Stock Code: 8121

Acme Electronics Corporation

Annual Report for the Year Ended December 31, 2025

Company Website: https://www.acme-ferrite.com.tw

Query Website: https://mops.twse.com.tw

Date of Publication: March 31, 2026

I. Spokesperson:

Name: Wang, Min-Hua
Title: Sales Assistant Vice President
Tel.: (02) 2650-3337 ext. 6810
Email: vickie@usig.com
Acting Spokesperson:
Name: Tsai, Hsiao-Ping
Title: Accounting Manager
Tel.: (02) 2650-3337 ext. 6844
Email: eileen.tsai@usig.com

II. Headquarters, Branches and Plants:

Name	Address	Tel.
Headquarters	8F, No. 39, Jihu Rd., Neihu Dist., 114 Taipei City	(02)2650-3337
Taoyuan Plant	No. 2, Guojian 2nd Rd., Guanyin Industrial Park, Guanyin Dist., 328 Taoyuan City	(03)483-7238
Guangzhou Plant	No. 1, Fuqian Road, Zengjiang Street, Zengcheng District, Guangzhou City, Guangdong Province, China	(86 20)3285-1888

III. Stock Transfer Agent:

Name: Stock Affairs Department of Acme Electronics Corporation
Address: 6F, No. 17, Lane 120, Sec. 1, Neihu Rd., Neihu Dist., Taipei City
Joint Stock Affairs Website: https://www.usig.com/USIGStockHome.aspx
Tel. No.: (02)2650-3773

IV. CPAs Who Duly Audited the Annual Financial Report for the Most Recent Fiscal Year:

Name: CPA Chang, Cheng-Hsiu and CPA Chiu, Cheng-Chun
Accounting Firm: Deloitte & Touche
Address: 20F, No.100, Songren Rd., Xinyi Dist., Taipei City
Website: http://www.deloitte.com.tw
Tel. No.: (02)2725-9988

V. Name of Any Exchanges Where the Company's Securities Are Traded Offshore, and the Method by Which to Access Information on Said Offshore Securities: None.

VI. Company Website: https://www.acme-ferrite.com.tw

Acme Electronics Corporation
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CHAPTER 1 Letter to Shareholders

Dear Shareholders,

In 2025, the ferrite cores segment benefited from the rapid growth in server applications, which offset the decline in demand from the electric vehicle market. In the consumer electronics segment, demand for products such as laptops and gaming consoles remained stable, despite being influenced by product replacement cycles between new and existing models. Although the outlook for the electric vehicle market may fall short of expectations, demand for applications such as AI, 5G communications, servers, and data storage is expected to continue growing, thereby driving simultaneous improvements in both the quality and quantity of demand for passive components.

With respect to silicon carbide (SiC) products, demand has been primarily driven by the electric vehicle market. However, the slowdown in demand in the European and U.S. electric vehicle markets has led to deferred demand for SiC components. In industrial applications, SiC products are also being gradually adopted in renewable energy sectors, including solar photovoltaic and wind power generation. In addition, demand for SiC in emerging application fields—such as AI servers and AR/VR optical lens modules—is expected to grow. The Company will continue to develop SiC powder products for applications in electric vehicles, renewable energy, and AI servers, as well as semi-insulating powders for AR/VR optical lens modules. Furthermore, the Company is actively investing in the development of high-purity SiC precision ceramic sintered components for use in the semiconductor sector and other industrial applications. Initial progress has been made in sample submissions, and these efforts are expected to create new opportunities for future growth.

As end-market demand gradually recovers, the server and data center markets continue to grow, and customers' inventory restocking is ongoing. However, SiC remains affected by the slowdown in demand in the European and U.S. electric vehicle markets. For the current year, the Company reported a consolidated net loss of NT$94,591 thousand, with a consolidated net loss attributable to owners of the parent company of NT$66,382 thousand, and a loss per share of NT$0.31. We hereby report our operations for the year 2025 as follows:

I. Business Report for the Year 2025:

(I) In terms of business operations and business plan implementation, as inventory destocking demand in the overall magnetic core market showed a modest recovery, revenue increased compared to 2024. For SiC products, demand in the SiC power device market declined due to the slowdown in electric vehicle demand, resulting in sales falling short of expectations. Nevertheless, the Company has actively expanded into the development of high-purity SiC ceramic products and has achieved certain progress, which is expected to serve as a new growth driver.

The consolidated revenue of the Company and its subsidiaries for 2025 amounted to NT$3,069,021 thousand, representing a budget achievement rate of 76% and a decrease of 1% compared to NT$3,095,379 thousand in 2024. Consolidated gross profit totaled NT$509,235 thousand, a decrease of 20% from NT$637,789 thousand in 2024. Consolidated operating expenses were NT$575,983 thousand, an increase of 7% compared to NT$540,639 thousand in 2024. The Company recorded a consolidated operating loss of NT$66,748 thousand, compared to a consolidated operating income of NT$97,150 thousand in 2024, representing a decrease of 169%.

In 2025, sales volume and revenue of magnetic cores amounted to 8,280 metric tons and NT$2,652,850 thousand, respectively. Sales volume increased by 1,053 metric tons, or 15%, compared to 2024, while revenue increased by NT$178,594 thousand, or 7%.

In 2025, sales volume and revenue of silicon carbide powder amounted to 95 metric tons and NT$416,171 thousand, respectively. Sales volume decreased by 30 metric tons, or 24%, compared to 2024, while revenue decreased by NT$204,952 thousand, or 33%.

In terms of production, in the face of fierce competition of the external business environment, the Company needs stable quality and cost control to meet customer needs and have profitability space. The Company will continue to advance lean production, Six Sigma, and the TRIZ system, promote various cost-reduction projects, and integrate automation and digitalization into MES production systems. This will enhance automation, optimize processes, and increase intelligence, thereby improving overall quality and cost competitiveness.

II. Overview of 2026 Business Plan and Planning for Future Development:

Looking ahead to 2026, inflation and geopolitical risks continue to impact economic development. The electronics industry is consistently innovating, and the market remains filled with emerging opportunities. It is anticipated that the total sales volume of iron cores will reach 9,470 tons for the year. The Company seeks to sustain its growth and advancement by consistently enhancing the competitiveness of its core iron business and proactively pursuing new ventures, thereby improving profitability.

Finally, I wish all shareholders good health and all the best.

Chairman of the Board: Wu, Yi-Gui

President: Wu, Wen-Hao

CHAPTER 2 CORPORATE GOVERNANCE REPORT

I. Information on Directors, Supervisors, President, Vice Presidents, Assistant Vice Presidents and Heads of Departments and Branches:

(I) Directors and Supervisors

1. Name, Education and Experience, Shareholdings, and Nature of Shareholdings

March 28, 2026; Unit: shares; %

Position (Note 1)	Nationality or Place of Incorporation	Name	Gender Age (Note 2)	Date of Appointment to Position	Term of Office	Commencement Date of First Term (Note 3)	Shares Held at Time of Election		Shares Currently Held		Current Shares Held by Spouse and Underage Children		Shares Held through Nominees		Principal Work Experience and Academic Qualifications (Note 4)	Other Position Concurrently Held at the Company and Other Companies	Other Officers, Directors, or Supervisors with a Spousal or Second-Degree Relative Relationship			Remarks (Note 5)
							Number of Shares	Percentage of Ownership (%)	Number of Shares	Percentage of Ownership (%)	Number of Shares	Percentage of Ownership (%)	Number of Shares	Percentage of Ownership (%)			Position	Name	Relationship	
Chairman and CEO	Taiwan	USI Corporation	–	2023.5.26	3 years	1991.08.01	61,682,967	28.96%	61,682,967	28.96%	–	–	0	0%	Chairman of USI Corporation	(Note 6)	None			(Note 5)
	Taiwan	Representative: Wu, Yi-Gui	Male, 71~75 years old			1995.08.01	–	–	1,510,750	0.71%	–	–	0	0%						
Director	Taiwan	USI Corporation		2023.5.26	3 years	1991.08.01	61,682,967	28.96%	61,682,967	28.96%	–	–	0	0%	MBA, National Chengchi University; Deputy CEO, Yulon Group Headquarters; Chairman of Altek Corporation, Taiwan Mask Corporation, and Myson Century, Inc.	Chairman: 3R Life Sciences Ltd., Unus Tech Co., Ltd. Director: Innodisk Corporation Independent Director: Winbond Electronics	None			–
	Taiwan	Representative: Hsu, Shan-Ko	Male, 71~75 years old			2008.06.13	–	–	78,695	0.04%	0	0%	0	0%						

Position (Note 1)	Nationality or Place of Incorporation	Name	Gender Age (Note 2)	Date of Appointment to Position	Term of Office	Commencement Date of First Term (Note 3)	Shares Held at Time of Election		Shares Currently Held		Current Shares Held by Spouse and Underage Children		Shares Held through Nominees		Principal Work Experience and Academic Qualifications (Note 4)	Other Position Concurrently Held at the Company and Other Companies	Other Officers, Directors, or Supervisors with a Spousal or Second-Degree Relative Relationship			Remarks (Note 5)
							Number of Shares	Percentage of Ownership (%)	Number of Shares	Percentage of Ownership (%)	Number of Shares	Percentage of Ownership (%)	Number of Shares	Percentage of Ownership (%)			Position	Name	Relationship	
Director	Taiwan	Asia Polymer Corporation	—	2023.5.26	3 years	2020.06.12	6,801,315	3.19%	6,801,315	3.19%	–	–	0	0%	President, Walsin Lihwa Corporation	Director: KHL Venture Capital Co., Ltd., KHL IB Venture Capital Co., Ltd., KHL IV Venture Capital Co. Ltd., KHL V Venture Capital Co., Ltd., Gogoro Inc., Homeplus Digital Co., Ltd.	None			–
	Taiwan	Representative: Cheng, Hui-Ming	Male, 66~70 years old			2002.05.21 2006.06.30~ 2007.06.14 Interrupted	–	–	0	0%	0	0%	0	0%						
Director and President	Taiwan	Asia Polymer Corporation	—	2023.5.26	3 years	2020.06.12	6,801,315	3.19%	6,801,315	3.19%	–	–	0	0%	MBA, University of Warwick, UK PhD in Materials Science and Engineering, School of Engineering, National Chiao Tung University Senior Engineer/Project Manager, Chang Chun Petrochemical Co., Ltd. Production Technology Manager/Director of R&D Division, UltraCap Technologies Corporation Director of Production Technology / Global Technical Director, Dow Chemical Vice President, Adidas Business Unit, Ching Luh Group CEO, Solibro Hi-Tech GmbH, Germany	(Note 7)	None			–
	Taiwan	Representative: Wu, Wen-Hao	Male, 51~55 years old			2020.06.12	–	–	303,245	0.14%	0	0%	0	0%						
Director	Taiwan	Taita Chemical Co., Ltd.	—	2023.5.26	3 years	2020.06.12	4,991,556	2.34%	4,991,556	2.34%	–	–	0	0%	Master of Economics, Virginia Polytechnic Institute & State University, USA; Assistant Vice President, Sales and Marketing Department, Swanson	None	None			–

Position (Note 1)	Nationality or Place of Incorporation	Name	Gender Age (Note 2)	Date of Appointment to Position	Term of Office	Commencement Date of First Term (Note 3)	Shares Held at Time of Election		Shares Currently Held		Current Shares Held by Spouse and Underage Children		Shares Held through Nominees		Principal Work Experience and Academic Qualifications (Note 4)	Other Position Concurrently Held at the Company and Other Companies	Other Officers, Directors, or Supervisors with a Spousal or Second-Degree Relative Relationship			Remarks (Note 5)
							Number of Shares	Percentage of Ownership (%)	Number of Shares	Percentage of Ownership (%)	Number of Shares	Percentage of Ownership (%)	Number of Shares	Percentage of Ownership (%)			Position	Name	Relationship	
	Taiwan	Representative: Wu, Hsien-Tsung	Male, 76~80 years old			2001.05.28	–	–	15,462	0.01%	739	0%	0	0%	Plastics Corporation; President, ACME Electronics Corporation					
Director	Taiwan	Taita Chemical Co., Ltd.	–	2023.5.26	3 years	2020.06.12	4,991,556	2.34%	4,991,556	2.34%	–	–	0	0%	PhD in Materials Science, National Taiwan University; Assistant Vice President, Walsin Technology Corp.; Head of Division, NEXcell Battery Co., Ltd.; Senior Research Scientist, Energy Conversion Devices (ECD); Associate Manager, Apogeepower	Director: USIO President: USIO	None			–
	Taiwan	Representative: Huang, Chun-Hui	Male, 66~70 years old			2017.06.16	–	–	0	0%	0	0%	0	0%						
Independent Director	Taiwan	Chen, Ta-Hsiung	Male, 81~85 years old	2025.5.27	1 year	2025.05.27	0	0%	0	0%	0	0%	0	0%	Bachelor of Law, National Taiwan University Formerly seconded to Mitsubishi Corporation (Taiwan) Ltd.; Chairman, New Northern Knitting Co., Ltd.; Chairman, Shanghai Canon Garment Co., Ltd.; Chairperson of the Board of Supervisors, National Association of Small and Medium Enterprises, R.O.C.; Chinese Taipei Representative to the APEC Business Advisory Council (ABAC); Standing Director, Importers and Exporters Association of Taipei; Director, Trade Education Foundation, R.O.C.	Honorary Chairman: Pershing Technology Services Corporation Chairman: Hsiu Tzu International Co., Ltd., Hsiu Chih Co., Ltd. Director: Yang Tang-Hai Social Welfare and Charity Foundation Independent Director: Hsing Ta Cement Co., Ltd.	None			

Position (Note 1)	Nationality or Place of Incorporation	Name	Gender Age (Note 2)	Date of Appointment to Position	Term of Office	Commencement Date of First Term (Note 3)	Shares Held at Time of Election		Shares Currently Held		Current Shares Held by Spouse and Underage Children		Shares Held through Nominees		Principal Work Experience and Academic Qualifications (Note 4)	Other Position Concurrently Held at the Company and Other Companies	Other Officers, Directors, or Supervisors with a Spousal or Second-Degree Relative Relationship			Remarks (Note 5)
							Number of Shares	Percentage of Ownership (%)	Number of Shares	Percentage of Ownership (%)	Number of Shares	Percentage of Ownership (%)	Number of Shares	Percentage of Ownership (%)			Position	Name	Relationship	
Independent Director	Taiwan	Chen, Piao-Chun	Male, 76~80 years old	2023.5.26	3 years	2002.05.21	0	0%	0	0%	0	0%	0	0%	Department of Electrical Engineering, National Cheng Kung University; President, Schmidt Scientific Taiwan Ltd.; President, Microsystems Business Group of Walsin Lihwa Corporation; Special Assistant to the Chairman and President of Electronics Business Group of USI; President, Tailyn Technologies	Chairman, Elitech Corporation Independent Directors, Taita Chemical Co., Ltd.	None			—
Independent Director	Taiwan	Lin, Shun-Tian	Male, 61~65 years old	2023.5.26	3 years	2021.07.27	0	0%	0	0%	-	-	0	0%	Bachelor of Chemical Engineering, National Taiwan University; Ph.D. in Materials Science and Engineering, Rensselaer Polytechnic Institute; Associate Professor and Professor, National Taiwan University of Science and Technology	Chairman: Draco Material Co., Ltd. Director: Diamond Precision Technology, Tripartite Therapeutics Inc. Independent Director: Trinity Precision Technology Co., Ltd.	None			—
Independent Director	Taiwan	Wang, Ting-Chang	Male 71~75 years old	2024.5.28	3 years	2024.05.28	0	0%	0	0%	0	0%	0	0%	PhD in Materials Science and Engineering, National Taiwan University; Chairman, Cashido Corporation; Vice President, Swanson Plastics Corporation	CEO: RITEK Corp., RiTdisplay Corp. Director: RiTdisplay Corp., Ritwin Corp., Welltech Energy Inc., Ritfast Corp., AimCHIP Co., Ltd. Independent Director: CGPC Corp.	None			-

Note 1: For a corporate shareholder, the name of the corporate shareholder and its representative shall be listed separately (when listing the representative of a corporate shareholder, the name of the corporate shareholder shall also be noted), and Form 1 below shall also be completed.

