development trends, understand the needs of end-users and consumers, and respond to their needs in order to achieve the goal of profit growth; strengthen the application of products, and enrich the service mechanism of the application engineering manpower so that the Company can coexist and prosper with customers.

(2) Important Fields of Application and Manufacturing Processes of Main Products

(1) Major Products and Their Important Fields of Application

Currently, our company has three main product categories and six product lines. The three product categories are touch-based, non-touch-based, and artificial intelligence (AI) products. The touch-based category includes touchscreen chips, touchpad modules, and biometric chips; the non-touch-based category includes microcontrollers (MCUs), pointing sticks, and AI products.

All related manufacturing processes are handled by our company, with chip design handled by a photomask company, photomask fabrication handled by a photomask manufacturer, and then transferred to a wafer fabrication plant for multiple processes including photolithography and etching, followed by wafer testing, packaging testing, and finally, delivery to the customer for production. The production time varies depending on the specific chip's functional requirements and precision.

A. Touch application products:

Touch application products include touch screen chips and touch module products, both of which are important sources of revenue for the Company in 2025 and 2026. Among them, touch screen chips are mainly used in smartphones, tablets, notebooks, e-books, AI PCs and device remote controllers etc. Currently, the Company is actively promoting related product applications in the automotive and drone markets, etc.

B. Touch Pad modules:

Mainly used on notebook PCs.

C. Biometric recognition ICs:

In 2024, the majority of fingerprint recognition chips are used in laptops, and they will continue to promote brand customers to adopt MOCs (Match-On-Chips), increase product sales through security demands and help increase the average selling price. Since the application range of fingerprint recognition chips is very wide, from smartphones, laptops, tablets, smart cards, PC peripherals, device remote controllers etc., seeking niche application industries with low market penetration and good development prospects will be the focus of future efforts.

D. MCU ICs:

The main core technologies of the Company's MCU IC products include: 8-bit RISC processor and 16-bit MCU with DSP computing function and development platform, which are mainly used in small and large home appliances, security systems, and communications peripherals such as chargers, high-end interactive toys, mobile phones, electronic dictionaries, language learning machines, optical mice, keyboard control ICs and other markets. MCU has been dominated by foreign IC manufacturers. The product lines developed by the Company are competitively priced, and the development tools such as OTP, MTP, and ICE are quite complete, allowing the customers to quickly market their products and achieve "Time to Market" requirements. In the future, more engineering talents will be recruited, and the Company will seek collaboration with more solution

companies to provide customers with overall solutions and achieve a customer-corporation-consumer win-win-win situation.

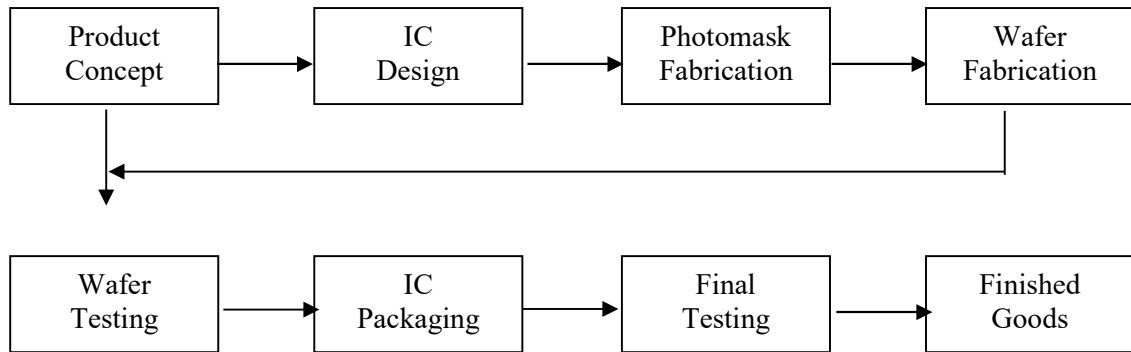
E. Pointing stick products:

Point stick products are mainly applied in notebook computers, it has successively completed high-anti-noise and anti-RFI pointing device sensing chips. In 2026, it will continue to expand its market share and improve operational performance.

F. Artificial Intelligence (AI) Product:

In 2025, the AI product has been mainly used in automotive ADAS, smart transportation AI CCTV, and other products that use AI image recognition algorithms.

(2) Major Products and Their Production Processes



(3) Supply Status of Main Materials

The Company's main raw materials are wafers and photo masks. The Company's main collaborating professional wafer foundries are UMC, EMC, Vanguard International Semiconductor, and IC foundries abroad etc. We are endeavoring to diversify and establish cooperative relations with domestic and foreign semiconductor fabrication plants (fabs) to respond to market changes at any time. The quality, process technology and delivery control of these professional wafer foundries are quite excellent. In addition, in the photo mask part, the main collaboration partners are Taiwan Mask and Tekscend Photomask Chunghwa Inc, which are all long-term cooperative manufacturers with no concern in supply shortage or interruption.

(4) Major Suppliers and Customers

(1) List of Major Customers (Major suppliers refer to those commanding 10%-plus share of annual order volume.)

Major Customers in the Last Two Calendar Years (consolidated basis)

Unit: NT\$ thousands

Item	2024				2025				As of the previous quarter of 2026 (Note 2)			
	Company Name	Amount	Percent (%)	Relation with Issuer	Company Name	Amount	Percent (%)	Relation with Issuer	Company Name	Amount	Proportion to net sales revenue of the year as of the previous quarter of the year (%)	Relation with Issuer
1	Ultra Source	4,650,864	36.63	N/A	Ultra Source	3,948,118	32.03	N/A	Ultra Source	1,000,126	31.01	N/A
2	Silicon Application	3,012,185	23.73	N/A	Silicon Application	3,591,902	29.14	N/A	Silicon Application	1,031,389	31.98	N/A
	Others	5,032,813	39.64		Others	5,032,813	40.83		Others	1,193,261	37.01	
	Net Sales Revenue	12,695,862	100.00		Net Sales Revenue	12,326,352	100.00		Net Sales Revenue	3,224,776	100	

Note 1: Specify the name, sales amount and proportion to sales revenue of the customer whose sales amount accounted for more than 10% of the total sales revenue in the past two years. If the customer's name cannot be disclosed due to the contractual agreement or the transaction counterparty is a non-related individual, a code can be used in lieu thereof.

Note 2: As of the date of publishing the annual reports, listed Company or Company of which stocks have been traded at the securities firm shall disclose the most recent financial information certified by CPA.

(3) Major Suppliers (Major suppliers refer to those commanding 10%-plus share of annual order volume)

Major Suppliers in the Last Two Calendar Years (consolidated basis)

Unit: NT\$ thousands

Item	2024 (Note 3)				2025 (Note 3)				As of the previous quarter of 2026 (Note 2, (Note 3))			
	Company Name	Amount	Percent (%)	Relation with Issuer	Company Name	Amount	Percent (%)	Relation with Issuer	Company Name	Amount	Proportion to net sales revenue of the year as of the previous quarter of the year (%)	Relation with Issuer
1	Lien Hwa	949,399	17.00	N/A	Lien Hwa	848,626	15.14	N/A	Lien Hwa	176,465	11.43	N/A
2	Whetron Electronics	574,613	10.29	N/A	Whetron Electronics	160,264	2.86	N/A	Whetron Electronics	-	-	N/A
3	TSMC	427,089	7.65		TSMC	544,899	9.72		TSMC	158,645	10.28	N/A
	Others	3,633,666	65.06		Others	4,050,479	72.28		Others	1,208,867	78.29	
	Net purchase amount	5,584,767	100		Net purchase amount	5,604,268	100		Net purchase amount	1,543,977	100	

Note 1: Specify the name, sales amount and proportion to sales revenue of the suppliers whose sales amount accounted for more than 10% of the total sales revenue in the past two years. If the customer's name cannot be disclosed due to the contractual agreement or the transaction counterparty is a non-related individual, a code can be used in lieu thereof.