Note 2: Please state the actual age, or, alternatively, state the age interval into which the actual age falls, e.g., 41~50 years, 51~60 years.

Note 3: Specify the time the person first began to serve as a director or supervisor of the Company. If there has been any break within a term or between terms, add a note specifying the circumstances.

Note 4: Specify experience and qualifications related to the current position. If during a period specified above, the person has served in a position at a CPA firm that serves as external auditor/attestor, specify the position held and the duties for which the person was responsible.

Note 5: Where the chairperson of the Board of Directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g., increasing the number of independent directors and ensuring that a majority of directors do not concurrently serve as an employee or managerial officer): The Chairman of the Board of Directors also serves as the CEO for the purpose of overall operation. The Chairman of the Board of Directors is given the opportunity to participate in the operation of the Company through his excellent management vision, in order to implement management decisions and enhance operational efficiency. More than half of the members of the Company’s current Board of Directors do not serve concurrently as employees or managerial officers. The Company also appoints a major CPA firm to perform audits and established the Audit Committee and the Remuneration Committee to strengthen corporate governance and continues to implement rigorous internal control mechanisms to reduce operational risks.

Note 6: Chairman: USI Corporation, China General Plastics Corporation, Asia Polymer Corporation, Taita Chemical Co., Ltd., Union Polymer International Investment Corporation, USI Optronics Corporation, Swanson Plastics Corporation, Swanson Technologies Corporation, Chong Loong Trading Co., Ltd., USI Investment Co., Ltd., CGPC Polymer Corporation, Asia Polymer Investment Corporation , Taiwan United Venture Capital Corporation, USI Management Consulting Corporation, Taiwan United Venture Management Corporation, ACME Electronics (Cayman) Corporation, USI Education Foundation and Fujian Gulei Petrochemical.

Director: Taiwan VCM Corporation, USI (Hong Kong), Swanlake, USI International, ACME Components (Malaysia), Forever Young, Swanson (Singapore), Swanson (Malaysia), Swanson International, Swanson (India), Swanson (Kunshan), Golden Amber, ACME (Kunshan), ACME (Guangzhou), Taita (BVI), APC (BVI), CGPC (BVI), CGPC America, A.S. Holdings (UK), ASK-Swanson, ACME Ferrite, Swanson (Tianjin), Ever Conquest Global, Ever Victory Global, Dynamic Ever Investments, PT. Swanson Plastics Indonesia, USI Green Energy, USI (Zhangzhou), Emerald Investment, KHL Venture Capital Co., Ltd., KHL IB Venture Capital Co., Ltd., CTCI Group, ACME Advanced Materials, USI (Xiamen), Swanson Technologies (Kunshan)

Executive Director: Chinese National Federation of Industries

President: Union Polymer International Investment Corporation, USI Management Consulting Corporation, Dynamic Ever Investments Ltd., Ever Victory Global Ltd.

CEO: USI Corporation, Asia Polymer Corporation, China General Plastics Corporation, Taita Chemical Company Limited, ACME Electronics Corporation, USI Optronics Corporation

Note 7: Chairman: ACME (Kunshan), ACME (Guangzhou), ACME Components (Malaysia), ACME Ferrite, ACME Advanced Materials

Director: ACME (Cayman), Golden Amber Enterprises, Forever Young, USI Optronics Corporation, Swanson Technologies, Swanson Technologies (Kunshan)

President: ACME Components (Malaysia), ACME Ferrite, Golden Amber Enterprises, ACME Advanced Materials, ACME, ACME (Kunshan), ACME (Guangzhou)

Note 8: No supervisors are disclosed.

2. Major Shareholders of Corporate Shareholders:

March 28, 2026

Name of corporate shareholder (Note 1)	Major shareholders of corporate shareholders (Note 2)	
USI Corporation	Shing Lee Enterprise (Hong Kong) Limited Ltd	14.62%
	Wholegainer Company Limited's investment account under custody of Fubon Securities Co., Ltd.	9.25%
	Asia Polymer Corporation	8.53%
	Fubon Life Insurance Co., Ltd.	4.49%
	Taixing Investment Co., Ltd.	2.04%
	Lin, Hua-Hsin	1.75%
	Yueh Hsing Hua Investment Co., Ltd.	1.73%
	Yu, Wen-Hsuan	1.41%
	Yu, Wen-Tsung	1.41%
	Yu, Wen-Yu	1.41%
Asia Polymer Corporation	Union Polymer International Investment Corporation	36.08%
	Taiwan Union International Investment Corporation	2.41%
	TransGlobe Life Insurance Inc.	1.37%
	China General Terminal & Distribution Co.	0.89%
	The First Insurance Co., Ltd.	0.88%
	Chen, Chien-Hung	0.66%
	Investment account of Vanguard International Equity Index Funds, a series of Vanguard Star Funds, held in custody by JPMorgan Chase Bank, N.A., Taipei Branch	0.62%
	Investment account of Vanguard Emerging Markets Stock Index Fund, managed by The Vanguard Group, Inc., held in custody by JPMorgan Chase Bank, N.A., Taipei Branch	0.51%
	Chiu, Chou-Kang	0.36%
	Hsueh, Shu-Han	0.36%
Taita Chemical Co., Ltd.	Union Polymer International Investment Corporation	36.79%
	Taiwan Union International Investment Corporation	2.23%
	Investment account of J.P. Morgan Securities Ltd. held in custody by JPMorgan Chase Bank, N.A., Taipei Branch	0.59%
	China General Terminal & Distribution Co.	0.57%
	SBL/PB investment account of Barclays Capital held in custody by Citibank	0.48%
	Lin, Chun-Jung	0.45%
	USIFE Investment Co., Ltd.	0.36%
	Investment account of UBS Europe SE held in custody by Citibank Taiwan Ltd.	0.32%
	Hsiao, Hsiao-Yun	0.29%
	Account of Morgan Stanley & Co. International PLC held in custody by HSBC Bank	0.27%

Note 1: If a director or supervisor is a representative of a corporate shareholder, fill in the name of that corporate shareholder.

Note 2: Fill in the names of the corporate/juristic person's major shareholders (those with a shareholding ratio ranking among the top 10) and their shareholding ratios. If any of the major shareholders is a corporate/juristic person, also complete Form 2 below.

Note 3: If a corporate/juristic person shareholder is not organized as a company, the shareholder names and shareholding ratios required to be disclosed as mentioned above shall be the names of the capital contributors or donors (for further information, please refer to the announcements of the Judicial Yuan) and their capital contribution or donation rates, respectively. If a donor has died, please further note "deceased."

3. If any Major Shareholder Listed in Form 1 is a Corporate/Juristic Person, List its Major Shareholders in this Form:

March 28, 2026

Name of corporate/ juristic person (Note 1)	Major shareholders of the corporate/juristic person (Note 2)	
Shing Lee Enterprise (Hong Kong) Limited Ltd	SILVER HERO VENTURES LTD.	18.18%
	SOCIAL LUCKY INT'L INVESTMENT LTD.	18.18%
	ASIA DYNAMIC OVERSEAS LTD.	10.61%
	BEST PERSPECTIVE OVERSEAS LIMITED	7.58%
	XANADU INTERNATIONAL CO., LTD.	18.18%
	RICH GRADE HOLDINGS LTD.	18.18%
Fubon Life Insurance Co., Ltd.	Fubon Financial Holding Co., Ltd.	100.00%
Taixing Investment Co., Ltd.	Hsueh, Mei-Liang	43.68%
Yueh Hsing Hua Investment Co., Ltd.	Hsueh, Hui-Liang	No information given by the shareholder.
	Hsueh, Mei-Liang	
	Hsueh, Hsia-Liang	
	Hsueh, Chien-Liang	
Union Polymer International Investment Corporation	USI Corporation	100.00%
Taiwan Union International Investment Corporation	UPC Technology Corporation	100.00%
TransGlobe Life Insurance Inc.	Zhongwei Dehui Co., Ltd.	100.00%
China General Terminal & Distribution Co.	China General Plastics Corporation	33.33%
	Asia Polymer Corporation	33.33%
	Taita Chemical Co., Ltd.	33.33%
The First Insurance Co., Ltd.	Jian Cheng Development Co., Ltd.	6.24%
	Osta Trading Co., Ltd.	5.25%
	Sheng Qing Investment Co., Ltd.	4.00%
	Cai Cheng Enterprise Co., Ltd.	3.80%

Name of corporate/ juristic person (Note 1)	Major shareholders of the corporate/juristic person (Note 2)	
	Bao-Shan Construction Co., Ltd.	3.31%
	Jian Yi Industrial Co., Ltd.	2.45%
	Yi Zhi Co., Ltd.	1.64%
	Cai Rui Enterprise Co., Ltd.	1.49%
	Li Yang, Hsiu-Chuan	1.24%
	Chien Chi Co., Ltd.	1.17%
USIFE Investment Co., Ltd.	USI Corporation	100.00%

Note 1: If any major shareholder in Form 1 above is a corporate/juristic person, fill in the name of that corporate/juristic person.

Note 2: Fill in the names of the corporate/juristic person's major shareholders (those with a shareholding ratio ranking among the top 10) and their shareholding ratios.

Note 3: If a corporate/juristic person shareholder is not organized as a company, the shareholder names and shareholding ratios required to be disclosed as mentioned above shall be the names of the capital contributors or donors (for further information, please refer to the announcements of the Judicial Yuan) and their capital contribution or donation rates, respectively. If a donor has died, please further note "deceased."

4. Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and Supervisors and the Independence of Independent Directors:

March 31, 2026

Criteria / Name	Professional qualifications and experience	Independence analysis	Number of other public companies at which the person concurrently serves as an independent director
Wu, Yi-Gui	(1) Now the Chairman and CEO of USI Corporation and its affiliated companies, having professional experience in corporate management and direct supervision of financial supervisor, accounting supervisor, etc. (2) Not fallen under Section 30 of the Company Act.	Not applicable	Not applicable
Hsu, Shan-Ko	(1) Once served as the Chairman of Altek Corporation and Taiwan Mask Corporation, experienced in business operation and management.		

Criteria / Name	Professional qualifications and experience	Independence analysis	Number of other public companies at which the person concurrently serves as an independent director
	(2) Not fallen under Section 30 of the Company Act.		
Cheng, Hui-Ming	(1) Once served as the President of Walsin Lihwa Corporation, experienced in business operation and management. (2) Not fallen under Section 30 of the Company Act.		
Wu, Wen-Hao	(1) Now serving as the President of the Company, having experience of direct supervision of financial supervisor and accounting supervisor and cross-disciplinary integration. (3) Not fallen under Section 30 of the Company Act.		
Wu, Hsien-Tsung	(1) Once served as the President of the Company, experienced in business operation and management. (2) Not fallen under Section 30 of the Company Act.		
Huang, Chun-Hui	(1) Serving as the President of USI Optronics Corporation, experienced in material engineering required by the Company. (2) Not fallen under Section 30 of the Company Act.		
Chen, Ta-Hsiung	(1) Formerly served as Chairman of Pershing Technology Services Corporation and several other companies, with extensive business experience. (2) Not fallen under Section 30 of the Company Act.	(1) Mr. Chen, Ta-Hsiung previously served as an Independent Director of Asia Polymer Corporation (hereinafter referred to as “Asia Polymer”) prior to May 26, 2025. As ACME and Asia Polymer are both subsidiaries of the same parent company, USI Corporation (hereinafter referred to as “USI”), Independent Directors may concurrently serve in such positions pursuant to Article 3, Paragraph 2 of the “Regulations Governing Appointment	1

Criteria / Name	Professional qualifications and experience	Independence analysis	Number of other public companies at which the person concurrently serves as an independent director
		of Independent Directors and Compliance Matters for Public Companies”, and the provisions of Article 3, Paragraph 1, Subparagraphs 2 and 5 to 7 are not applicable. (2) After evaluation, ACME and Asia Polymer do not have the relationship defined as a “specific company” under Article 3, Paragraph 4 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” (which would negate independence if present), and there are no other circumstances listed under Article 3, Paragraph 2, Subparagraph 8.	
Chen, Piao-Chun	(1) Now serving as the Chairman of Elitech Corporation, experienced in business operation and management. (2) Not fallen under Section 30 of the Company Act.	(1) Mr. Chen, Piao-Chun currently serves as an Independent Director for two companies, Taita Chemical Co., Ltd. (hereinafter referred to as “Taita”) and ACME Electronics Corporation (hereinafter referred to as “ACME”). Since Taita and ACME are subsidiaries of the same parent company, USI Corporation, according to Article 3, Paragraph 2 of the “Regulations Governing	1

Criteria / Name	Professional qualifications and experience	Independence analysis	Number of other public companies at which the person concurrently serves as an independent director
		Appointment of Independent Directors and Compliance Matters for Public Companies", Independent Directors may concurrently hold positions across these companies. This arrangement is not subject to the provisions of Article 3, Paragraph 1, Subparagraphs 2, 5 to 7. (2) After evaluation, Taita and ACME do not have the relationship defined as a "specific company" under Article 3, Paragraph 4 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" (which would negate independence if present), and there are no other circumstances listed under Article 3, Paragraph 2, Subparagraph 8.	
Lin, Shun-Tian	(1) PhD in materials science from American University and served as a professor at National Taiwan University of Science and Technology, having the professional qualifications required for the Company's business. (2) Not fallen under Section 30 of the Company Act.	There were no incidents mentioned in Article 3, Paragraph 1 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" in the two years prior to and during his/her term of office.	1
Wang, Ting-Chang	(1) Currently serving as Director and CEO of multiple companies under the Ritek Group. Possesses expertise in corporate operations and	(1) Mr. Wang, Ting-Chang currently served as an Independent Director of China General Plastics	1

Criteria / Name	Professional qualifications and experience	Independence analysis	Number of other public companies at which the person concurrently serves as an independent director
	management, with direct experience supervising financial and accounting supervisor. (2) Not fallen under Section 30 of the Company Act.	Corporation (hereinafter referred to as “CGPC”). As ACME and CGPC are both subsidiaries of the same parent company, USI Corporation, Independent Directors may concurrently serve in such positions pursuant to Article 3, Paragraph 2 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”, and the provisions of Article 3, Paragraph 1, Subparagraphs 2 and 5 to 7 are not applicable. (2) After evaluation, ACME and CGPC do not have the relationship defined as a “specific company” under Article 3, Paragraph 4 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” (which would negate independence if present), and there are no other circumstances listed under Article 3, Paragraph 2, Subparagraph 8.	

5. Diversity and Independence of the Board of Directors:

(1) Diversity of the Board of Directors:

According to Article 20 of the Company's "Corporate Governance Best Practice Principles", diversity shall be considered in the composition of the Company's Board of Directors, and members of the Board of Directors shall possess the knowledge, skills and qualities required to perform their duties. To achieve the ideal goal of corporate governance, the Board of Directors shall possess the following abilities:

(I) Ability to make sound business judgments.

(II) Ability to perform accounting and financial analysis.

(III) Ability to manage a business.

(IV) Ability to handle crisis management.

(V) Knowledge of the industry.

(VI) An international market perspective.

(VII) Leadership skills.

(VIII) Decision-making ability.

In addition to the eight competencies above, the Company has added two professional abilities, namely legal capability and environmental protection for the diversification of the Board members by taking into consideration the growing importance of global issues concerning corporate governance and environmental protection at present. At present, existing members of the Board of Directors possess the knowledge, skills and qualities required to perform their duties, and specialize in professional areas including accounting and finance, international markets, law and environmental protection.

The proportion of female directors on the Company's Board has not yet reached one-third. The primary reason is the industry's characteristics, where women with extensive experience in the field are relatively scarce. Therefore, it is currently challenging to meet the one-third standard in the short term. In the future, the Company will comply with legal requirements to increase the number of female directors to meet the standard. Additionally, when selecting Board candidates, the Company will consider suitable talents from various fields to achieve the goal of Board diversity. In addition, in response to the global trend of placing greater emphasis on corporate sustainability development, the company intends to appoint directors with expertise in relevant fields. This will enhance the company's sustainable competitiveness and improve the effectiveness of the Board of Directors.

(2) Independence of the Board of Directors:

The Company's Independent Director Chen, Piao-Chun has served for more than three consecutive terms. Mr. Chen, Piao-Chun has rich practical experience and expertise in industries such as technology, telecommunications, and microelectronics. Despite serving three consecutive terms as an Independent Director of Acme Electronics Corporation, he consistently demonstrates independent professional judgment and offers constructive advice in both the Audit Committee and the Board of Directors. His contributions are invaluable to Acme Electronics Corporation's transformation and development.

The members of the Board of Directors of the Company are all Taiwan citizens, including 4 Independent Directors, accounting for 40%; 2 Directors with employee status, accounting for 20%. The age distribution of the directors is as follows: one director aged 51–60, three directors aged 61–70, five directors aged 71–80, and one director aged 81–85. None of the directors of the Company have a spouse or relation within the second degree of kinship.

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

March 28, 2026

Position (Note 1)	Nationality	Name	Gender	Date of Appointment to Position	Shares Held		Shares Held by Spouse and Underage Children		Shares Held through Nominees		Principal Work Experience and Academic Qualifications (Note 2)	Concurrent Positions at Other Companies	Managers with a Spousal or Second-Degree Relative Relationship			Remarks (Note 3)
					Number of Shares	Percentage of Ownership (%)	Number of Shares	Percentage of Ownership (%)	Number of Shares	Percentage of Ownership (%)			Position	Name	Relationship	
CEO	Taiwan	Wu, Yi-Gui	Male	2007.03.21	1,510,750	0.71%	—	—	0	0%	Chairman of USI Corporation	(Note 4)	None			(Note 3)
President	Taiwan	Wu, Wen-Hao	Male	2020.07.01	303,245	0.14%	0	0%	0	0%	MBA, University of Warwick, UK PhD in Materials Science and Engineering, School of Engineering, National Chiao Tung University CEO, Solibro Hi-Tech GmbH, Germany Vice President, Adidas Business Unit, Ching Luh Group Director of Production Technology / Global Technical Director, Dow Chemical Production Technology Manager/Director of R&D Division, UltraCap Technologies Corporation Senior Engineer/Project Manager, Chang Chun Petrochemical Co., Ltd.	(Note 5)	None			—
Vice President of the President's office	Taiwan	Liang, Ching-Chin	Male	2016.09.02	55,308	0.03%	0	0%	0	0%	Master of Labor Institute, Culture University Assistant Vice President, ACME Electronics (Kunshan) Assistant Vice President, ACME Electronics (Guangzhou) Head of Human Resources Division, BES Engineering Inc.	Vice President of the President's office ACME (Guangzhou) and ACME (Kunshan)	None			—
Vice President of Research and Development	Taiwan	Chen, Po-Tzu	Male	2015.07.01	138,694	0.07%	0	0%	0	0%	M.S., Institute of Materials, National Taiwan Ocean University Engineer, Santong Aerospace	Head of R&D, ACME (Guangzhou) and ACME (Kunshan)	None			—
Operational Excellence Consultant	Taiwan	Yang, Fu-Tien	Male	2015.09.07	28,000	0.01%	0	0%	0	0%	MBA, United States International University (USIU), San Diego, California Head of Management Consulting Information Division, USI Corporation Head of Information Department, USI Corporation	Vice President, Operational Excellence, ACME (Guangzhou) and ACME (Kunshan)	None			—

Position (Note 1)	Nationality	Name	Gender	Date of Appointment to Position	Shares Held		Shares Held by Spouse and Underage Children		Shares Held through Nominees		Principal Work Experience and Academic Qualifications (Note 2)	Concurrent Positions at Other Companies	Managers with a Spousal or Second-Degree Relative Relationship			Remarks (Note 3)
					Number of Shares	Percentage of Ownership (%)	Number of Shares	Percentage of Ownership (%)	Number of Shares	Percentage of Ownership (%)			Position	Name	Relationship	
											Manager, IT Software Division, Galaxy Software Services Corporation Head of Okayama Income and Expenditure Group, Finance Division, Combined Service Forces (CSF) Deputy Head of Payroll Division, Combined Service Forces (CSF) Adjunct Instructor, Department of Information Management, Defense Management Institute (DMI) Section Chief, Information Center, Finance Division, Combined Service Forces (CSF) Computer Information Officer, Defense Management Center Finance Officer, Federal Finance Agency (FFA)					
Assistant Vice President of Taiwan Business	Taiwan	Wang, Min-Hua	Female	2011.02.21	35,614	0.02%	–	–	0	0%	Bachelor of International Trade, Tamkang University Sales Assistant, Top Marketing Taiwan Corp. Sales Assistant, Kien Hung Shipping Co. Sales Assistant, Daying Baike	Taiwan Business Assistant Vice President, ACME (Guangzhou) and ACME (Kunshan)	None			–
Assistant Vice President, R&D of New Business	Taiwan	Cheng, Kuo-Wei	Male	2024.01.02.	0	0%	0	0%	0	0%	Master, Materials Science and Engineering, National Cheng Kung University Production Manager, FII Plant Manager, TLSG Vietnam Vice President of R&D and Special Assistant of the Chairman, Ting Hsin Group Manager, Chi Mei Optoelectronics & Energy Engineering	ACME Advanced Material (Malaysia) Assistant Vice President	None			–

Position (Note 1)	Nationality	Name	Gender	Date of Appointment to Position	Shares Held		Shares Held by Spouse and Underage Children		Shares Held through Nominees		Principal Work Experience and Academic Qualifications (Note 2)	Concurrent Positions at Other Companies	Managers with a Spousal or Second-Degree Relative Relationship			Remarks (Note 3)
					Number of Shares	Percentage of Ownership (%)	Number of Shares	Percentage of Ownership (%)	Number of Shares	Percentage of Ownership (%)			Position	Name	Relationship	
Assistant Vice President, R&D of Ferrite Core	Taiwan	Chen, Chien-Chi	Male	2019.07.15	73,190	0.03%	24,000	0.01%	0	0%	Master, Materials Science and Engineering, National Tsing Hua University Assistant Vice President, ACME Electronics (Kunshan) Assistant Vice President, ACME Electronics (Guangzhou) Engineer, NetBiz Software Engineer, Sino-American Silicon Products	Assistant Vice President, Ferrite Core Research and Development, ACME (Guangzhou) and ACME (Kunshan)	None			—
Foreign Language Business Assistant Vice President	Taiwan	Shih, Pei-Chao	Male	2021.07.01	0	0%	49	0%	0	0%	Department of Russian, Chinese Culture University Business personnel, Harmony Electronics	Foreign Language Business Assistant Vice President, ACME (Guangzhou) and ACME (Kunshan)	None			—
Assistant Vice President of the Guangzhou Plant	Taiwan	Hsiung, Shao-Yung	Male	2025.04.01	0	0%	0	0%	0	0%	EMBA, Shanghai Jiao Tong University Master, Chemical Engineering, National Central University Special Assistant to the President, Guangde Zhuchang Electronics, Dayu Group Chief Operating Officer, Deluxe Technology General Plant Manager, Thailand Main Plant, New Kinpo Group Legal Representative and General Manager, Jiangsu Quantum Optics Vice President, BASO Precision Optics, Ltd. (Taiwan) President, Jiangsu Yuhan Optoelectronics Plant Manager, Suzhou NB Plant, Hon Hai Precision Industry/Foxconn Technology Group Engineer/Plant Manager, Pegatron Corporation and ASUSTeK Computer Inc.	None	None			—
Corporate Governance Officer	Taiwan	Chen, Yung-Chih	Male	2019.05.07	0	0%	0	0%	0	0%	PhD in Law, University of Munich, Germany Winkler Partners - Attorneys at Law of Taiwan and Foreign Legal Affairs Arbitrator of Chinese Arbitration Association, Taipei	(Note 6)	None			—

Position (Note 1)	Nationality	Name	Gender	Date of Appointment to Position	Shares Held		Shares Held by Spouse and Underage Children		Shares Held through Nominees		Principal Work Experience and Academic Qualifications (Note 2)	Concurrent Positions at Other Companies	Managers with a Spousal or Second-Degree Relative Relationship			Remarks (Note 3)
					Number of Shares	Percentage of Ownership (%)	Number of Shares	Percentage of Ownership (%)	Number of Shares	Percentage of Ownership (%)			Position	Name	Relationship	
Chief Financial Officer	Taiwan	Yvonne Fang	Female	2015.04.01	34,673	0.02%	—	—	0	0%	Bachelor of Accounting, Tamkang University Cashier, William E. Connor (Taiwan) Ltd. Accountant, Tatung Accounting Firm	None	None			—
Accounting Manager (Note 7)	Taiwan	Chih, Mei-Hsuan	Female	2015.02.01	0	0%	0	0%	0	0%	Executive Master of Business Administration (EMBA), National Chengchi University Special Assistant, Finance and Administration Center, Phihong Technology Chief Financial Officer, Wintex Knitwear Corporation Vice President, Finance and Chief Financial Officer, Good Way Technology Co., Ltd. Chief Accountant, Delta Networks, Inc. Senior Assistant Manager of Finance, Delta Electronics	(Note 8)	None			—
Accounting Manager (Note 7)	Taiwan	Tsai, Hsiao-Ping	Female	2026.03.31	0	0%	0	0%	0	0%	Department of Finance, Chaoyang University of Technology Accounting Manager, High-Tek Harness Enterprise Co., Ltd. Director of Finance and Accounting, Nobel Medical Technology Assistant Manager of Finance and Accounting, Holy Stone Enterprise Co., Ltd.	Accounting Manager, USI Optronics Corporation and ACME (Cayman)	None			—

Note 1: The information in this table should be disclosed for the President, Vice Presidents, Assistant Vice Presidents and Heads of Departments and Branches, including all persons in positions equivalent to President, Vice Presidents, or Assistant Vice Presidents, regardless of job title.

Note 2: Specify experience and qualifications related to the current position. If during a period specified above, the person has served in a position at a CPA firm that serves as external auditor/attestor, specify the position held and the duties for which the person was responsible.

Note 3: Where the President or person of an equivalent post (the highest level manager) and the Chairman of the Board of Directors of a company are the same person, spouses, or relatives within the first degree of kinship, a disclosure shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g., increasing the number of Independent Directors and ensuring that a majority of Directors do not concurrently serve as an employee or managerial officer): The Chairman of the Board of Directors also serves as the CEO for the purpose of overall operation. The Chairman of the Board of Directors is given the opportunity to participate in the operation of the Company through his excellent management vision, in order to implement management decisions and enhance operational efficiency. More than half of the members of the Company's current Board of Directors do not serve concurrently as employees or managerial officers. The Company also appoints a major CPA firm to perform audits and established the Audit Committee and the Remuneration Committee to strengthen corporate governance and continues to implement rigorous internal control mechanisms to reduce operational risks.

Note 4: Chairman: USI Corporation, China General Plastics Corporation, Asia Polymer Corporation, Taita Chemical Co., Ltd., Union Polymer International Investment Corporation, USI Optronics Corporation, Swanson Plastics Corporation, Swanson Technologies Corporation, Chong Loong Trading Co., Ltd., USI Investment Co., Ltd., CGPC Polymer Corporation, Asia Polymer Investment Corporation , Taiwan United Venture Capital Corporation, USI Management Consulting Corporation, Taiwan United Venture Management Corporation, ACME Electronics (Cayman) Corporation, USI Education Foundation and Fujian Gulei Petrochemical.