Note 2: As of the date of publishing the annual reports, listed Company or Company of which stocks have been traded at the securities firm shall disclose the most recent financial information certified by CPA.

Note 3: Including finished goods purchased.

3. Human Resources

Consolidated number of employees, average years of service, age and academic distribution ratio in the last two years:

Year		2024	2025	March 31, 2026
Number of employees	Managers	360	358	365
	Technicians	357	406	383
	General staffs	625	613	619
	Total	1,342	1,377	1,367
Average age		38.62	38.71	39.28
Average years of service		11.3 years	11.4 Years	9.8 Years
Education	Ph.D.	0.9%	0.9%	1.1%
	Master's Degree	43.2%	42.3%	43.1%
	Bachelor's Degree	37.1%	35.9%	36.4%
	Senior High School	1.9%	1.9%	2.0%
	Below Senior High School	16.9%	19.0%	17.4%

4. Environmental Protection Expenditure

The Company has always attached great importance to environmental protection; its pollution prevention performance is good, and there was no sanction received due to environmental pollution and violation.

(1) The losses or penalty caused by environmental pollution (including remuneration and environmental protection audit results that indicate violation of the environmental protection laws and regulations, and the date of prosecution, prosecution number, provision of law violated, content of the provision of law violated, and content of the prosecution thereof) during the last fiscal year and until the publishing date of the annual report, and disclose the amount and counter Procedures that might incur at present and in the future. If it cannot be reasonably estimated, please explain why it cannot be reasonably estimated: N/A.

(2) Work environment and employee personal safety protection Procedures:

The Company's working environment is excellent and is the only integrated circuit (IC) design Company that has won the Distinguished Green Landscaping Award of Hsinchu Science Park Bureau for the sixteen (16) consecutive years. In addition, the Company has always attached importance to matters concerning employees' health and safety, such as:

1. Employee health checkups;
2. Established Safety & Health Office and medical room for labor safety health education and environmental protection management;
3. Invite lecture with expertise to hold several health promotion seminars;
4. Hire professional medical practitioners to the Company on monthly basis to perform on-site health services and provide health advice to the employees;
5. Hold safety and health training every six months;
6. Hold weight loss classes and weight loss competitions to promote employee health;
7. Drinking water quality testing;
- 8.. The Company commissions professional manufacturers to overhaul and report firefighting facilities on yearly basis;
9. Conduct employees' firefighting training every six months.
10. Conduct CO₂ measurement for the workplace environment every six months to safeguard employee health;
11. The measurement results of the working environment in the plant are all meet the requirements of the prevailing applicable laws and regulations of Taiwan and the detection value is close to 0.
12. The Company has established a special project for pregnant female employees, providing them nursing rooms, parking spaces, books and maternity chairs.

13. Obtained ISO 14001 Environmental System Certification. Environmental policies: prevention of pollution, Company-wide full participation, commitment to environmental protection, continuous improvement; The current certification validity date is November 20, 2028. Relevant units are required to complete environmental risk assessments every year, and environmental regulations audits (international and Taiwanese laws) are conducted every quarter. Environmental management plans are then established for improvement, and environmental management review meetings are held with senior executives to regularly confirm implementation progress.
14. The Corporate Social Responsibility Report has been introduced since 2014; the greenhouse gases inspections were commenced since 2014; and a KPI performance indicator of at least 1% in energy conservation and carbon reduction per year was set;
15. The Company has obtained the OHSAS 18001 Occupational Safety and Health Management System certification in May 2016. Additionally, the Company has completed the ISO 45001:2018 certification in 2019, covering the Hsinchu headquarters and Zhonghe plant. The current certification validity date is April 29, 2028.
16. In 2018, the Company participated in the prize issued by the Health Promotion Administration of the Ministry of Health and Welfare and won the "Gender-Friendly Health Award".
17. In 2019, the Company participated in the healthy workplace selection held by the Health Promotion Administration of the Ministry of Health and Welfare and won the "Creative Healthy Workplace Award".
18. In 2024, the Zhonghe plant passed the National Health Administration's "Healthy Workplace Promotion" seal certification.
19. Hsinchu Plant has extended the National Health Administration "Healthy Workplace Promotion" certification in 2024.
20. In 2024, the Company obtained the "Sports Enterprise Certification Mark" (2024-2027) for the second time.
21. The Company received the "2025 certification for Self-Assessment of Workplace Health Promotion" issued by the Health Promotion Administration (HPA) of the Ministry of Health and Welfare in Taiwan

5. Labor Relations

The Company's labor relations are harmonious and there was no major loss due to labor disputes.

- (1) Current important employer-employee agreement and its implementation status

1. Employee benefit Procedures

- (1) In addition to the cafeteria, exercise is, fitness equipment area and medical room facilities established by the Company, employees also enjoy health insurance, group insurance, pension benefits, regular health checkups, and health management services provided by professional medical personnel. In addition, the benefits provided by the Company also include: bonuses of the year, employees' Remuneration, club activities subsidy, New Year gift certificates, etc.
- (2) The Company has established the Employee Welfare Committee pursuant to laws and selected the Welfare Committee to handle employee welfare issues. The source of its benefits is 1% capital contribution at the time of establishment and 0.5% and 0.12% contributed from monthly salary and revenue, respectively. The Welfare Committee is responsible in setting annual plan and budget, holding Welfare Committee meetings on a regular basis to discuss, resolve and organize various welfare activities, and to disclose the income and expenses of the welfare funds. The welfare provided by the Welfare Committee include: birthday gifts, travel subsidies, wedding subsidies, funeral subsidies and maternity subsidies.

2. Employee education and training

Employees are the Company's sustainable asset. We actively build a comprehensive training and development system, aligned with the company's business philosophy and development goals. The Chairman personally participates, setting an example to continuously improve talent quality and human resource efficiency. We provide every new employee with multifaceted guidance and learning, smoothly integrating them into the Elan corporate culture. Through a job guidance system, we provide quick and efficient mastery of the work environment and job responsibilities. We have

advanced equipment and comfortable training classrooms, allowing employees to focus on their studies and enjoy learning. We support employees' continuing education, offering diverse learning channels and teaching methods, providing training subsidies to enhance their professional competitiveness. We have planned a diversified career advancement system, constructing development blueprints based on employees' characteristics, and expect employees to dare to challenge themselves and jointly create an A+ Elan.

Complete Training System -

- (1) New recruit training: Company profile, environmental guide, quality system, labor laws, workplace human rights, labor safety and health training, fire drills, corporate social responsibility, etc.
- (2) Professional technical training: Including R&D technology, industry know-how, workstation skills assessment, quality inspection, green environment, internal audit and control, legal management, certificate courses required to promote the system, and deepen professional skills
- (3) Management skills training: departmental personnel management, problem solving, cross-departmental teamwork, innovative spirit.
- (4) Arrange from time to time celebrity speeches, humanities and art lectures, labor safety and health lectures, providing epidemic prevention news etc.
- (5) Introduce MTP management ability training courses, digital learning at the online study platform CWLC Leader Campus, where provides comprehensive professional and management training, reserve key talents, and connect with the successor development plan.