Director: Taiwan VCM Corporation, USI (Hong Kong), Swanlake, USI International, ACME Components (Malaysia), Forever Young, Swanson (Singapore), Swanson (Malaysia), Swanson International, Swanson (India), Swanson (Kunshan), Golden Amber, ACME (Kunshan), ACME (Guangzhou), Taita (BVI), APC (BVI), CGPC (BVI), CGPC America, A.S. Holdings (UK), ASK-Swanson, ACME Ferrite, Swanson (Tianjin), Ever Conquest Global, Ever Victory Global, Dynamic Ever Investments, PT. Swanson Plastics Indonesia, USI Green Energy, USI (Zhangzhou), Emerald Investment, KHL Venture Capital Co., Ltd., KHL IB Venture Capital Co., Ltd., CTCI Group, Acme Advanced Materials, USI (Xiamen), Swanson Technologies (Kunshan)

President: Union Polymer International Investment Corporation, USI Management Consulting Corporation, Dynamic Ever Investments Ltd., Ever Victory Global Ltd.

CEO: USI Corporation, Asia Polymer Corporation, China General Plastics Corporation, Taita Chemical Co., Ltd., and USI Optronics Corporation

Executive Director: Chinese National Federation of Industries

Note 5: Chairman: ACME (Kunshan), ACME (Guangzhou), ACME Components (Malaysia), ACME Ferrite, ACME Advanced Materials

Director: ACME (Cayman), Golden Amber Enterprises, Forever Young, USI Optronics Corporation, Swanson Technologies, Swanson Technologies (Kunshan)

President: ACME Components (Malaysia), ACME Ferrite, Golden Amber Enterprises, ACME Advanced Materials, ACME (Kunshan), ACME (Guangzhou)

Note 6: Director: China General Terminal & Distribution Corp., Continental General Plastics (ZhongShan) Co., Ltd., ACME Electronics (Kunshan) Co., Ltd., ACME Electronics (Guang-Zhou) Co., Ltd., Taita Chemical (ZhongShan) Co., Ltd., Taita Chemical (Tianjin) Co., Ltd., Zhangzhou Taita Chemical Co., Ltd., Zhangzhou Xuteng Property Co., Ltd.

Supervisor: Union Polymer International Investment Corporation, Zhangzhou Taiju Trading Co., Ltd., Chong Loong Trading Co., Ltd., USI Green Energy Corporation, USI Optronics Corporation, Swanson Plastics Corporation, Swanson Plastics (Kunshan) Co., Ltd., Swanson Plastics (Tianjin) Co., Ltd., ASK-Swanson (Kunshan) Co., Ltd., USIFE Investment Co., Ltd., APC Investment Corporation, Taiwan United Venture Capital Corp., Taiwan United Venture Management Corporation, Global Green Technology Corporation, Taiwan VCM Corporation, Cerebra Technologies Co., Ltd., FiduciaEdge Technologies Co., Ltd.

Corporate governance officer: USI Corporation, APC Corporation, China General Plastics Corporation and TTC Corporation, Taiwan VCM Corporation

Note 7: Effective March 31, 2026, Tsai, Hsiao-Ping was appointed as Accounting Manager.

Note 8: Assistant Vice President of Finance and Accounting: Swanson Plastics, Swanson Technologies, Swanson Plastics (Kunshan), ASK-Swanson (Kunshan), Swanson Plastics (Tianjin), Swanson Trading (Kunshan), A.S. Holdings (UK) Limited, Forever Young, Swanson International, Swanson (Singapore), Swanson (Malaysia), Swanson (India), PT. Swanson Plastics Indonesia

Assistant Vice President of Accounting Division: USI Optronics Corporation, Acme (Cayman)

Director: Top-Gold Co., Ltd.

(III) If the President or person of an equivalent post (the highest level manager) and the Chairman of the Board of Directors of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto.

The Chairman of the Board of Directors also serves as the Chief Executive Officer for the purpose of overall operation. The Chairman of the Board of Directors is given the opportunity to participate in the operation of the Company through his excellent management vision, in order to implement management decisions and enhance operational efficiency. More than half of the members of the Company’s current Board of Directors do not serve concurrently as employees or managerial officers. The Company also appoints a major CPA firm to perform audits and established the Audit Committee and the Remuneration Committee to strengthen corporate governance and continues to implement rigorous internal control mechanisms to reduce operational risks.

II. Remuneration Paid to Directors, Independent Directors, Supervisors, President, and Vice Presidents

1. If any of the circumstances listed below applies to the Company, it shall individually disclose the names and remuneration items paid to each director and supervisor. Otherwise, it may opt either to disclose aggregate remuneration information, with the name(s) indicated for each remuneration range, or to disclose the name of each individual and the corresponding remuneration amount. (If individual disclosures are made, please fill in the individual's job title, name, and amounts, and it is unnecessary to fill in the Remuneration Range Table):
   (1) A company that posted an after-tax deficit in the parent company only financial reports or individual financial reports in any of the three most recent fiscal years shall disclose the names and remuneration paid to individual directors and supervisors. This requirement, however, shall not apply if the company has posted net income after tax in the parent company only financial report or individual financial report for the most recent fiscal year and such net income after tax is sufficient to offset the accumulated deficits.
   (2) A company that has had an insufficient director shareholding percentage for 3 consecutive months or longer during the most recent fiscal year shall disclose the remuneration of individual directors; one that has had an insufficient supervisor shareholding percentage for 3 consecutive months or more during the most recent fiscal year shall disclose the remuneration of individual supervisors.
   (3) A company that has had an average ratio of share pledging by directors or supervisors in excess of 50 percent in any 3 months during the most recent fiscal year shall disclose the remuneration paid to each individual director or supervisor having a ratio of pledged shares in excess of 50 percent for each such month.
   (4) If the total amount of remuneration received by all of the directors and supervisors in their capacities as directors or supervisors of all of the companies listed in the financial reports exceeds 2 percent of the net income after tax, and the remuneration received by any individual director or supervisor exceeds NT$15 million, the company shall disclose the remuneration paid to that individual director or supervisor.
   (Note: The amount of remuneration received by the directors and supervisors as referred to above is calculated based on the "Remuneration to Directors" plus "Remuneration to Supervisors" as stated in the Table and does not include any other remuneration received by employees concurrently serving in a director or supervisor position.)

(5) The Company, if listed on the Taiwan Stock Exchange (TWSE) or the Taipei Exchange (TPEx), is ranked in the bottom two tiers in the corporate governance evaluation for the most recent fiscal year, or in the most recent fiscal year or up to the date of publication of the annual report for that year, the company's securities have been placed under an altered trading method, suspended from trading, delisted from the TWSE or the TPEx, or the Corporate Governance Evaluation Committee has resolved that the company shall be excluded from evaluation.

(6) The Company is listed on the TWSE or TPEx and the average annual salary of the full-time non-management employees is less than NT$500,000 in the most recent fiscal year.

(7) The Company is listed on the TWSE or TPEx and the net profit after tax of the Company increased by over 10 percent. However, the average annual salary of full-time non-management employees did not increase compared to the previous year.

(8) The Company is listed on the TWSE or TPEx and the net profit after tax of the Company decreased by over 10 percent, exceeding NT$5 million. Additionally, the average remuneration for each director (excluding remuneration for employees holding concurrent positions) increased by over 10 percent and exceeded NT$100,000.

2. If the circumstance in item (1) or (5) of the preceding point applies to a company listed on the TWSE or the TPEx, it shall disclose the individual remuneration paid to each of its five most senior management personnel (e.g., management personnel such as the President, Vice President(s), CEO, or CFO).

3. Remuneration for general and independent directors

Unit: NT$ thousands

Position	Name	Remuneration of directors								Sum of A+B+C+D and ratio to net income (%) (Note 10)		Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E+F+G and ratio to net income (%) (Note 10)		Remuneration received from investee enterprises other than subsidiaries or from the parent company (Note 11)
		Base compensation (A) (Note 2)		Retirement pay and pension (B)		Director profit-sharing compensation (C) (Note 3)		Expenses and perquisites (D)(Note 4)				Salary, rewards, and special disbursements (E) (Note 5)		Retirement pay and pension (F)		Employee profit-sharing compensation (G) (Note 6)						
		The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company		All consolidated entities (Note 7)		The Company	All consolidated entities (Note 7)	
																Cash amount	Stock amount	Cash amount	Stock amount			
Chairman of the Board	USI Corporation Representative: Wu, Yi-Gui	0	0	0	0	0	0	24	24	24 (0.04%)	24 (0.04%)	2,002	2,002	0	0	0	0	0	0	2,026 (3.05%)	2,026 (3.05%)	12,045
Director	USI Corporation Representative: Hsu, Shan-Ko	800	800	0	0	0	0	144	144	944 (1.42%)	944 (1.42%)	0	0	0	0	0	0	0	0	944 (1.42%)	944 (1.42%)	0
Director	Representative of Asia Polymer Corporation: Cheng, Hui-Ming	800	800	0	0	0	0	144	144	944 (1.42%)	944 (1.42%)	0	0	0	0	0	0	0	0	944 (1.42%)	944 (1.42%)	0
Director	Representative of Asia Polymer Corporation: Wu, Wen-Hao	0	0	0	0	0	0	24	24	24 (0.04%)	24 (0.04%)	5,168	5,168	61	61	0	0	0	0	5,253 (7.91%)	5,253 (7.91%)	0
Director	Taita Chemical Co., Ltd. Representative: Wu, Hsien-Tsung	800	800	0	0	0	0	144	144	944 (1.42%)	944 (1.42%)	0	0	0	0	0	0	0	0	944 (1.42%)	944 (1.42%)	0
Director	Taita Chemical Co., Ltd. Representative: Huang, Chun-Hui	0	0	0	0	0	0	24	20	24 (0.04%)	24 (0.04%)	0	0	0	0	0	0	0	0	24 (0.04%)	24 (0.04%)	4,697
Independent Director	Chang, Lee-Chiou	0	0	0	0	0	0	40	40	40 (0.06%)	40 (0.06%)	0	0	0	0	0	0	0	0	40 (0.06%)	40 (0.06%)	0
Independent Director	Chen, Piao-Chun	800	800	0	0	0	0	174	174	974 (1.47%)	974 (1.47%)	0	0	0	0	0	0	0	0	974 (1.47%)	974 (1.47%)	0
Independent Director	Lin, Shun-Tian	800	800	0	0	0	0	174	174	974 (1.47%)	974 (1.47%)	0	0	0	0	0	0	0	0	974 (1.47%)	974 (1.47%)	0
Independent Director	Wang, Ting-Chang	800	800	0	0	0	0	174	174	974 (1.47%)	974 (1.47%)	0	0	0	0	0	0	0	0	974 (1.47%)	974 (1.47%)	0
Independent Director	Chen, Ta-Hsiung	800	800	0	0	0	0	90	90	890 (1.34%)	890 (1.34%)	0	0	0	0	0	0	0	0	890 (1.34%)	890 (1.34%)	0

1. Please describe the policy, system, standards and structure in place for paying remuneration to directors and describe the relationship of factors such as the duties and risks undertaken and time invested by the directors to the amount of remuneration paid: The remuneration of Independent Directors is determined in accordance with the Company's Articles of Incorporation and the remuneration policies and regulations. It is also determined by their level of participation in the Company's operations, value of their contribution, and median pay in the industry. With the approval of the Remuneration Committee and the resolution of the Board of Directors, the Chairman is authorized to decide the payment amount and payment method according to their participation degree and contribution value in the operation of the Company through the remuneration ceiling. Except for the fixed remuneration, no other consideration is paid each year.
2. In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non-employee consultant to the parent company /any consolidated entities / invested enterprises): None.

Range of Remuneration: Not Applicable

Note: The total annual rent of car rented by directors and employees was NT$215 thousand; the total annual fuel cost was NT$61 thousand. The annual allowance for pension was NT$61 thousand, and the actual payment was NT$0 thousand.
Remuneration paid to Directors from investees other than the Company's subsidiaries or from parent company, including that of 2025.

Note 1: The names of Directors shall be listed separately (for corporate shareholders, their names and the name of their representatives shall be listed separately) and the amount of remuneration paid to them shall be disclosed collectively. Director(s), who is also the President or Vice Presidents, should be listed in this table and Table 5 below.

Note 2: Means the remuneration of the directors for the most recent year (including directors' salary, office bonuses, severance pay, various bonuses, incentive payments, etc.)

Note 3: Fill the amount of rewards approved by the Board of Directors and distributed to the Directors in the most recent fiscal year.

Note 4: Business expenses paid to the Directors in the most recent fiscal year (including services and goods provided such as transportation allowances, special allowances, various allowances, accommodation, and vehicle). If housing, vehicle and other modes of transportation or personal expenses are provided, the nature and cost of the assets provided, the rent fees and fuel cost calculated based on the actual amount or fair market value, and other payments shall be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the Company, excluding remuneration, in a separate note.

Note 5: Salary, job-related allowances, separation pay, various bonuses, incentives, transportation allowance, special allowance, various allowances, accommodation allowance and vehicle received by Directors who concurrently serve as employees (including President Vice Presidents, other managerial officers and employees) in the most recent fiscal year. If housing, vehicle and other modes of transportation or personal expenses are provided, the nature and cost of the assets provided, the rent fees and fuel cost calculated based on the actual amount or fair market value, and other payments shall be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the Company, excluding remuneration, in a separate note. Furthermore, any compensation recognized in the IFRS 2 - "Share-Based Payment" section, including issuance of employee stock options, new restricted employee shares and capital increase by stock subscription, shall be included in the calculation of remuneration.

Note 6: For Directors concurrently serving as employees (including President, Vice President, other managerial officers and employees) who receive employee rewards (including shares and cash), the amount of employee rewards that have been approved by the Board of Directors and are distributed to them in the most recent fiscal year shall be disclosed. If the amount of rewards cannot be estimated, the amount of rewards in the current fiscal year shall be calculated based on the ratio of the amount of rewards distributed in the previous fiscal year, and this amount shall also be filled in Table 1-3.

Note 7: The total amount of all the remuneration paid to the Company's Directors by all the companies in the consolidated financial statements (including the Company) shall be disclosed.

Note 8: The name of each Director shall be disclosed in the range of remuneration corresponding to the amount of all the remuneration paid to the Director by the Company. (Not applicable)

Note 9: The total amount of all the remuneration paid to each Director of the Company by all the companies in the consolidated financial statements (including the Company) shall be disclosed. The name of each Director shall be disclosed in the range of remuneration corresponding to the total amount. (Not applicable)

Note 10: The after-tax net profit refers to the after-tax net profit in the parent company only or individual financial report in the most recent year.

Note 11:

a. The amount of remuneration received from subsidiaries other than investee companies or the parent company by the Company's Directors shall be stated clearly in this column (please specify "none" if there is no remuneration).

b. If a Director of the Company receives remuneration from investee companies other than subsidiaries or the parent company, the amount of remuneration received by the director from investee companies other than subsidiaries or the parent company shall be combined into Column I of the table for ranges of remuneration, and this column shall be renamed as "Parent Company and All Investee Companies".

c. The remuneration means pay, compensation (including compensation of employees, directors and executives) and business expenses received by the Director serving as a director, supervisor or manager of an investee company or parent company of the Company other than subsidiaries.

* A different concept is used for the content of remuneration disclosed in this table compared to that in the Income Tax Act. This table is used for information disclosure, but not for taxation.

4. Remuneration Paid to Supervisors: Not applicable.

5. Remuneration for President and Vice Presidents

Unit: NT$ thousands

Position	Name	Salary (A) (Note 2)		Retirement pay and pension (B)		Rewards and special disbursements (C) (Note 3)		Employee profit-sharing compensation (D) (Note 4)				Sum of A+B+C+D and ratio to net income (%) (Note 8)		Remuneration received from investee enterprises other than subsidiaries or from the parent company (Note 9)
		The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company		All consolidated entities (Note 5)		The Company	All companies in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
CEO	Wu, Yi-Gui	1,402	1,402	0	0	600	600	0	0	0	0	2,002 (3.02%)	2,002 (3.02%)	12,045
President	Wu, Wen-Hao	2,050	2,050	61	61	3,118	3,118	0	0	0	0	5,229 (7.88%)	5,229 (7.88%)	0
Vice President	Liang, Ching-Chin	2,330	2,330	154	154	1,090	1,090	0	0	0	0	3,575 (5.38%)	3,575 (5.38%)	0
Vice President	Chen, Po-Tzu	2,322	2,322	155	155	1,106	1,106	0	0	0	0	3,583 (5.40%)	3,583 (5.40%)	0
Vice President	Tseng, Yuan-Chi	213	213	9	9	36	36	0	0	0	0	258 (0.39%)	258 (0.39%)	0

* Regardless of titles, remunerations of employees with position equivalent to President and Vice President (such as president, CEO, director) shall be disclosed.

* Mr. Tseng Yuan-Chi assumed office as Vice President on December 1, 2025, and his remuneration covers the period from December 1, 2025 to December 31, 2025.

Range of Remuneration: Not Applicable

Note: The total annual rent of car rented was NT$215 thousand; the annual total for cars and fuel costs was NT$395 thousand. The annual allowance for pension was NT$379 thousand, and the actual old-system pension was NT$0 thousand.

Note 1: The name of the President and Vice Presidents shall be listed separately, and the amount of remuneration paid to them shall be disclosed collectively. Director(s), who is also the President or Vice Presidents, is/are already listed in this table and Table 3 above.

Note 2: Fill the salary, job-related allowances and separation pay received by the President and Vice President in the most recent fiscal year.

Note 3: Fill various bonuses, incentives, transportation allowance, special allowance, various allowances, accommodation allowance and vehicle received by President and Vice Presidents in the most recent fiscal year. If housing, vehicle and other modes of transportation or personal expenses are provided, the nature and cost of the assets provided, the rent fees and fuel cost calculated based on the actual amount or fair market value, and other payments shall be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the Company, excluding remuneration, in a separate note. Furthermore, any compensation recognized in the IFRS 2 - “Share-Based Payment” section, including issuance of employee stock options, new restricted employee shares and capital increase by stock subscription, shall be included in the calculation of remuneration.

Note 4: Fill the amount of employee rewards (including shares and cash) that have been approved by the Board of Directors and are distributed to the President and Vice Presidents in the most recent fiscal year. If the amount of rewards cannot be estimated, the amount of rewards in the current fiscal year shall be calculated based on the ratio of the amount of rewards distributed in the previous fiscal year, and this amount shall also be filled in Table 1-3.

Note 5: The total amount of all the remuneration paid to the Company’s President and Vice Presidents by all the companies (including the Company) listed in its consolidated financial statements shall be disclosed.

Note 6: The name of each President and Vice President should be disclosed in the range of remuneration corresponding to the amount of all the remuneration paid to the General Manager and Deputy General Manager by the Company. (Not applicable)

Note 7: The total amount of all the remuneration paid to each general manager and deputy general manager of the company by all the companies (including the company) listed in its consolidated financial statements shall be disclosed. The name of each President and Vice President shall be disclosed in the range of remuneration corresponding to the total amount mentioned in the preceding sentence. (Not applicable)

Note 8: The after-tax net profit refers to the after-tax net profit in the parent company only or individual financial report in the most recent year.

Note 9:

a. This field shall clearly indicate the amount of remuneration received by the Company’s President and Vice President from investees other than subsidiaries or the parent company (if not, please fill in “none”).

b. If a President and Vice President of the Company received remuneration from investees other than subsidiaries of the Company or the parent company, the remuneration received by the President and Vice President of the Company from investees other than subsidiaries of the Company or the parent company shall be included in E column of the Remuneration Range Table and the name of the field shall be changed to “Parent Company and All Investment Companies”.

c. The remuneration refers to the compensation and benefits paid to the Company’s President and Vice President who serve as Directors, Supervisors or managers in the reinvested companies or parent company other than subsidiaries (including remuneration for employees, Directors and Supervisors), professional service fees and relevant benefits.

* A different concept is used for the content of remuneration disclosed in this table compared to that in the Income Tax Act. This table is used for information disclosure, but not for taxation.

6. Remuneration paid to the five remunerated executives of TWSE/TPEx listed company (Note 1)

Position	Name	Salary (A) (Note 2)		Retirement pay and pension (B)		Rewards and special disbursements (C) (Note 3)		Employee profit-sharing compensation (D) (Note 4)				Sum of A+B+C+D and ratio to net income (%) (Note 6)		Remuneration received from investee enterprises other than subsidiaries or from the parent company (Note 7)
		The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company		All consolidated entities (Note 5)		The Company	All companies in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
President	Wu, Wen-Hao	2,050	2,050	61	61	3,118	3,118	0	0	0	0	5,229 (7.88%)	5,229 (7.88%)	0
Consultant	Yang, Fu-Tien	3,008	3,008	108	108	705	705	0	0	0	0	3,821 (5.76%)	3,821 (5.76%)	0
Vice President	Liang, Ching-Chin	2,330	2,330	154	154	1,090	1,090	0	0	0	0	3,575 (5.38%)	3,575 (5.38%)	0
Vice President	Chen, Po-Tzu	2,322	2,322	155	155	1,106	1,106	0	0	0	0	3,583 (5.40%)	3,583 (5.40%)	0
Assistant Vice President	Cheng, Kuo-Wei	2,388	2,388	108	108	311	311	0	0	0	0	2,807 (4.23%)	2,807 (4.23%)	0

Note: The total annual rent of car rented was NT$215 thousand; the annual total for cars and fuel costs was NT$395 thousand. The annual allowance for pension was NT$586 thousand, and the actual old-system pension was NT$0 thousand.

Note 1: The term "top five remunerated officers" refers to the Company's managerial officers. The determination of managerial officers is based on the scope of "managerial officers" as defined in the letter T.C.Z.S.Z. No. 0920001301 dated March 27, 2003, issued by the former Securities and Futures Regulatory Commission of the Ministry of Finance. The calculation and recognition principle of the "top five remunerated" are based on the order of the total amount of salary, pension, bonus and special expenses received by the Company's managerial officers from all the companies in the consolidated financial statements, as well as the total amount of employee compensation (i.e., the total of A+B+C+D). Director(s), who is/are also the aforesaid officer(s), is/are already listed in this table and Table 3 above.

Note 2: Fill only the salary, job bonus and severance pay of the top five remunerated executives in the most recent year.

Note 3: Fill the amount of various bonuses, incentives, transportation allowance, special allowance, various allowances, accommodation and vehicle received by the top five remunerated executives in the most recent fiscal year. If housing, vehicle and other modes of transportation or personal expenses are provided, the nature and cost of the assets provided, the rent fees and fuel cost calculated based on the actual amount or fair market value, and other payments shall be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the Company, excluding remuneration, in a separate note. Furthermore, any compensation recognized in the IFRS 2 - "Share-Based Payment" section, including issuance of employee stock options, new restricted employee shares and capital increase by stock subscription, shall be included in the calculation of remuneration.

Note 4: Fill the amount of employee rewards (including shares and cash) that have been approved by the Board of Directors and are distributed to the top five remunerated executives in the most recent fiscal year. If the amount of rewards cannot be estimated, the amount of rewards in the current fiscal year shall be calculated based on the ratio of the amount of rewards distributed in the previous fiscal year, and this amount shall also be filled in Table 1-3.

Note 5: The total amount of all the remunerations paid to the Company's top five remunerated executives by all the companies (including the Company) listed in its consolidated financial statements shall be disclosed.

Note 6: The after-tax net profit refers to the after-tax net profit in the parent company only or individual financial report in the most recent year.

Note 7:

a. This field shall clearly indicate the amount of remuneration received by the Company's top five remunerated executives from investees other than a subsidiary or from the parent company (if not, please fill in "none").

b. The remuneration means pay, compensation (including compensation of employees, directors and supervisors) and business expenses received by the top five remunerated executives serving as a director, supervisor or manager of an investee company or parent company of the Company other than subsidiaries.

* A different concept is used for the content of remuneration disclosed in this table compared to that in the Income Tax Act. This table is used for information disclosure, but not for taxation.

7. Names and Distributions of Employee Profit-Sharing Compensation to Managerial Officers

As of December 31, 2025; Unit: NT$ thousands

	Position (Note 1)	Name (Note 1)	Stock amount	Cash amount	Total	Ratio of total amount to net income (%)
President	CEO	Wu, Yi-Gui	0	0	0	0
	President	Wu, Wen-Hao				
	Vice President	Liang, Ching-Chin				
	Vice President	Chen, Po-Tzu				
	Consultant	Yang, Fu-Tien				
	Vice President	Tseng, Yuan-Chi (Note 5)				
	Assistant Vice President	Wang, Min-Hua				
	Assistant Vice President	Chen, Chien-Chi				
	Assistant Vice President	Shih, Pei-Chao				
	Assistant Vice President	Cheng, Kuo-Wei				
	Assistant Vice President	Chiu, Shih-Che (Note 6)				
	Assistant Vice President	Hsiung, Shao-Yung (Note 7)				
	Chief Financial Officer	Yvonne Fang				
	Accounting Manager	Tsai, Hsiao-Ping (Note 8)				
	Accounting Manager	Chih, Mei-Hsuan (Note 9)				
	Accounting Manager	Lin, Su-Ying (Notes 9)				
	Corporate Governance Officer	Chen, Yung-Chih				

Note 1: Names and job titles should be disclosed individually, but profit distributions received may be disclosed in aggregate.

Note 2: Fill in the amount of employee profit-sharing compensation (including stocks and cash) received by the managerial officers as approved or expected to be approved by the Board of Directors for the most recent fiscal year. If the amount cannot be forecasted, disclose the amount expected to be distributed by calculating pro-rata to the amount that was actually distributed in the preceding fiscal year. If the Company has already adopted the IFRS, net income means the net income after tax on the parent company only or individual financial report for the most recent fiscal year.

Note 3: The applicable scope of "managerial officers" is defined under the 27 March 2003 FSC Order No. Tai-Cai-Zheng-III-0920001301 as persons in the following positions:
(1) President(s) and equivalent level positions
(2) Vice President(s) and equivalent level positions
(3) Assistant Vice President(s) and equivalent level positions
(4) Chief officer of the finance division
(5) Chief officer of the accounting division
(6) Other persons who have the power to manage affairs and sign for the Company

Note 4: If any Director, President or Vice President receives profit-sharing compensation (including stocks or cash), complete this table in addition to Table 1-2.

Note 5: Vice President Tseng, Yuan-Chi assumed office on December 1, 2025, and was terminated from the position on January 1, 2026.

Note 6: Assistant Vice President Chiu, Shih-Che was terminated from the position on January 16, 2026.

Note 7: Assistant Vice President, Shao-Yung assumed office on April 1, 2025.

Note 8: Accounting Manager Tsai, Hsiao-Ping assumed office on March 31, 2026, while Chih, Mei-Hsuan was terminated from the position on the same day.

Note 9: Accounting Manager Chih, Mei-Hsuan assumed office on February 1, 2025, while Lin, Su-Ying was terminated from the position on the same day.

8. Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by this company and by each other company included in the consolidated financial statements during the past 2 fiscal years to Directors, Supervisors, President, and Vice Presidents, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

Year / Category	2025		2024	
	The Company	All companies in the financial statements	The Company	All companies in the financial statements
Director	(10.18%)	(10.18%)	4.30%	4.30%
Directors (including Remuneration received for concurrent service an employee)	(21.07%)	(21.07%)	8.61%	8.61%
President and Vice Presidents	(22.06%)	(22.06%)	7.84%	7.84%

(1) Policies, standards and packages of remuneration

The remuneration of Directors shall be in accordance with the Article 18-1 of the Articles of Incorporation of the Company: Regardless of operating profit or loss, the directors shall be remunerated according to the degree of their participation in the operation of the Company and the value of their contributions to the Company, with reference to the domestic industry level. The remuneration shall not exceed 1% of the profit of the current year according to Article 34 of the Articles of Incorporation of the Company. The aforesaid remuneration was determined with reference to the Company's operations performance and the performance evaluation results of the Directors. In addition, the transportation allowances shall be paid according to the resolution of the shareholders' meeting, except that Managerial Officers who concurrently serves as a Director of the Company shall not receive the transportation allowance. The periodic evaluation of directors' performance includes the mastery of the Company's objectives and tasks, the directors' awareness of their duties and responsibilities, their participation in the Company's operations, the operation and communication of internal relations, the directors' professional and continuing education, and internal control.

Managerial remuneration shall be determined in accordance with the Company's relevant personnel policies and Article 34 of the Articles of Incorporation, subject to approval by the Board of Directors, and established with reference to operating performance. Operational performance is evaluated across various dimensions, including financial (operating revenue, operating profit, and pre-tax net profit), customer (customer satisfaction, service quality, key market development, etc.), product (brand management, quality innovation, etc.), talent (talent cultivation, potential development, etc.), safety (zero pollution, zero emissions, zero occupational injuries, zero accidents, zero failures), and projects (digital transformation, energy saving and carbon reduction, circular economy, net-zero emissions, etc.). Among these, sustainability-related indicators must account for at least 30% of the weighting, with climate-related items comprising at least 10%. Relevant indicators are established based on the short-, medium-, and long-term planning of the sustainability vision and goals outlined in the ESG report.

The packages of remuneration paid by the Company shall be determined by the organizational regulations of the Remuneration Committee, including cash remuneration, stock options, dividends, retirement benefits or severance pay, various allowances and other measures with substantial incentives; Its scope is consistent with that of directors and managerial officers in the criteria of annual retribution records of public companies.

(2) Procedures for determining remuneration

In order to periodically evaluate the remuneration of directors and managers, the results of the evaluation are based on the Board Performance Evaluation Guidelines and the Group Employee Performance Appraisal Measures applicable to managers and employees of the Company, respectively.