Multiple learning channels-

- (1) Internal training:
The Company will invite well-known experts in the industry, academy, and various professional fields to give lectures in the Company, providing new industry knowledge, legal knowledge, and general information that keep pace with the times
- (2) Dispatched training:
Encourage colleagues to continuously improve their professional capabilities, participate in courses/seminars organized by external organizations according to the needs of job development, and provide training subsidies
- (3) Knowledge inheritance:
Organize series work experience sharing courses within and across departments to promote cross-departmental teamwork from time to time
- (4) Interlibrary cooperation:
Cooperate with SOC Alliance, Industrial Technology Research Institute, National Chiao Tung University and other institutions to promote the exchange and interaction of industry information.
- (5) Knowledge management website:
Build a knowledge management website to help colleagues obtain technical documents and achieve uninterrupted knowledge inheritance.

Diversified measures to spread training results

The Company encourages our colleagues to unleash their natural creativities, uphold the spirit of teamwork, and transfer knowledge and technology through text, images, and other means through knowledge management systems, thereby transforming them into improvements in the overall performance of the organization. The Company actively participates in industry-university cooperation, launches the Qianlong Project Scholarship in 2022, and promotes the application of R&D technologies through various forms such as press conferences, deeply cultivates campuses, trains future potential talents, and regards training and development as a necessity for corporate social responsibility. The Company has training classrooms with advanced equipment and comfortable environment, so that colleagues can concentrate on the class and enjoy learning.

Consolidated employee training and training implementation status of the Company of the last fiscal year (2025)

Unit: NT\$ / number of person / hours

Items	Expenses	Number of persons	Hours
Technology and R & D category	81,331	404	4,426
Management category	1,125,009	4,794	5,310
Production QC category	100,180	3,063	2,272
General Knowledge category	199,800	2,730	3,076
Total	1,506,320	10,991	15,084

Certificate(s) obtained by the chief financing, accounting and auditing officers:

Job title	Name	Date	Certificate Name	Certificate No.
Chief auditor	CHUNG, I-Mei	Mar. 2006	Internal Auditor of The Institute of Internal Auditors of the Republic of China	9420032
Financial & Accounting Officer	CHEN, Yi-Lin	Dec. 2009	CPA of the Republic of China	(98) -000085

3. Agreements between employee / employer and the safeguarding of employees' rights and interests

The Company has not established a written agreement with the employee. Employees can freely express various advices for the Company through the quarterly employee-employer meeting, annual meeting with employees, employee suggestion boxes, e-mail, internal network systems, etc.; the Manpower Performance Management Department gathers opinions from employees and distributes them, based on their opinions, to the responsible units for reply, and be processed pursuant to Employees' Code of Work after reporting to the General Manager; the protection of the rights and interests of employees are subject to the Employees' Code of Work and the relevant regulations of the competent authorities.

- (2) The losses incurred due to industrial disputes (including labor inspection results that indicate violation of the Labor Standards Act, and the date of prosecution, prosecution number, provision of law violated, content of the provision of law violated, and content of the prosecution thereof) during the last fiscal year and until the publishing date of the annual report, and disclose the amount and counter Procedures that might incur at present and in the future. If it cannot be reasonably estimated, please explain why it cannot be reasonably estimated: N/A.

6. Information Regarding Security Management:

- (1) Describe the information security risk management framework, the information security policy, the specific management plan and the resources invested in the information security management, etc.:

Information Security Risk Management Framework

In order to ensure that information security management can be operated effectively and continuously, Elan Electronics established the "Information Security Management Committee", which is mainly responsible for reviewing the relevant guidelines, policies, and systems for information security management, promoting the formulation of organizations, and reporting the information security governance overview to the Board of Directors once a year. In 2024, the Company has assigned a Chief Information Security Officer and an Information Security Specialist to be responsible for the Company's information security planning and related audit matters in order to maintain and continuously strengthen information security.

Information Security Policy:

Elan Electronics considers the relationship between the development trend of information security management

at home and abroad and the core business of the enterprise, and continuously strengthens and improves the information security management system to ensure the security of Company data, systems, equipment and networks, and avoid accidental or malicious damage and improper use, making the information security system run continuously and stably.

In response to increasingly important information security issues, ELAN Electronics Corporation has adjusted and configured an information environment with complete data protection function to ensure the security of internal and client data, as shown in the following table:

In response to the increasingly important issue of information security, Elan has established a robust information environment with comprehensive data protection to ensure the security of internal and client data. In 2025, the Company has spent NT\$11,558,000 on improving its information security environment. The specific information security management plan is shown in the table below:

Items	Description
Firewall	Separate and define internal and external networks to prevent abnormal network attacks and online behaviors.
Intrusion Prevention System (IPS) (to prevent an APT attack)	Through the related modules, prevent the unknown illegal invasion and destruction from the outside.)
Internet Antivirus System	Through this module, the packets entering and leaving the Internet can be filtered in real time to avoid being infected by website viruses or malicious programs.
Web URL Filtering System	Restricting employees to only browse certain categories of web pages can prevent data leakage and prevent employees from browsing inappropriate websites when they go to work, which affects work efficiency.
Application Control System	Regulating the network applications that employees can use when browsing the Internet can avoid data leakage and abnormal network traffic caused by bad applications.
Spam Filtering System	Significantly reduces the amount of spam entering the Company. Contains email antivirus module, which can effectively filter malicious emails with embedded viruses.
Email Backup System	Back up all incoming and outgoing emails for email tracking and archiving purposes, in line with regulatory requirements, and provide colleagues with lost emails.
Mail Audit System	Through setting filter conditions, you can perform precise email auditing to solve the problem of sensitive data leakage.
DLP Data Leakage Prevention System and Endpoint Protection	Through computer peripheral control, the outflow of important Company data can be avoided. Record the access actions of peripheral devices, and filter whether there is any information security hazard behavior.
Vulnerability Scanning	Regularly scan computer system vulnerabilities and perform patching to ensure that each system has no security concerns.
MPLS IP-VPN +VDI Home Office Environment	Provide a safe and stable VPN connection between locations across the strait and three places, and a home connection environment that considers information security during the epidemic
Next-Generation Antivirus, Endpoint Detection and Response Software	Installed on all computer equipment distributed by the Company, and replaces virus codes with user behavior to prevent information security hazards caused by computer viruses and hacker attacks in real time. In addition, the architecture is upgraded to assist the manufacturer's MDR security monitoring.
Log Archive Audit System	Syslog records storage/audit/query system, integrates various LOGs to assist enterprises in presenting evidence, LOG centralized management meets auditing needs, and completely restores historical information security events
External website protection	Import the Company's external websites that are most vulnerable to external attacks into the cloud web application firewall service, in order to provide high-level information security protection to configure a firewall for external websites.
Two-factor authentication (2FA) Password authentication mechanism	In order to improve the security of external websites, a Two-factor authentication (2FA) password authentication protection mechanism has been introduced.

In 2025, in addition to continuously improving the cybersecurity architecture framework, the Company added new cybersecurity governance projects.

- 1) Implemented a privileged account management platform to reduce the risk of privileged accounts and comply with regulatory and audit requirements.
 - 2) Implemented Microsoft Multi-Factor Authentication (MFA) and integrated it with other authentication platforms to maintain a unified MFA authentication mechanism across the company.
 - 3) Monitored third-party cybersecurity scoring platforms (Security Scorecard, Panorays) monthly to avoid server vulnerability risks.
 - 4) Continuously collected cybersecurity intelligence weekly and shared it with all colleagues.
- (2) List the losses, possible impacts and countermeasures caused by major information security incidents in the most recent year and up to the date of publication of the annual report. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be stated: N/A.

7. The Company's Intellectual Property Management Policy and Implementation Status

(1) Intellectual Property Management Policy:

In order to strengthen the industry leadership and maintain the achievement of R&D, the company has formulated an intellectual property strategy that combines the company's operational goals and R&D resources. The company has formulated an intellectual property strategy that combines the operational goals and R&D resources to establish an operating model that creates company value through intellectual property rights, which not only protects the operational freedom, but also strengthens the competitive advantage on the other hand and can be invoked to help companies make profits.