The performance evaluation and the reasonableness of the remuneration of directors and managerial officers are regularly evaluated and reviewed by the Remuneration Committee and the Board of Directors on an annual basis, with reference to the achievement rate of performance and contribution to the Company, the overall operational performance of the Company, the future risks and development trends of the industry, and the timely review of the remuneration system from time to time in light of the actual operating conditions and relevant laws and regulations, in order to provide reasonable remuneration for the Company’s balance of sustainable operation and risk control.

(3) The linkage to operating performance and future risk exposure:

The Remuneration Committee references the Company’s overall business performance, outlook of the industry, business risks, and development trends and evaluates the performance targets of the Company’s Directors and managerial officers to establish the content and amount of their remuneration individually. The Committee forms recommendations and submits them to the Board of Directors for passage. The Committee reviews the remuneration system for the Company’s Directors and managerial officers any time in light of the actual operating conditions and relevant laws and regulations and should not guide the Company’s Directors and managerial officers to pursue compensation and engage in behaviors beyond the Company’s risk appetite.

III. The state of the company's implementation of corporate governance:

(I) Operation of the Board of Directors:

A total of six (6) meetings (A) were held by the Board of Directors in the most recent fiscal year (2025). The attendance of the members of the Board was as follows:

Position	Name	1st meeting 2025.3.4	2nd meeting 2025.3.27	3rd meeting 2025.4.16	4th meeting 2025.5.2	5th meeting 2025.8.5	6th meeting 2025.11.4	Actual Attendance (B)	No. of meetings attended by proxy	Rate of Attendance in Person (%) [B/A] (Note 2)	Remarks
Chairman of the Board	Wu, Yi-Gui (Representative of USI Corporation)	◎	◎	◎	◎	◎	◎	6	0	100	
Director	Hsu, Shan-Ko (Representative of USI Corporation)	☆	◎	◎	◎	◎	☆	4	2	66.67	
Director	Cheng, Hui-Ming (Representative of Asia Polymer Corporation)	☆	◎	◎	◎	◎	◎	5	1	83.33	
Director and President	Wu, Wen-Hao (Representative of Asia Polymer Corporation)	◎	◎	◎	◎	◎	◎	6	0	100	
Director	Wu, Hsien-Tsung (Representative of Taita Chemical Co., Ltd.)	◎	◎	◎	◎	◎	◎	6	0	100	
Director	Huang, Chun-Hui (Representative of Taita Chemical Co., Ltd.)	◎	◎	◎	◎	◎	◎	6	0	100	
Independent Director	Chen, Ta-Hsiung	—	—	—	—	◎	◎	2	2	100	Newly appointed: 2 meetings expected to attend
Independent Director	Chen, Piao-Chun	◎	◎	◎	◎	◎	◎	6	0	100	
Independent Director	Lin, Shun-Tian	◎	◎	◎	◎	◎	◎	6	0	100	
Independent Director	Wang, Ting-Chang	◎	◎	◎	◎	◎	◎	6	0	100	
Independent Director	Chang, Lee-Chiou	◎	—	—	—	—	—	1	1	100	Formerly in office: 1 meeting expected to attend

Note 1: For a director or supervisor that is a juristic person (corporate entity), disclose the name of the corporate shareholder and the name of its representative.

Note 2:

(1) If any director or supervisor left office before the end of the fiscal year, specify the date that they left office in the Remarks column. Their in-person attendance rate (%) should be calculated based on the number of Board meetings held and the number they attended in person during the period they were in office.

(2) If any by-election for supervisors was held before the end of the fiscal year, the names of the new and old supervisors should be filled in the table, with a note stating whether the supervisor left office, was newly serving, or was serving consecutive terms, and the date of the by-election. The in-person attendance rate (%) should be calculated based on the number of meetings attended in person during the period of each such supervisor’s actual time in office.

Note 3: Attendance in person: ◎; Attendance by proxy: ☆.

Note 4: On March 25, 2025, Independent Director Chang Li-Chiu resigned.

Note 5: On May 27, 2025, at the Annual General Meeting, Chen, Ta-Hsiung was elected as an independent director.

Other information required to be disclosed:

I. If any of the following circumstances exists, specify the Board meeting date, meeting session number, content of the motion(s), the opinions of all the independent directors, and the measures taken by the Company based on the opinions of the Independent Directors.

(I) Matters specified in Article 14-3 of the Securities and Exchange Act: The Company has established an Audit Committee; therefore, the provisions of Article 14-3 of the Securities and Exchange Act are not applicable. For related information, please refer to the section on the Operation of the Audit Committee in this annual report.

(II) In addition to the matters referred to above, any dissenting or qualified opinion of an Independent Director that is on record or stated in writing with respect to any Board resolution: None.

II. The status of implementation of recusals of directors with respect to any motions with which they may have a conflict of interest: specify the director's name, the content of the motion, the cause for recusal, and whether and how the director voted:

Name of Director	The content of the motion	The cause for recusal	Whether and how the director voted	Remarks
Wu, Yi-Gui, Wu, Wen-Hao Chang, Lee-Chiou	Proposal to lift competition restrictions against director. competition	The recused Director is the subject in the removal of the non-compete clause.	Did not participate in voting	The 9th meeting of the 12th term 2025.3.4
Wu, Yi-Gui, Wu, Wen-Hao	Proposal to provide endorsement and guarantee to Acme Electronics (Kunshan) Co., Ltd., a subsidiary of the Company.	The recused Director has an interest due to serving as a director of Acme Electronics (Kunshan) Co., Ltd.	Did not participate in voting	
Wu, Yi-Gui	Donation to the USI Education Foundation.	The recused Director has an interest due to serving as a director of the foundation.	Did not participate in voting	
Wang, Ting-Chang	Proposal to lift competition restrictions against director. competition	The recused Director is the subject in the removal of the non-compete clause.	Did not participate in voting	The 11th meeting of the 12th term 2025.4.16

III. For a TPEx listed company, disclose information including the evaluation cycle and period(s) of the Board of Directors' self-evaluations (or peer evaluations) and the evaluation method and content.

Execution of evaluation of the Board of Directors in 2025:

Evaluation cycle (Note 1)	Evaluation period (Note 2)	Scope of evaluation (Note 3)	Evaluation method (Note 4)	Evaluation content (Note 5)
Conducted every three years	From January 1, 2025 to December 31, 2025	Board performance evaluation	Evaluation by external professional institutions	The scope of the Board Performance Evaluation covers four major dimensions: I. Board professional competence (Board composition and structure; selection and continuing education of directors). II. Board decision-making effectiveness (level of participation in the Company's operations; enhancement of decision-making quality). III. Board oversight of internal control (degree of attention to and supervision of internal control). IV. Board commitment to sustainable development.
Once a year	From January 1, 2025 to December 31, 2025	Board performance evaluation	Internal self-evaluation of the Board of Directors	The performance evaluation metrics for the Board of Directors shall cover the following five key aspects: I. Degree of participation in company operations II. Improving the quality of Board decisions III. Composition and structure of the Board of Directors IV. Election and continuing education of directors V. Internal control
Once a year	From January 1, 2025 to December 31, 2025	Performance evaluation of individual director	Self-evaluation by directors	The self-performance evaluation metrics for individual directors shall cover the following six key aspects: I. Mastery of the Company's goals and tasks II. Recognition of directors' responsibilities III. Degree of participation in company operations IV. Management and communication of the internal relations V. Expertise and continuing education of the Directors VI. Internal control
Once a year	From January 1, 2025 to	Performance evaluation of the	Self-evaluation of the members of functional	The performance evaluation metrics for functional committees shall cover the following five key aspects:

Evaluation cycle (Note 1)	Evaluation period (Note 2)	Scope of evaluation (Note 3)	Evaluation method (Note 4)	Evaluation content (Note 5)
	December 31, 2025	Functional Committee (Audit Committee, Remuneration Committee, ESG Committee)	committees	I. Degree of participation in functional committees II. Understanding of the Functional Committee's duties III. Improvement of the decision-making quality of the Functional Committee IV. Composition of the Functional Committee and selection of committee members V. Internal control

※ The results of the performance evaluation of the Board of Directors and the functional committees in 2025 were reported to the first meeting of the Board of Directors in 2026 (March 4, 2026) and were disclosed on the Company's website after the meeting.

Note 1: Fill in the cycle on which the Board evaluations are performed, for example: performed once per year.

Note 2: Fill in the period covered by the Board evaluation, for example: an evaluation was performed of the performance of the Board of Directors from January 1, 2025, to December 31, 2025.

Note 3: The scope of the evaluation should cover the performance of the Board as a whole, the individual directors, and the functional committees.

Note 4: The performance evaluation methods may include internal evaluation by the board, self-evaluations by individual board members, peer evaluations by Board members, evaluations external organizations or experts engaged for that purpose, or other suitable method.

Note 5: The evaluation content shall include at least the following based on the scope of the evaluation:

(1) Evaluation of the performance of the Board should include at least the following: degree of the board's participation in the operation of the company; the quality of the board's decision making; composition and structure of the board; election and continuing education of the directors; internal control.

(2) Evaluation of the performance of individual directors should include at least the following: familiarity with the goals and missions of the company; awareness of the duties of a director; participation in the operation of the company; management of internal relationships and communication; the director's professionalism and continuing education; internal control.

(3) Evaluation of the performance of the functional committees: degree of participation in the operation of the company; awareness of the duties of the functional committee; quality of decisions made by the

functional committee; makeup of the functional committee and election of its members; internal control.

IV. Give an evaluation of the targets that were adopted for strengthening of the functions of the Board during the current and immediately preceding fiscal years (e.g., establishing an audit committee, increasing information transparency, etc.) and the measures taken toward achievement thereof.

1. The operation of the Board of Directors of the Company is carried out in accordance with laws and regulations, the Company's articles of Incorporation, and the resolutions of the shareholders' meeting. All directors, in addition to possessing the necessary professional knowledge, skills, and literacy to perform their duties, adhere to the principle of loyalty, integrity, and duty of care, and create the maximum benefits for all shareholders.
2. The Company constantly pays attention to changes in laws and regulations of the competent authority, reviews its Rules of Procedure for Board of Directors' Meetings and Rules Governing the Scope of Powers of Independent Directors, and evaluates its Audit Committee Charter and Remuneration Committee Charter in due course. The Company really seeks to improve information transparency in accordance with the amended laws, and the implementation of these regulations has been favorable.
3. In order to implement corporate governance, safeguard shareholders' interests and to strengthen the functions of the Board of Directors, the Corporate Governance Officer was established to support operations of the Board on May 7, 2019.
4. The Company has formed functional committees such as the Remuneration Committee, the Audit Committee, and the ESG Committee in 2011, 2014, and 2023, respectively, and continues to improve the effectiveness of these functional committees.
5. The Company's website and the Market Observation Post System disclose relevant information on the Company's compliance with related regulations and major resolutions of the Board of Directors to help shareholders understand the Company's development and enhance the transparency of the Company's information.

6. The Company organizes 6 hours of directors training sessions each year and assists directors to participate in external corporate governance courses.

Below details the continued training sessions attended by the Company's Directors in 2025:

Position	Name	Date of Course	Sponsor	Course Title	Training Hours
Chairman of the Board	Wu, Yi-Gui	2025/7/29	Securities & Futures Institute	Empirical Case Studies of Smart Manufacturing and Digital Decision-Making	3
		2025/10/16	Securities & Futures Institute	Post-U.S. Election Outlook: U.S.–China Economic Relations and Taiwan's Industrial Prospects	3
Director	Hsu, Shan-Ko	2025/8/22	Chinese National Association of Industry and Commerce	2025 Taishin/Shin Kong Net-Zero Summit Forum	3
		2025/9/26	Securities & Futures Institute	2025 Insider Trading Prevention Seminar	3
Director	Cheng, Hui-Ming	2025/8/18	Taipei Foundation of Finance	Corporate Governance: Responsibilities and Obligations of Companies and Directors/Supervisors under the Securities and Exchange Act	3
		2025/10/16	Securities & Futures Institute	Post-U.S. Election Outlook: U.S.–China Economic Relations and Taiwan's Industrial Prospects	3
Director and President	Wu, Wen-Hao	2025/7/29	Securities & Futures Institute	Empirical Case Studies of Smart Manufacturing and Digital Decision-Making	3
		2025/10/16	Securities & Futures Institute	Post-U.S. Election Outlook: U.S.–China Economic Relations and Taiwan's Industrial Prospects	3
Director	Wu, Hsien-Tsung	2025/7/29	Securities & Futures Institute	Empirical Case Studies of Smart Manufacturing and Digital Decision-Making	3
		2025/10/16	Securities & Futures Institute	Post-U.S. Election Outlook: U.S.–China Economic Relations and Taiwan's Industrial Prospects	3
Director	Huang, Chun-Hui	2025/7/29	Securities & Futures Institute	Empirical Case Studies of Smart Manufacturing and Digital Decision-Making	3

Position	Name	Date of Course	Sponsor	Course Title	Training Hours
		2025/10/16	Securities & Futures Institute	Post-U.S. Election Outlook: U.S.–China Economic Relations and Taiwan's Industrial Prospects	3
Independent Director	Chen, Ta-Hsiung	2025/4/29	Corporate Operating and Sustainable Development Association	Understanding Regulatory Oversight for Senior Executives of Listed and OTC Companies	3
		2025/6/10	Taiwan Corporate Governance Association	Practical Operation of the ESG Committee (Chief Sustainability Officer and Working Groups)	3
		2025/6/18	Institute of Financial Law and Crime Prevention	Case Studies on Disputes in Shareholders' Meetings	3
		2025/7/29	Securities & Futures Institute	Empirical Case Studies of Smart Manufacturing and Digital Decision-Making	3
Independent Director	Chen, Piao-Chun	2025/7/29	Securities & Futures Institute	Empirical Case Studies of Smart Manufacturing and Digital Decision-Making	3
		2025/10/16	Securities & Futures Institute	Post-U.S. Election Outlook: U.S.–China Economic Relations and Taiwan's Industrial Prospects	3
Independent Director	Lin, Shun-Tian	2025/6/12	Securities & Futures Institute	Transformation Opportunities and Challenges for Taiwan's Industries under Geopolitical Dynamics – An Exclusive PMI/NMI Analysis	3
		2025/6/17	Securities & Futures Institute	Advanced Topics in Corporate Governance: ESG	3
		2025/10/16	Securities & Futures Institute	Post-U.S. Election Outlook: U.S.–China Economic Relations and Taiwan's Industrial Prospects	3
Independent Director	Wang, Ting-Chang	2025/7/29	Securities & Futures Institute	Empirical Case Studies of Smart Manufacturing and Digital Decision-Making	3
		2025/10/16	Securities & Futures Institute	Post-U.S. Election Outlook: U.S.–China Economic Relations and Taiwan's Industrial Prospects	3

V. In 2024, a by-election was held for independent directors, and the continuing education content and hours completed by the newly appointed independent director, Mr. Wang, Ting-Chang, fully complied with Article 14, Paragraph 3 of the Taipei Exchange Directions for Compliance Requirements for the Appointment and Exercise of Powers of the Boards of Directors of TPEx Listed Companies and the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies. The Company has also duly disclosed the relevant information.

(II) The state of operations of the audit committee or the state of participation in Board meetings by the supervisors:

1. Operation of the Audit Committee:

(1) The Audit Committee is composed of four independent directors, namely, Chen, Piao-Chun, Lin, Shun-Tian, Wang, Ting-Chang and Chen, Ta-Hsiung, and held five meetings in 2025 with 100% of the members attending in person. The terms of reference of the Audit Committee and the highlights of its work and operation in 2025 are as follows:

- ◆ Adoption or amendment of internal control systems in accordance with Article 14-1 of the Securities and Exchange Act
- ◆ Assessment of the effectiveness of the internal control system
- ◆ Pursuant to Article 36-1 of the Securities and Exchange Act, formulate or revise procedures for major financial business actions including the acquisition or disposal of assets, engaging in derivative trading, loaning of funds to others, making endorsement or guarantees for others
- ◆ Matters concerning the personal interests of Directors
- ◆ Significant asset or derivative transactions.
- ◆ Significant loans, endorsements or guarantees of funds.
- ◆ The offering, issuance, or private placement of equity-type securities
- ◆ Appointment, dismissal and compensation of CPAs.
- ◆ Appointment and dismissal of finance manager, accounting manager, and head of internal audit
- ◆ Review the annual financial report signed or stamped with the seal of the

Chairman, managerial officer, and Accounting Manager.

- ◆ Accept and deal with whistle-blowing cases in accordance with the functions listed in this article
- ◆ Other material matters as may be required by the Company or by the competent authority

■ Review financial statements:

The Company's 2025 Business Report prepared by the Board of Directors, the Financial Report audited and certified by CPAs Chang, Cheng-Hsiu and Chiu, Cheng-Chun of Deloitte, Taiwan (including the consolidated financial statements and the parent company only financial statements), and the proposal for deficit compensation, have been reviewed by the Audit Committee who found them to be compliant with regulations.

■ Appointment of CPAs

The Audit Committee is held responsible for supervising the independence and competence of the CPA to ensure the integrity of financial statement. In order to ensure the independence and competence of CPAs, the Company makes reference to Section 47 of the Certified Accountants Act and Bulletin No.10 of the Code of Ethics for CPAs, and the audit quality indicators prescribed by the Financial Supervisory Commission (FSC). The criteria were also compared with information from peers in the accounting profession.

On March 4, 2025, during the 8th meeting of the 4th term of Audit Committee and the 9th meeting of the 12th term of Board of Directors, it was reviewed and approved that CPAs Chang, Cheng-Hsiu and Chiu, Cheng-Chun of Deloitte Taiwan meet the standards for independence and competence assessments, and are deemed qualified to serve as the certifying accountants for the Company for fiscal year 2025.

(2) A total of 5 meetings (A) were held by the Audit Committee in the most recent fiscal year (2025). The attendance of Independent Directors was as follows:

Position	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) (B/A) (Note 1, Note 2)	Remarks
Independent Director	Chang, Lee-Chiou	1	0	100	Reappointed (Reelected on 5/26/2023) Resigned on March 25, 2025
Independent Director	Chen, Piao-Chun	5	0	100	Reappointed (Reelected on 5/26/2023)
Independent Director	Lin, Shun-Tian	5	0	100	Reappointed (Reelected on 5/26/2023)
Independent Director	Wang, Ting-Chang	5	0	100	Assumed office on 5/28/2024
Independent Director	Chen, Ta-Hsiung	2	0	100	Assumed office on 5/27/2025

Note 1: If any independent director left office before the end of the fiscal year, specify the date that they left office in the Remarks column. Their in-person attendance rate (%) should be calculated based on the number of audit committee meetings held and the number they attended in person during the period they were in office.

Note 2: If any by-election for independent directors was held before the end of the fiscal year, the names of the new and old independent directors should be filled in the table, with a note stating whether the independent director left office, was newly serving, or was serving consecutive terms, and the date of the by-election. The in-person attendance rate (%) should be calculated based on the number of board meetings held and the number attended in person during the period of each such person's actual time in office.

Other information required to be disclosed:

I. If any of the following circumstances exists, specify the audit committee meeting date, meeting session number, content of the motion(s), the content of any dissenting or qualified opinion or significant recommendation of the independent directors, the outcomes of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee.

(I) Any matter under Article 14-5 of the Securities and Exchange Act:

Audit Committee	Proposal and Follow-up Actions	Items specified in Article 14-5 of the Securities and Exchange Act	RESOLUTIONS NOT APPROVED BY THE AUDIT COMMITTEE BUT APPROVED BY 2/3 OF ALL DIRECTORS
March 4, 2025 The 8th meeting of the 4th term of Audit Committee	1. Proposal to change the Company's Accounting Manager.	Yes	None
	2. Proposal to approve the non-compete activities of the Company's Accounting Manager.	Yes	None
	3. Proposal to prepare the 2024 Account Book for discussion.	Yes	None
	4. Proposal to approve the 2024 loss offset.	Yes	None
	5. Proposal to lift the non-compete restrictions on directors.	Yes	None
	6. Proposal to provide endorsement and guarantee to ACME Electronics (Kunshan) Co., Ltd, a subsidiary of the Company.	Yes	None
	7. Proposal to evaluate the independence and competence of the appointed CPAs in 2025 for discussion.	Yes	None
	8. Proposal to appoint CPAs for 2025.	Yes	None
	9. Proposal to amend the "Procedures for Pre-Approval of Non-Assurance Services Provided by the Certifying CPA Firm" and to appoint the CPA to perform non-assurance services for 2025.	Yes	None
	10. Proposal to issue the 2024 Statement on Internal Control Systems for discussion.	Yes	None
	Resolution result of the Audit Committee: All members of the audit committee agree to adopt and submit to the Board of Directors for resolution. The Company's actions in response to the opinions of the Audit Committee: Except for the withdrawal of interested directors, other present directors agree to pass.		
April 16, 2025 The 9th meeting of the 4th term of Audit Committee	1. Proposal to lift the non-compete restrictions on directors.	Yes	None
	Resolution result of the Audit Committee: All members of the audit committee agree to adopt and submit to the Board of Directors for resolution. The Company's actions in response to the opinions of the Audit Committee: Except for the withdrawal of interested directors, other present directors agree to pass.		
May 2, 2025 The 10th meeting of the 4th term of Audit Committee	1. Proposal to prepare the Q1 2025 consolidated financial statements for discussion.	Yes	None
	Resolution result of the Audit Committee: All members of the audit committee agree to adopt and submit to the Board of Directors for resolution. The Company's actions in response to the opinions of the Audit Committee: All Directors present voted in favor of the resolution.		
August 5, 2025 The 11th meeting of the 4th term of Audit Committee	1. Proposal to prepare the Q2 2025 consolidated financial statements for discussion.	Yes	None
	2. Proposal to amend the Company's internal control system for discussion.	Yes	None
	Resolution result of the Audit Committee: All members of the audit committee agree to adopt and submit to the Board of Directors for resolution. The Company's actions in response to the opinions of the Audit Committee: All Directors present voted in favor of the resolution.		
The 12th meeting of	1. Proposal to prepare the Q3 2025 consolidated financial statements for discussion.	Yes	None

Audit Committee	Proposal and Follow-up Actions	Items specified in Article 14-5 of the Securities and Exchange Act	RESOLUTIONS NOT APPROVED BY THE AUDIT COMMITTEE BUT APPROVED BY 2/3 OF ALL DIRECTORS
the 4th term of Audit Committee on 11/4/2025	2. Proposal on remuneration for CPAs of the Company for 2025 for discussion.	Yes	None
	3. Proposal to amend the Company's internal control system for discussion.	Yes	None
	4. Proposal to formulate the 2026 Internal Audit Plan for discussion.	Yes	None
	5. Proposal to amend the Regulations on Financial Transactions between Related Parties, Specific Companies, and Corporate Groups for discussion.	Yes	None
	Resolution result of the Audit Committee: All members of the audit committee agree to adopt and submit to the Board of Directors for resolution. The Company's actions in response to the opinions of the Audit Committee: All Directors present voted in favor of the resolution.		

(II) In addition to the matters referred to above, any matter that was not approved by the audit committee but was approved by a two-thirds or greater majority resolution of the board of directors: None.

II. Implementation of recusals of independent directors with respect to any motions with which they may have a conflict of interest: specify the independent director's name, the content of the motion, the cause for recusal, and whether and how the independent director voted: None.

III. Communication between the independent directors and the chief internal audit officer and the CPAs that serve as external auditor (including any significant matters communicated about with respect to the state of the company's finances and business and the method(s) and outcomes of the communication.)

(1) CPAs compile information on the audit of the Company's consolidated financial statements (annual financial statements including parent company only financial statements) and review of governance-related matters and report them to and communicate with the Audit Committee in accordance with the Auditing Standards Bulletin No. 39 - "Communication with Audited Governance Units" and the letter Tai Tsai Cheng 6 No. 0930105373 issued by Securities and Futures Bureau on March 11, 2004, or convene a symposium report and communication at least once a year without the presence of general directors and management; Ad hoc meetings may be convened in the event of major anomalies. Both the Company's Audit Committee and CPAs have maintained good communications.

Summary of communication between the Audit Committee and CPAs in 2024:

Date	Key points of communication	Recommendations and results
March 4, 2025 The 8th meeting of the 4th term of Audit Committee	CPAs reported the status of audit of the Company's 2024 Financial Statements, as well as discussed and responded to questions raised by members of the Audit Committee.	No objections
November 4, 2025 Meeting held without the presence of general directors and management	The implementation of the review of the consolidated financial statements of Q3 2025 by the CPAs, as well as the report of audit plan and key audit matters of the statements for 2025.	No objections

(2) In addition to submitting monthly audit reports to each independent director for review, the internal audit department also reports major audit findings to the independent directors at each quarterly Audit Committee meeting. The chief internal audit officer further reports and communicates with the independent directors at least once a year in a meeting held without the presence of general directors and management. Meetings may also be convened at any time in the event of significant irregularities. The Audit Committee maintains effective communication with the chief internal audit officer.

Summary of communications between the Audit Committee and the Head of Internal Audit in 2025:

Date	Key points of communication	Recommendations and results
March 4, 2025 The 8th meeting of the 4th term of Audit Committee	1. Audit execution report for November–December 2024 and January–February 2025. 2. Approved the issuance of the 2024 Statement on Internal Control System	No objections
May 2, 2025 The 10th meeting of the 4th term of Audit Committee	1. Audit execution report from March to April 2025.	No objections
August 5, 2025 The 11th meeting of the 4th term of Audit Committee	1. Audit execution report from May to July 2024. 2. Approved the amendment to the internal control system.	No objections
November 4, 2025 Meeting held without the presence of general directors and management	1. Audit execution report from August to October 2025. 2. Approved the amendment to the internal control system. 3. The 2026 internal audit annual plan report	No objections

2. Participation of supervisors in the operations of the Board of Directors: Not applicable.

(III) Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons.

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
I. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?	V		The Company has established its "Corporate Governance Best Practice Principles" and complied with the "Corporate Governance Best Practice Principles for TWSE or TPEx Listed Companies" to promote the implementation of corporate governance and discloses such information on its own website.	No significant deviations
II. Shareholding Structure and Shareholders' Rights				
(I) Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	V		The Company has a dedicated person to deal with shareholders' suggestions or disputes.	No significant deviations
(II) Does the Company know the identity of its major shareholders and the parties	V		The Company has been maintaining contact with its major shareholders and persons who have ultimate control over the major shareholders.	No significant deviations

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
with ultimate control of the major shareholders?				
(III) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?	V		The Company has established the “Regulations Governing the Supervision of Subsidiaries” to control the operation of affiliated companies.	No significant deviations
(IV) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	V		**Insider Trading Prevention Measures** The Company provides regular annual education and training on the “Procedures for Handling Internal Material Information” and relevant regulations to all incumbent directors, managers, and employees. For newly appointed directors, managers, and employees, training is conducted immediately upon their appointment or onboarding. In 2025, through online courses and testing-based education, we conducted training for a total of 300 participants, accumulating 300 training hours. The detailed course topics and hours are as follows: [Integrity Training and Assessment] Employee Code of Conduct (Part I): 1 hour of training and assessment (including prevention of insider trading) [Integrity Training and Assessment] Employee Code of Conduct (Part II): 1 hour of training and assessment (including prevention of insider trading)	No significant deviations

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
			The insider trading assessment materials cover Article 157-1 of the Securities and Exchange Act, including its scope and constituent elements, the definition and disclosure principles of material information, identification of insiders and regulated persons, legal liabilities for the disclosure of non-public information, as well as prevention measures and practical case analysis from a corporate governance perspective. In addition, online course materials and presentation slides are made available on the internal training platform, allowing all employees to access them for learning at any time.	
III. Composition and responsibilities of the Board of Directors (I) Have a diversity policy and specific management objectives been adopted for the Board and have they been fully implemented?	V		I. Board diversity policy According to Article 20 of the Company's "Corporate Governance Best Practice Principles", diversity shall be considered in the composition of the Company's Board of Directors, and members of the Board of Directors shall possess the knowledge, skills and qualities required to perform their duties. To achieve the ideal goal of corporate governance, the Board of Directors shall possess the following abilities: (I) Ability to make sound business judgments. (II) Ability to perform accounting and financial analysis. (III) Ability to manage a business. (IV) Ability to handle crisis management. (V) Knowledge of the industry. (VI) An international market perspective.	No significant deviations

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
			(VII) Leadership skills. (VIII) Decision-making ability. In addition to the eight competencies above, the Company has added two professional abilities, namely legal capability and environmental protection for the diversification of the Board members by taking into consideration the growing importance of global issues concerning corporate governance and environmental protection at present. At present, existing members of the Board of Directors possess the knowledge, skills and qualities required to perform their duties, and specialize in professional areas including accounting and finance, international markets, law and environmental protection. II. Specific Management Objectives for Diversity of Board Members The proportion of female directors on the Company's Board has not yet reached one-third. The primary reason is the industry's characteristics, where women with extensive experience in the field are relatively scarce. Therefore, it is currently challenging to meet the one-third standard in the short term. In the future, the Company will comply with legal requirements to increase the number of female directors to meet the standard. Additionally, when selecting Board candidates, the Company will consider suitable talents from various fields to achieve the goal of Board diversity. In addition, in response to the global trend of placing greater emphasis on corporate sustainability development, the company intends to appoint directors with expertise in relevant fields. This will enhance the company's sustainable competitiveness and improve the effectiveness of the Board of Directors.	