1. Patent management: It mainly includes patent applications, patent layout planning, and mining offensive patents, etc., through the implementation of the review mechanism, reward system, publicity and education, etc., to protect the company's R&D achievements and technological leadership.
In order to build a solid patent portfolio, the company continuously encourages employees to apply for invention internally, and actively explores innovative technologies produced in the research and development process, while establishing a systematic patent management system with multiple R&D executives to review and evaluate the quantity and quality of patent applications.
Externally, we will continue to pay attention to our competitors and take legal action to protect our intellectual property rights once we discover any infringement of our patent rights.
2. Trademark management: mainly includes trademark application, trademark layout planning, etc. to enhance the company's brand image and product visibility.
3. Registration of integrated circuit layouts: Those who have innovative designs in the integrated circuit layouts in the product shall apply to the official for registration of integrated circuit layouts to prevent malicious copying and plagiarism by competitors and maintain the competitiveness of company.
4. Management of business secrets: The provisions of the employee's employment contract are as follows
 - (1) Employees agree to do their utmost to maintain all "Confidential Information" known or held during their employment with the duty of care of a good manager, and to comply with the company's regulations or instructions for maintaining confidential information. Except for normal use on the job, Party B shall not copy, disclose, inform, deliver or in any other way transfer, provide or disclose to any third party, or publish to the public, or for himself or herself without the prior written consent of Party A. The third party uses the aforementioned secrets, and may not obtain confidential information that is not necessary for the job by any improper method.
 - (2) Employees who have access to or use Party A's business secrets during the employment period shall not engage in the same, similar or competing business within two years after leaving the company without the prior written consent.

(2) Implementation status:

The company regularly reports related intellectual property matters to the board of directors once a year. The company has introduced the intellectual property management system since 1995, and the main implementation in recent years is as follows:

1. Review the existing patent cases every year to understand the application situation of the product.
2. Regular meetings are held every year to learn about product-related patents in order to shorten the research and development timeline and avoid patent infringement.
3. The intellectual rights department participates in the company's product development meetings every week to dig out basic patents.
4. The intellectual rights department sends staff to participate in external intellectual property rights seminars every year to understand the latest regulatory trends and cases, and adjust internal management measures accordingly.
5. In 2006, a patent lawsuit was filed against Synaptics in the United States to protect the company's intellectual property rights.
6. In 2009, filed a patent lawsuit against Apple in the United States to protect the company's intellectual property rights
7. In 2010, a patent lawsuit was filed against Pixcir Microelectronics in the United States to protect the company's intellectual property rights.
8. In 2013, filed a patent lawsuit against Pixcir Microelectronics in China to protect the company's intellectual property rights.
9. In 2015, a patent lawsuit was filed against eGalax_eMPIA Technology Inc. in Taiwan to protect the company's intellectual property rights.
10. In 2020, a patent lawsuit was filed against Goodix Technology in Taiwan and the mainland to protect the company's intellectual property rights.
11. In 2024, a patent lawsuit was filed against FocalTech Systems in Taiwan to protect the company's intellectual property rights.
12. In 2025, a patent lawsuit was filed against FocalTech Systems Co., Ltd, Focaltech Electronics, Ltd and Focaltech Systems, Ltd. in Taiwan to protect the company's intellectual property rights.
13. In 2025, a patent lawsuit was filed against ILI Technology Corp., and NeoView Technology Inc. in Taiwan to protect the company's intellectual property rights.
14. From 2003 to 2007, the patent management system, trademark management system, integrated circuit layout management system and copyright registration application system have been successively built.

(3) List of intellectual property rights acquisition and related results

1. Patents: As of December 31, 2025, there were 393 patent applications, including 96 invention patents under examination and 297 patents that have been granted
2. Trademarks: As of December 31, 2025, the number of trademark registrations totaled 37.
3. The Award-Winning records over the years are as follows:

Awards and Honors

- 2025: Silver Medal, National Invention and Creation Award, Ministry of Economic Affairs
- 2024: Innovative Product Award, Outstanding Enterprise Awards, Hsinchu Science Park
- 2024: R&D Achievement Award, Hsinchu Science Park
- 2023: 8th National Industrial Innovation Award
- 2021: Innovative Product Award, Outstanding Enterprise Awards, Hsinchu Science Park
- 2021: R&D Achievement Award, Hsinchu Science Park
- 2018: Innovative Product Award, Outstanding Enterprise Awards, Hsinchu Science Park
- 2018: R&D Achievement Award, Hsinchu Science Park
- 2017: Innovative Product Award, Outstanding Enterprise Awards, Hsinchu Science Park
- 2016: Innovative Product Award, Outstanding Enterprise Awards, Hsinchu Science Park
- 2016: R&D Achievement Award, Hsinchu Science Park
- 2015: Innovative Product Award, Outstanding Enterprise Awards, Hsinchu Science Park
- 2015: R&D Achievement Award, Hsinchu Science Park
- 2014: R&D Achievement Award, Hsinchu Science Park
- 2013: Innovative Product Award, Outstanding Enterprise Awards, Hsinchu Science Park
- 2013: R&D Achievement Award, Hsinchu Science Park
- 2011: Innovative Product Award, Outstanding Enterprise Awards, Hsinchu Science Park
- 2010: R&D Achievement Award, Hsinchu Science Park
- 2009: Innovative Product Award, Outstanding Enterprise Awards, Hsinchu Science Park
- 2009: Outstanding Innovative Enterprise Award, the 17th Industrial Technology Advancement Awards

- 2009: R&D Achievement Award, Hsinchu Science Park
- 2008: Innovative Product Award, Outstanding Enterprise Awards, Hsinchu Science Park
- 2007: Contribution Award, National Invention and Creation Award, Ministry of Economic Affairs
- 2006: Innovative Product Award, Outstanding Enterprise Awards, Hsinchu Science Park
- 2005: R&D Achievement Award, Hsinchu Science Park
- 2004: Outstanding Award, the 12th Industrial Technology Advancement Awards
- 2004: R&D Achievement Award, Hsinchu Science Park
- 2003: R&D Achievement Award, Hsinchu Science Park
- 2001: Gold Medal, the 10th National Invention Award, Ministry of Economic Affairs
- 1999: R&D Investment Award, Hsinchu Science Park
- 1998: Award for Intellectual Property Management System, Ministry of Economic Affairs
- 1997: Silver Medal, the 6th National Invention Award, Ministry of Economic Affairs
- 1996: R&D Investment Award, Hsinchu Science Park

2025 COMPUTEX Taipei – Best Choice Awards

1. “Edge Computing Assistive Touchpad for Accessible Laptops”
Gold Award, Best Choice Award (Peripherals & Accessories Category)
2. “Pedestrian Warning System” , Best Choice Award Smart City (Public Services Category)
3. “Edge AI Sensing and Dynamic Traffic Signal Control System” , Best Choice Award Smart
AI, Big Data & Cloud Computing Category
4. “Enhanced Lane Assistance Navigator 3.0 (ELAN)” , Best Choice Award (Vehicle Technology & Smart Cockpit
Category)
5. “AI-Enabled Touch Solutions for Industrial PCs” , Best Choice Award (Smart Retail Business Solutions & IPC
Embedded Products Category)

8. Important Contracts

Agreements	Counterparty	Period	Major Contents	Restriction
Technology Licensing	ARM	2018/12/30~	ARM Coxtex-M4 Perpetual License	N/A
Technology Licensing	Silicon Library license agreement	2024/3/26~	eDP (Embedded Display Port) Receiver Circuit Authorization	N/A
Joint Appointment Turnkey Contract	Lianqi Development Co., Ltd.	2019/9/23 ~ Project warranty period expires	National Chiao Tung University/ Tainan Campus: Joint-Appointment Turnkey Contract for The New Construction of Zhiyuan Building-Industry-School Space No. 5	N/A
Joint Lease and Build Contract	National Chiao Tung University	2019/2/1~2039/1/31	National Chiao Tung University/ Tainan Campus: Joint-Appointment Turnkey Contract for The New Construction of Zhiyuan Building-Industry-School Space No. 5	N/A
Joint Appointment Turnkey Contract	Lianqi Development Co., Ltd.	2019/9/23 ~ Project warranty period expires	National Chiao Tung University/ Tainan Campus: Joint-Appointment Turnkey Contract for The New Construction of Zhiyuan Building-Industry-School Space No. 6	N/A
Joint Lease and Build Contract	National Chiao Tung University	2019/2/1~2039/1/31	National Chiao Tung University/ Tainan Campus: Joint-Appointment Turnkey Contract for The New Construction of Zhiyuan Building-Industry-School Space No. 6	N/A
Land Establishment Superficies Contract	Hsinchu County Government	2021/3~2041/3	Hsinchu County International AI Smart Park Industrial Zone (1)	N/A
House Lease Agreement	Advantech Foundation	2021/8/1~2026/7/31	House Lease Agreement	N/A
House Lease Agreement	Altus Technology Inc	2022/2/1~2030/01/31	House Lease Agreement	N/A
Engineering Supervision	JJP Architects & Planners	2023/8/11~2026/10/31	AI Smart Park Building Supervision Personnel Service Contract	N/A
Research and Development Project	Taipei Computer Association	2026/1/1~2028/12/31	A+ Enterprise Innovation Research and Development Plan Contract	N/A
Software Resale Agreement	Deloitte & Touche Taiwan	2025/5/13~2026/5/12	Purchase the software license of the software mentioned in the contract from SAP Taiwan Co., Ltd., and SAP Taiwan Co., Ltd. authorizes Deloitte & Touche Taiwan to resale Supplier Software License	N/A
Construction Contract	Lee Ming Construction Co., Ltd.	2023/4/28- To obtain the user license as the completion point	General contractor for the new construction of the Elan Group headquarters building in the Hsinchu County International AI Smart Park Industrial Zone (1)	N/A

V. Review of Financial Conditions, Financial Performance, and Risk Management

1. Analysis of Financial Status

Comparative Statement of Financial Status

Unit: NT\$ thousands

Item	Year	2025	2024	Difference	
				Amount	%
Current Assets		8,009,641	8,662,355	(652,714)	(7.54)
Property, Plants and Equipment		4,397,716	2,787,691	1,610,025	57.75
Intangible Assets		391,592	489,373	(97,781)	(19.98)
Other Assets		878,918	919,228	(40,310)	(4.39)
Total Assets		15,571,696	15,017,106	554,590	3.69
Current Liabilities		3,158,020	3,587,588	(429,568)	(11.97)
Non-Current Liabilities		1,958,154	1,428,555	529,599	37.07
Total Liabilities		5,116,174	5,016,143	100,031	1.99
Equity Attributable to Shareholders of The Parent Company		10,316,123	9,773,280	542,843	5.55
Capital Stock		3,038,804	3,038,804	0	0
Capital Surplus		1,182,307	1,139,143	43,164	3.79
Retained Earnings		6,995,705	6,475,387	520,318	8.04
Other Equity		(69,318)	(31,059)	(36,259)	116.74
Treasury Shares		833,375	848,995	(15,620)	(1.84)
Non-Controlling Interest		139,399	227,683	(88,284)	(38.77)
Total Stockholders' Equity		10,455,522	10,000,963	454,559	4.55

Explanation:

- (1) Where the percentage of changes in the Company's consolidated assets, liabilities, and shareholders' equity in the past two years was more than 20% and the amount of changes reached NT\$10 million, the impact and future response actions:
 1. Property, plant and equipment: The increase in this period compared with last year was mainly due to the additional prepayment of AI park project funds this year.
 2. Non-current liabilities: The increase compared to last year is mainly due to the use of long-term borrowings during the period.
 3. Other equity: The decrease compared to last year is mainly due to unrealized losses on financial assets measured at fair value through other comprehensive income or loss during the period.
 4. Non-controlling interests: The decrease in the period is mainly the net effect after offsetting the losses of consolidated subsidiaries during the period and the difference between the parent company's subscription of increased shares in consolidated subsidiaries in proportion to its shareholding.
- (2) Future response actions: N/A.

2. Analysis of Financial Performance

(1) Analysis of Operation Results

Unit: NT\$ thousands

Items \ Year	2025	2024	Increase (Decrease) Amount	Difference (%)
Operating revenue	12,326,352	12,695,862	(369,510)	(2.91)
Gross Profit	5,995,857	6,204,417	(208,560)	(3.36)
Operating Income (Loss)	2,982,298	3,065,972	(83,674)	(2.73)
Non-operating income and expenses	(132,281)	206,778	(339,059)	(163.97)
Net profit before tax	2,850,017	3,272,750	(422,733)	(12.92)
Income before tax from continuing operations	2,307,329	2,592,554	(285,225)	(11.00)
Net Income (Loss)	2,307,329	2,592,554	(285,225)	(11.00)
Other comprehensive income (loss) (income after tax)	(43,707)	(114,268)	70,561	(61.75)
Total comprehensive income (loss)	2,263,622	2,478,286	(214,664)	(8.66)
Net income attributable to shareholders of the parent Company	2,442,124	2,735,895	(293,771)	(10.74)
Net income attributable to non-controlling interest	(134,795)	(143,341)	8,546	(5.96)
Comprehensive income (loss) attributable to shareholders of the parent Company	2,398,506	2,621,113	(222,607)	(8.49)
Comprehensive income (loss) attributable to non-controlling interest	(134,884)	(142,827)	7,943	(5.56)

- (2) Major reasons for material changes in consolidated operating income, net operating income, and net profit before tax in the past two years; the possible impact on the Company's future finance and business from the expected sales volume (include its basis) and the counter Procedures therefor:

(please provide analysis and explanation when the percentage of change is more than 20%, and the amount is more than 10 million)

1. Decrease in non-operating income and expenses: This was mainly due to higher dividend income and greater exchange gains last year.
2. Increase in other comprehensive income and losses: This was mainly due to a decrease in unrealized losses on financial assets measured at fair value through other comprehensive income and losses this period compared to last year.

- (3) The possible impact on the Company's future finance and business from the expected sales volume (include its basis) and the counter procedures therefor:

Affected by the slowdown in global economic growth, the global notebook market demand will recover moderately in 2024, with full-year notebook shipments growing by single digits and total shipments estimated to be 183 million units. Although inflation and unemployment pressures have eased somewhat, the recovery of the consumer electronics industry has been relatively slow due to the impact of overall economic uncertainty and geopolitical conflicts.

Affected by the slowdown in global economic growth, demand in the global notebook market is expected to recover moderately in 2025, with total annual shipments estimated at 190 million units. Although inflation and unemployment pressures have eased somewhat, uncertainties in the overall economy and geopolitical conflicts continue to weigh on the recovery of the consumer electronics industry, resulting in a relatively gradual rebound.

Consumer electronics are recovering at a moderate pace, and with the rise of generative artificial intelligence (AI), end customers are actively developing personal computers (AI PCs) that integrate AI. This will help improve personal productivity and work efficiency, changing the long-standing ecosystem of PC development and moving further towards intelligent human-computer interaction. Besides increasing hardware

specifications, this may also drive upgrades in component functionality, injecting new vitality into the laptop market. Our company will continue to strengthen product functionality and specifications, using competitive products to implement these specifications, creating differentiated competition, and thereby increasing market share.

Haptic Pads first shipped in 2022, contributing over NT\$100 million in revenue. Shipments were impacted by the overall economic downturn in 2023, but with the laptop market recovering and the innovative applications of AI PCs driving growth, customer adoption significantly improved in 2024, resulting in better revenue performance than the previous two years. The increased number of branded models adopting the technology in 2026 is expected to further boost revenue. Going forward, we will further collaborate with brand clients to develop more user-friendly interfaces and customized operations, creating features that better meet user needs. Fingerprint recognition products still have a low penetration rate in laptops, especially in higher-priced MOCs (Match On Chip, fingerprint verification before unlocking). Given the continued upward trend, we expect to capture a large portion of the market and achieve market dominance within the next two to three years. The introduction of large-size touchpads will help increase the average unit price. The active promotion, adoption and mass production of single-layer embedded touch panels (SLOC) will benefit the revenue of touch screen chips. Although there is uncertainty in the global economic environment and external market competition remains fierce, the company is still working hard to strengthen its chip design technology engineering to effectively reduce costs and hopefully improve operational efficiency.

Advanced Driver Assistance Systems (ADAS) are one of the Company's key focus areas. In collaboration with invested companies, the Company is developing ADAS-related products centered on driving safety, including camera modules, sensor fusion algorithms, and external components. These provide high-quality total solutions for electric buses and large buses, laying the groundwork for entering the automotive electronics market. Revenue contributions began in 2024, and future expansion is planned beyond electric buses to include logistics vehicles and taxis. The Company also aims to extend its technology into international markets such as Southeast Asia, where traffic environments are similar to Taiwan.

In addition, in response to government initiatives to improve traffic safety, the Company has developed AI-powered smart traffic CCTV systems for intersections. By utilizing augmented reality (AR) and generative AI, these systems create a more comprehensive monitoring solution for vehicles and pedestrians. Delivered in the form of on-device AI, they provide real-time computing advantages and reduce the response time associated with transmitting data back to the cloud for traffic signal control. Furthermore, to expand the application of AI image recognition algorithms and drive business growth, the Company is actively entering the drone market. Drones have a wide range of applications across military, commercial, agricultural, and consumer sectors, offering significant future market potential. Current demand is increasing due to geopolitical risks. By continuously optimizing the cost-performance ratio of its module products, the Company aims to increase adoption among domestic and international drone manufacturers, and has already successfully partnered with several OEM customers for product shipments. To enhance competitiveness, the Company not only provides AI image recognition algorithms but also offers human-machine interface touch products for drone controllers, helping customers achieve stronger market competitiveness.

The Company is a professional IC design firm providing comprehensive integrated solutions, supported by a strong R&D team. It invests over 15% of its annual revenue in research and development, focusing on the creation of new products. The quality of its products has been widely recognized by customers, with over half of its revenue coming from leading global manufacturers. Currently, the Company holds the number one global market position in three product categories: touch notebook display driver ICs, touchpad modules, and pointing devices.

3. Analysis of Cash Flow

(1) Cash Flow Analysis for the last fiscal year (2025)

Unit: NT\$ thousands

Cash and Cash Equivalents, Beginning of Year (1)	Net Cash Flow from Operating Activities (2)	Cash Outflow (3)	Cash Surplus (Deficit) (1)+(2)-(3)	Leverage of Cash Deficit	
				Investment Plans	Funding Plans
3,272,637	2,650,309	(3,522,877)	2,400,069	—	—
<p>1. Analysis of Consolidated Cash Flow Changes this year:</p> <p>(1) Operating Activities: Net cash inflow from operating activities decreased by NT\$ 659,343 compared to the previous year. This was mainly due to a decrease in pre-tax net profit, a decrease in inventory, an increase in other current liabilities, and an increase in income tax payments. Even after offsetting the decreases in accounts receivable, prepayments for materials, and accounts payable, the cash inflow from operating activities was still lower than the previous year.</p> <p>(2) Investing Activities: Net cash outflow from investing activities increased by NT\$ 1,456,272,000 compared to the previous year. This was mainly due to an increase in financial assets measured at amortized cost, a decrease in dividends received, and an increase in the amount of real estate acquired. The cash outflow from investing activities was still higher than the previous year.</p> <p>(3) Financing Activities: Net cash outflow from financing activities decreased by NT\$ 587,644 thousand compared to the previous year, mainly due to the use of long-term borrowings this year.</p> <p>2. Expected remedy for cash deficit and liquidity analysis: N/A.</p>					

(2) Cash Flow Analysis for the Coming Year

Unit: NT\$ thousands

Estimated Cash and Cash Equivalents, Beginning of Year (1)	Estimated Net Cash Flow from Operating Activities (2)	Estimated Cash Outflow (Inflow) (3)	Estimated Cash Surplus (Deficit) (1)+(2)-(3)	Leverage of Cash Deficit	
				Investment Plans	Funding Plans
2,400,069	2,524,285	(2,416,286)	2,508,068	—	—
<p>1. Analysis of Consolidated Cash Flow Changes This Year:</p> <p>(1) Operating Activities: The Company expects its operating revenue to increase due to the continued expansion of AI chip applications and the joint development of AI PC products with customers, enhancing related functions. Additionally, the penetration rate of haptic pads driven by brand customers is also a major driver of revenue growth. Operating activities are expected to be net cash inflows.</p> <p>(2) Investing Activities: Investing activities are expected to be net cash outflows, primarily due to expenditures on the Zhubei AI Smart Park, the purchase of fixed assets and software, and a decrease in financial assets measured by amortization.</p> <p>(3) Financing Activities: Financing activities are expected to be net cash outflows, primarily due to anticipated distribution of cash dividends to shareholders and the use of long-term borrowings.</p> <p>2. Expected remedy for cash deficit and liquidity analysis: N/A.</p>					

4. Major Capital Expenditure Items on the Financial Operations during the Last Fiscal Year:

(1) Major Capital Expenditure Items and Source of Capital

Project	Actual or Expected Source of Funds	Total Funds Required (As of The End of 2025)	Actual Use of Funds (In 2025)
Zhubei AI Park New Factory	3,594,258	3,594,258	3,594,258

(3) Expected benefits:

In May 2023, the Company broke ground on a new plant in the Hsinchu County International AI Smart Park in Zhubei City, Hsinchu County. We hope that after completion, it will serve as a research and development base for innovative technologies in related industries such as 5G, AI, IOT, mobile vehicles, and smart healthcare, attracting more outstanding talents and enhancing the exchange and development of the AI industry.

5. Investment Policy in the Last Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year:

Item Affiliates	Policies	Income (Loss) Amount	Reasons for Gain or Loss	Improvement Plan	Investment Plan for the coming year
Elan H.K Micro Electronics Corp	Sell the Company's products, provide after-sales service, and establish a sales base	104,765	In the current period, due to the growth of the parent Company's revenue, and the increase of commission income from product logistics management and after-sales service	-	-
Elan Investment Corporation	General Investment Business	(58,773)	Mainly due to the loss of financial asset evaluation during the current period.	-	-
Metanoia Communications Co., Ltd.	Manufacture cable and wireless communication machinery and equipment, electronic components, wholesale and retail telecommunication Equipment	(143,052)	Due to continued investment in the research and development of new wireless 5G telecommunication products, as a result, the Company still incurred losses in 2025.	It is expected to develop a new generation of 5G chips and overall hardware and software solutions to provide 5G O-RU customers with products that have both cost and functional advantages, contributing to revenue in 2026.	-

Item Affiliates	Policies	Income (Loss) Amount	Reasons for Gain or Loss	Improvement Plan	Investment Plan for the coming year
Avisonic Technology Corporation	Research, design, manufacture and sale of multimedia video compression and impact processing ICs	(20,299)	Benefiting from a surge in demand for access control and security products in Japan, as well as increased demand in the US medical long-term care camera market and the OEM/OEM automotive camera market, revenue in 2025 increased by 26% compared to 2024. However, continued investment in chip development and customer promotion led to increased operating expenses, resulting in a loss in 2025.	In addition to continuing to invest in core areas such as automotive applications, smart healthcare, and smart security, the company is also actively investing in drone applications, hoping to provide growth momentum for product revenue in 2026.	-
PiXORD Corporation	Research, design, development, manufacture and sales of network cameras and network servers	(22,810)	Due to continued investment in the research and development of gun-type cameras with AI image recognition capabilities, the company continued to suffer losses in 2025.	With the development of gun-type cameras with AI image recognition functions and the promotion in multiple pilot projects, it is expected to contribute to revenue in 2026.	-
Eminent Electric Technology Co., Ltd.	Electronic components manufacturing, computer and peripheral equipment manufacturing, optical instrument manufacturing	(35,831)	Affected by price competition from competitors and new product launches not meeting expectations, the overall sales volume and gross profit in 2025 declined compared with the previous year.	.In addition to continuing to invest in core areas such as automotive applications, smart healthcare, and smart security, the company is also actively investing in drone applications, hoping to provide growth momentum for product revenue in 2026.	-
Chimei Motor Electronics Co., Ltd.	Image recognition and automotive electronics product manufacturing and wholesale business	(29,026)	The revenue in 2025 increased by 50% compared to 2024 due to the growth in electric bus sales and the increase in product prices by adding safety features. However, the continued investment in the development and improvement of safety assistance systems resulted in a loss in 2025.	Taking Measures such as continuing to expand sales of high-gross-margin products and cutting costs are expected to improve profitability by 2026.	-
Top Taiwan X Venture Capital Co., Ltd.	Venture Capital investment	(31,625)	Mainly due to the increase of the financial asset evaluation benefit of the current period	-	-

Note: Analysis on investment income and loss of more than NT\$10 million only.

6. Analysis of Risk Management and Assessment

(1) Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Procedures

Unit: NT\$ thousands

Item	Year	2025
Net operating income		12,326,352
Net profit before tax		2,850,017
Net exchange (loss) profit		4,967
Net exchange (loss) profit to net income ratio		0.04%
Net exchange (loss) profit to net profit before tax ratio		0.17%
Interest revenues		68,368
Interest revenues accounted for net income ratio		0.55%
Interest revenues accounted for net profit before tax ratio		2.40%
Interest expenses		15,652
Interest expenses accounted for net income ratio		0.13%
Interest expenses accounted for net profit before tax ratio		0.55%

1. Interest Rates:

In 2025, the ratio of net interest income to net revenue was 0.42%. The Company's capital utilization takes safety as its primary consideration, so it distributes funds to stable targets to obtain stable interest income.

2. Foreign Exchange Rates:

In order to avoid exchange rate fluctuations, the Company offsets the recurring purchase and sales accounts payable to achieve a natural hedging effect against exchange rate fluctuations, generating an overall exchange gain of NT\$4,967,000 in fiscal year 2025. The Company's financial personnel monitor exchange rate fluctuations at all times and make appropriate arrangements and responses to reduce the impact of exchange rate fluctuations on the Company's profits and losses.

3. Inflation:

The Company has long-term cooperation with raw materials suppliers, so the source and price of the raw materials are quite stable; therefore, inflation has no significant impact on the Company's profit and loss. The Company will pay close attention to the changes in the relevant economic environment and the market to avoid adverse effect on the Company caused by inflation.

(2) Policies, Main Causes of Gain or Loss and Future Response Procedures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions

The Company did not engage in any high-risk or high-leveraged investments. The transactions and procedures related to lending and endorsement are based on the Company's "Operational Procedures for Loaning Funds to Others" and "Procedures for Endorsement Guarantee". Furthermore, derivative transactions follow the "Procedures for Acquisition and Disposal of Assets".

(3) Future Research & Development Projects and Corresponding Budget

1. Future Research & Development Plans

In response to the rapid recent development of Generative AI, the Company is broadly applying its years of accumulated artificial intelligence (AI) technologies across its products, particularly in image recognition processing. Since 2018, the Company has collaborated with Academia Sinica to develop AI technologies. In addition to sponsoring the Taiwan AI School, the Company has also sent hundreds of internal managers to participate in comprehensive AI training programs to learn key elements of AI technology. These learnings have been applied to multiple product lines,

including AI image recognition-based automotive ADAS, smart transportation AI CCTV systems, drones, and robotics applications. The Company also applies AI technologies to enhance human-machine interface tools in products such as touchpad modules, touchscreen controller ICs, and fingerprint recognition ICs. At the same time, it continues to work with key customers to explore additional expandable applications and fields.

In addition to AI, the Company is also driving operational growth by enhancing product functions and specifications. For example, the penetration rate of haptic feedback (Haptic Pad) is increasing due to brand customer adoption; AI applications increasingly rely on fingerprint protection for large volumes of confidential data; and more intuitive operating modes are driving higher penetration of touchscreen controller ICs. Meanwhile, the Company has long invested in developing and applying image recognition algorithms and touch technologies across various fields, and holds patents in the U.S., Japan, China, and Taiwan.

From an overall operational growth perspective, the Company continues to strengthen its image recognition applications and expand toward diversified product development, particularly focusing on On-Device AI applications, which will be one of the most important areas in the short term.

At the same time, the Company is actively expanding into non-notebook applications. First, Advanced Driver Assistance Systems (ADAS) are a key focus. In collaboration with affiliated companies, the Company is developing safety-oriented ADAS-related products, including camera modules, sensor fusion algorithms, and peripheral components, providing integrated solutions for electric buses and large buses. This serves as a foundation for entering the automotive electronics market. Revenue contributions began in 2024, with future plans to expand beyond electric buses to logistics vehicles and taxis, and to promote these technologies in international markets such as Southeast Asia, where traffic environments are similar to Taiwan.

Additionally, in response to government initiatives to improve road safety, the Company is developing smart transportation AI CCTV systems for intersections. By leveraging augmented reality (AR) and Generative AI, it aims to create a more comprehensive monitoring system for vehicles and pedestrians. These systems are delivered in the form of On-Device AI, enabling real-time processing and reducing latency compared to cloud-based signal transmission. To further expand the application of AI image recognition algorithms and drive business growth, the Company is also actively entering the drone market. Drones have a wide range of applications across military, commercial, agricultural, and consumer sectors, offering significant future market potential. Demand is currently increasing due to geopolitical risks. By continuously optimizing module cost-performance, the Company aims to increase adoption among domestic and international drone manufacturers, and has already achieved successful collaborations and shipments. In addition to AI image recognition, the Company also provides touch-based human-machine interface products for drone controllers, enhancing customers' market competitiveness.

The launch of larger-sized touchpads is expected to help increase average selling prices. The active promotion and mass production of single-layer on-cell touch panels (SLOC) will contribute to touchscreen controller IC revenue. Despite uncertainties in the global macroeconomic environment and intense market competition, the Company continues to strengthen its IC design and engineering capabilities to effectively reduce costs and improve operational efficiency.

For notebook pointing stick products, the Company currently holds the world's leading market share, mainly supplying top global notebook manufacturers. Growth is expected to continue alongside increasing market share of these customers. Additionally, trends toward thinner and lighter designs are expected to boost average selling prices. As market demand for better user experience increases, the Company's pointing devices have expanded beyond notebooks into applications such as remote controllers.

The Company will continue to develop lower-power microcontroller chip platforms to provide optimal solutions for customers, while strengthening cooperation with solution providers in China and offering high cost-performance control ICs.

2. Estimated R&D investment: approximately NT\$2 billion.

(4) Impact of major domestic and international policy and legal changes on the Company's financial and business

operations and corresponding measures:

The Company has established a legal department responsible for researching and collecting information on intellectual property, laws, and major policies domestically and internationally, to fully understand their impact and provide timely countermeasures.

In recent years, there are no significant adverse impacts from major policy or legal changes on the Company's financial or business operations.

- (5) Impact of technological changes (including cybersecurity risks) and industry developments on the Company's financial and business operations and corresponding measures:

The Company's diversified product portfolio enables it to meet customer needs effectively, and its broad product lines reduce the impact of technological changes. In recent years, the Company has actively sought diversified production resources and effectively controlled costs.

Regarding information security risk assessment, the Company regularly evaluates risks related to confidentiality, integrity, availability, and legal compliance of its information systems, including risks of accidental or malicious damage or misuse.

Countermeasures include:

- A. Establishing information security policies and regulations for employee use of computers, email, and network resources, managed in accordance with the information security management manual.
- B. Establishing an Information Security Management Committee, which reports annually to the Board of Directors on cybersecurity governance.
- C. Conducting annual internal audits and training on information security.

In addition, the Company strengthens cash flow management and maintains a sound financial structure to ensure stable operations and diversify risks. Therefore, technological changes have no significant impact on the Company's financial or business operations.

- (6) Impact of changes in corporate image on crisis management and corresponding measures: Not applicable.

- (7) Expected benefits, potential risks, and countermeasures of mergers and acquisitions: Not applicable.

- (8) Expected benefits, potential risks, and countermeasures of plant expansion:

From 2021, the Company constructs a new facility in the Hsinchu County Zhubei City "International AI Smart Park," which will serve as an R&D base for innovative technologies in 5G, AI, IoT, mobile devices, and smart healthcare. It will also integrate affiliated enterprises and consolidate AI resources to create cluster effects, generate synergies, attract talent, and promote AI industry development.

To reduce future capital costs, the Company has applied for and received approval under the Ministry of Economic Affairs' "Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan," under which the government subsidizes part of bank fees.

- (9) Risks associated with concentrated purchasing or sales and countermeasures:

The Company has entered into non-recourse accounts receivable factoring agreements with financial institutions for major customers, thereby eliminating the risk of uncollectible receivables and reducing sales risk. Suppliers are well diversified, avoiding excessive concentration risk.

- (10) Impact and risks of significant share transfers or changes involving directors, supervisors, or major shareholders (holding over 10%):

No significant share transfers have occurred among directors or major shareholders.

- (11) Impact, risks, and countermeasures of changes in management control:

There were no significant changes in the Company's board of directors in fiscal year 2025, therefore there is no possibility of a change in management control.

(12) Litigation or non-litigation Matters:

As of May 07, 2026

Major lawsuits	Explanation	Results
On March 20, 2024, the Company filed a patent infringement lawsuit against FocalTech Systems Co., Ltd.	On March 20, 2024, the Company filed a lawsuit against FocalTech Systems Co., Ltd. (hereinafter referred to as FocalTech) in the Intellectual Property and Commercial Court, claiming that the touch chip used in the touch pad manufactured and sold by FocalTech fell within the scope of the rights of the Republic of China invention patent No. I662460 owned by the Company, and infringed our patent rights. Therefore, we requested the court to prohibit the aforementioned defendant from using and manufacturing and selling the products involved in the case, and requested damages. On March 18, 2026, the Intellectual Property and Commercial Court ruled that Elan Electronics' patent was valid, finding that the "FT3437" chip manufactured by FocalTech and the touchpad module containing the chip infringed on Elan's patent, falling within the scope of claims 1 and 6 of Elan's Republic of China Invention Patent No. I662460, "Method for Changing the Type of Identification of Contact Objects". Upon receiving the judgment, The Company will actively pursue claims for damages.	Elan is the plaintiff, and the court's intermediate judgment clearly favored Elan. Upon receiving the judgment, the Company will actively pursue its claim for damages.
The Company filed a patent infringement lawsuit against FocalTech Systems Co., Ltd. on September 1, 2025.	On September 1, 2025, the Company filed a lawsuit with the Intellectual Property and Commercial Court against FocalTech Systems Co., Ltd., FOCALTECH ELECTRONICS, LTD., and FOCALTECH SYSTEMS, LTD. (collectively, "FocalTech in Cayman Islands"), alleging that the self-capacitive sensing method used in the capacitive touchpads manufactured and sold by Cayman FOCALTECH infringes upon our invention patent right under Republic of China Patent Certificate No. I425402. Therefore, we requested the court to exclude and stop the aforementioned defendants' patent infringement activities and to claim damages. The case is currently pending for trial in the Intellectual Property and Commercial Court.	Elan is the plaintiff, and the case is currently being heard by the court. It is estimated that the outcome of the case will not have a significant adverse impact on Elan.
On December 17, 2025 the Company filed a patent infringement lawsuit against ILI Technology Corp. and Neo View Technology Inc. in Taiwan and adjusted our litigation strategy.	Due to an adjustment in our overall litigation strategy, on December 17, 2025, the Company withdrew its civil lawsuit against ILI Technology Corp. (hereinafter referred to as "ILI-TEK") and its distributor, Neo View Technology Inc. filed in the Intellectual Property and Commercial Court on July 3, 2025, concerning patent case I425402. On the same day as the initial withdrawal, the Company filed a new lawsuit against ILI-TEK in the Intellectual Property and Commercial Court, alleging that the capacitive touch chips manufactured and sold by ILI-TEK fall within the scope of our invention patent, Republic of China Patent Certificate No. I380207, thus infringing upon our patent rights. Therefore, the Company requested the court to exclude and stop the aforementioned defendants' patent infringement activities and to claim damages. The case is currently pending trial by the Intellectual Property and Commercial Court.	Elan is the plaintiff, and the case is currently being heard by the court. It is estimated that the outcome of the case will not have a significant adverse impact on Elan.

(13) Other Major Risk and Counter Procedures: N/A**7. Other Important Matters: N/A.**

VI. Special Disclosure

1. Summary of Affiliated Companies

(1) Consolidated Business Report of the Affiliates

The Company's Business Report of Affiliated Companies have been disclosed on the Taiwan Stock Exchange Market Observation Post System (MOPS).

For inquiries, please refer to the MOPS (https://mopsov.twse.com.tw/mops/#/web/t57sb01_q10) Single Company/Electronic Document Download/Affiliate Three-Document Form Area.

(2) Consolidated Financial Statements of the Affiliates

REPRESENTATION LETTER

The entities that are required to be included in the consolidated financial statements of Elan Microelectronics Corp. as of and for the year ended December 31, 2025, under the “Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises “ are the same as those included in the consolidated financial statements prepared in conformity with the “International Financial Reporting Standard 10 (IFRS10)” and the “Consolidated Financial Statements.” adopted by Financial Supervisory Commission (FSC). In addition, the information required to be disclosed in the consolidated financial statements is included in the consolidated financial statements of parent and subsidiary companies. Consequently, Elan Microelectronics Corp. and Subsidiaries do not prepare a separate set of consolidated financial statements.

Company Name: **ELAN Microelectronics Corporation** (Company Seal Affixed)

Responsible Person: **YEH, I-HAU** (Sealed)

Date: **March 03, 2026**

- 2. Private Placement Securities During the Last Fiscal Year and Until the Publishing date of the Annual Report: N/A.**
- 3 Other Necessary Supplementary Explanations: N/A.**

VII. Any matter that has material effect on the shareholders' equity or the price of securities as set out in Section 2, Paragraph 3, Article 36 of the Company Act during the last fiscal year and until the publishing date of the annual report: N/A.