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	

III. Implementation of diversification of board members
For details on the diversity of Board members, refer to the table below:

Name of Director	Gender	Core item of diversification									
		Operating judgment	Accounting and finance	Business management	Crisis management	Knowledge of the industry	International markets	Leadership	Decision-making ability	Legal	Environmental protection
Wu, Yi-Gui	Male	V	V	V	V	V	V	V	V		
Hsu, Shan-Ko	Male	V	V	V	V			V	V		
Cheng, Hui-Ming	Male	V	V	V	V			V	V		V
Wu, Wen-Hao	Male	V	V	V	V	V	V	V	V	V	V
Wu, Hsien-Tsung	Male	V	V	V	V	V	V	V	V	V	V
Huang, Chun-Hui	Male	V		V	V	V		V	V		
Chen, Ta-Hsiung	Male	V	V	V	V		V	V	V	V	
Chen, Piao-Chun	Male	V	V	V	V			V	V		
Lin, Shun-Tian	Male	V		V	V	V	V		V		V
Wang, Ting-Chang	Male	V	V	V	V	V	V	V	V		

※ The Company’s directors with employee status accounted for 20%. 40% of directors are independent directors.

※ The age distribution of directors is as follows: 1 director aged 51~60, 3 directors aged 61~70, 5 directors aged 71~80, and 1 director aged over 80.

※ Reason for continuing nomination of Independent Directors who have served three consecutive terms: Mr. Chen, Piao-Chun has rich practical experience and expertise in industries such as technology, telecommunications, and microelectronics. Despite serving three

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
			consecutive terms as an independent director of ACME Electronics Corporation, he consistently demonstrates independent professional judgment and offers constructive advice in both the Audit Committee and the Board of Directors. His contributions are invaluable to ACME Electronics Corporation's transformation and development.	
(II) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee?	V		The Company has established a Remuneration committee and an Audit Committee and exercises its authority in accordance with its Remuneration Committee Charter and Audit Committee Charter with favorable performance. The Company voluntarily established an ESG Committee that operates smoothly in accordance with the "Organizational Procedures for the ESG Committee" and exercises its duties.	No significant deviations
(III) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining	V		I. External evaluation of the performance of the Board of Directors and evaluation results 1. To strengthen corporate governance, enhance the functions of the Board of Directors, and improve overall Board effectiveness through clearly defined performance objectives, the Company has adopted the "Board Performance Evaluation Guidelines" as approved by the Board. In accordance with these Guidelines, the Board performance evaluation shall be conducted at least once every three years by an external independent professional institution or a team of external experts and scholars.	No significant deviations

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
salary/compensation for individual directors and their nomination and additional office terms?			2. The Company engaged the Taiwan Institute of Ethical Business to conduct the Board effectiveness evaluation. The evaluation was led by Attorney Hsu, Yu-Wei. The evaluation year was 2025, covering the period from January 1, 2025 to December 31, 2025. The institution and its evaluation team had no financial, business, or other relationships with the Company in the most recent year that could affect their professional judgment or independence, and have not provided the Company with any other consulting or auditing-related services. This ensures the objectivity and impartiality of the evaluation process, and an independence statement has been issued. The evaluation was conducted based on four major dimensions, including Board professional competence, Board decision-making effectiveness, the Board's attention to and oversight of internal control, and the Board's commitment to sustainable development. The evaluation methods included reviewing relevant internal policies and records, completion of evaluation questionnaires by Board members, and one-on-one interviews with individual directors. The evaluation results were reported to the Board of Directors on November 4, 2025. 3. The procedures for the external evaluation of Board performance are as follows: (1) The external institution provides the list of required documents and evaluation questionnaires.	

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
			(2) The Company submits the required documents and completes the evaluation questionnaires. (3) The external institution conducts a documentary review of the materials provided by the Company and, where necessary, requests additional information or clarification. (4) The external institution conducts meetings and interviews with the Company's directors and relevant personnel to gain an in-depth understanding of the actual operation of the Board. (5) The external institution prepares and issues the Board effectiveness evaluation report. 4. Evaluation results – overall observations and conclusions (1) Directors are provided with sufficient opportunities for discussion during meetings. However, the depth and frequency of Board discussions on risk management remain relatively limited. For strategic planning and risk management matters, the Board relies heavily on reports from the management team, which may constrain the Board members' ability to fully exercise their decision-making functions. (2) The Company places a high level of importance on risk management and internal control mechanisms. Through the formulation of an annual audit plan, which is submitted to the Board for review and approval, the Company ensures that audit activities are closely aligned with overall strategic objectives and comprehensive risk assessments. The	

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
			Company continuously monitors the implementation of its internal control system and actively promotes improvements based on audit findings to ensure regulatory compliance and effective risk mitigation in its operational processes. Through a top-down approach, the Company is committed to establishing a comprehensive and integrated risk management framework and embedding a risk management culture across all levels of the organization. This not only enhances control over internal risks but also strengthens the Company's ability to respond to rapid changes in the external environment, thereby improving overall resilience and supporting sustainable operations. (3) All directors recognize the importance of sustainability-related issues and affirm the need for their continued promotion and development. Overall, the Company enhances talent development and succession effectiveness through well-structured compensation incentives, training programs, and diversified succession planning mechanisms, while leveraging group-wide resources. This ensures the Company's sustainable and stable operations. 5. Evaluation results – recommendations for improvement (1) Enhancing Board diversity The Company currently has a Board comprising ten directors; however, it is noted that there are presently no female directors. In light of the Company's proactive efforts to respond to rapidly changing market	

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
			conditions and to advance diversification strategies, including the gradual expansion into new business areas beyond its traditional operations, the composition of the Board should evolve accordingly to reflect the Company's diversified development needs. Against this backdrop, it is recommended that the Company actively consider introducing female directors from the perspective of gender diversity. This would not only broaden the diversity of viewpoints in decision-making but also enhance the Company's corporate image and its commitment to social responsibility. In addition, as the Company has pursued transformation in recent years, the complexities arising from diversified operations have led to the expansion of Board membership to include individuals with relevant industry expertise and experience. This helps ensure that the Board can provide broader and more forward-looking professional advice in response to key strategic adjustments and the development of new business initiatives. To systematically promote Board diversity and strengthen talent development, it is further recommended that the Company consider establishing a Nomination Committee and formulating clear and actionable director nomination policies. Such policies may include, but are not limited to, gender diversity, diversity of professional expertise, and depth of experience. In addition, the establishment of an appropriate director talent pool is recommended to facilitate the	

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
			ongoing identification and development of potential director candidates aligned with the Company’s strategic needs. (2) Optimizing the risk assessment and management mechanism and enhancing Board-level discussions on risk management. The Company is currently in the process of transformation to strengthen its competitiveness. However, changes in business scope and scale involve different areas of expertise, making it essential to ensure that audit activities are planned and conducted based on the level of risk. Although the Company has not established a dedicated Risk Management Committee, risk management functions have been assigned to the Audit Committee, which exercises its responsibilities in accordance with relevant regulations. Accordingly, the Audit Committee may further review matters such as risk assessment and the planning of audit activities to ensure that risks arising from expanded operations and diversified business activities are properly managed. It is recommended that the Company enhance both the frequency and depth of Board discussions on risk-related decision-making and encourage directors to take a more proactive role in strategic risk assessment and management, rather than relying solely on reports from the management team. The Board may also consider setting specific agenda items for in-depth discussions or arranging ad hoc risk-focused reports to strengthen directors’ understanding and oversight of key risks.	

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
			(3) Reviewing the appropriateness of performance evaluation standards and talent acquisition strategies, and strengthening succession planning and talent development. Talent cultivation and human capital development are indispensable to sustainable corporate operations and constitute a key aspect of ESG value. To a large extent, effective talent development depends on the establishment of transparent and appropriate performance evaluation standards and employee compensation mechanisms. The Company may consider continuously enhancing succession planning for mid- to senior-level management and refining appropriate performance evaluation standards. By establishing transparent and forward-looking performance metrics and well-structured compensation systems, the Company can improve employee engagement and retention, thereby ensuring a stable and competitive talent pool as a solid foundation for sustainable development. In addition to strengthening internal talent development, the Company is also advised to enhance strategies for external talent acquisition and cultural integration. In particular, for key positions and emerging business areas, the Company should actively balance internal and external talent resources to foster organizational vitality and innovation. Furthermore, the Board of Directors should continue to closely monitor the development of the succession pipeline. It is	

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
			recommended that reporting on succession planning and talent acquisition policies be included more frequently in Board meetings, enabling the Board to regularly assess progress in talent development and identify potential gaps, and to adjust relevant strategies in a timely manner. 6. The Company's future improvement plan The Company will continue to enhance its Board operations and corporate governance framework by taking into consideration the results of the external Board performance evaluation and the recommendations provided. Based on the key areas for improvement, the Company has formulated the following action plans. (1) Board diversity The Company plans to appoint an additional female director in the next Board re-election in 2026 to achieve its gender diversity objective. In addition, in response to the global trend of placing greater emphasis on corporate sustainability development, the company intends to appoint directors with expertise in relevant fields. This will enhance the company's sustainable competitiveness and improve the effectiveness of the Board of Directors. (2) Strengthening the risk management system and enhancing overall risk response and management effectiveness The Company will continue to regularly review and assess various	

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
			operational risks. Based on the nature of each risk, responsible units will be tasked with risk identification, evaluation, and the formulation and implementation of appropriate response measures, with oversight provided by senior management and the Board of Directors. (3) Enhancing human resource and performance management systems, and strengthening talent development and succession planning The Company will continue to review the appropriateness of its existing performance evaluation and related supporting mechanisms to ensure alignment with its business strategies and talent development objectives. The Board of Directors will also continue to monitor the implementation of talent development and succession planning. Through systematic review and tracking mechanisms, the Company will ensure the effective execution of relevant initiatives to support its long-term stable operations and sustainable development. II. The performance evaluation of the overall Board of Directors and individual board members 1. The Company evaluates the performance of the overall Board of Directors and individual board members at the end of each year in accordance with the “Board Performance Evaluation Guidelines” amended and adopted by the Board in November 2025.	

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status (Note)</th><th rowspan="2">Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td></td><td></td><td></td><td>
2. The performance evaluation of the overall Board of Directors and individual board members is carried out by the Board Secretary’s Office in the form of internal self-evaluation. The results of performance assessments are used as basis for the Company’s review and improvement and as reference in determining remuneration for individual Directors, their nomination and additional office term.
3. The Company completed the performance evaluation in January 2026 for the evaluation period from January 1 to December 31, 2025. The evaluation results are summarized as follows:
(1) Performance of the Board of Directors
<table>
<tr><th>Assessment Aspect</th><th>Score (Note)</th><th>Evaluation results and additional explanation:</th></tr>
<tr><td>Degree of participation in company operations</td><td>4.67</td><td rowspan="5">1. The evaluation result of the Board of Directors shows that the average scores of the five major dimensions are all above 4.6 points, an embodiment of a good evaluation result.
2. Looking ahead to 2026, although global inflationary pressures have gradually eased, uncertainties remain in market demand and investment momentum due to interest rate policies of major economies, geopolitical developments, and inventory cycles in the electronics industry. With the rapid growth of the semiconductor and advanced electronics sectors, the electronic materials industry is facing multiple challenges, including accelerated technological iteration, shortened product life cycles, and increasingly stringent performance specifications.</td></tr>
<tr><td>Improving the quality of Board decisions</td><td>5</td></tr>
<tr><td>Composition and structure of the Board of Directors</td><td>5</td></tr>
<tr><td>Election and continuing education of directors</td><td>4.67</td></tr>
<tr><td>Internal control</td><td>5</td></tr>
</table>
</td><td></td></tr>
</table>

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	

		In response to fluctuations in raw material prices and increasingly stringent environmental regulations, the Company will strengthen its risk management mechanisms to enhance operational resilience. From a strategic perspective, the Company will focus on core technologies and high value-added products, deepen relationships with key customers, and diversify its market presence through optimized product portfolios and broader deployment strategies to mitigate market risks. At the same time, the Company will actively promote process optimization and energy conservation and carbon reduction initiatives to achieve its sustainable development objectives. The management team will prudently respond to industry changes, balancing risk management with growth opportunities to drive the Company's steady development.

Note: Evaluation scores are on a scale of 0 to 5, with a maximum of 5 points.

(2) Performance of individual director

Assessment Aspect	Score (Note)	Evaluation results and director suggestions
Mastery of the Company's goals and tasks	4.73	The directors' self-evaluation result shows that the average scores of the five major dimensions are all above 4.6 points, an embodiment of a good evaluation result.
Recognition of directors' responsibilities	4.95	
Degree of participation in company operations	4.77	
Management and communication of the internal relations	4.60	
Expertise and continuing education of the Directors	4.80	
Internal control	4.83	

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status (Note)</th><th rowspan="2">Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td></td><td></td><td></td><td>
Note: Evaluation scores are on a scale of 0 to 5, with a maximum of 5 points.

(3) The results of the performance evaluation of the overall Board of Directors and individual director members will be reported to the Board in Q1 2026.

III. Performance evaluation of the Audit Committee and the Remuneration Committee
The Company completed the performance evaluation in January 2026 for the evaluation period from January 1 to December 31, 2025. The evaluation results are summarized as follows:

1. Performance of the Audit Committee
<table>
<tr><th>Assessment Aspect</th><th>Score (Note)</th><th>Evaluation Result</th></tr>
<tr><td>Degree of participation in the Audit Committee</td><td>4.88</td><td rowspan="5">The Audit Committee’s self-evaluation result shows that the average score of the five aspects is above 4.46, which is a good evaluation result.</td></tr>
<tr><td>Understanding of the Audit Committee’s duties</td><td>4.65</td></tr>
<tr><td>Improvement of the decision-making quality of the Audit Committee</td><td>4.86</td></tr>
<tr><td>Composition of the Audit Committee and selection of committee members</td><td>4.92</td></tr>
<tr><td>Internal control</td><td>4.67</td></tr>
</table>
Note: Evaluation scores are on a scale of 0 to 5, with a maximum of 5 points.
</td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status (Note)</th><th rowspan="2">Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td></td><td></td><td></td><td>
2. Performance of the Remuneration Committee
<table>
<tr><th>Assessment Aspect</th><th>Score (Note)</th><th>Evaluation Result</th></tr>
<tr><td>Degree of participation in the Remuneration Committee</td><td>4.83</td><td rowspan="4">The Remuneration Committee’s self-evaluation result shows that the average score of the four aspects is above 4.4, which is a good evaluation result.</td></tr>
<tr><td>Understanding of the Remuneration Committee’s roles and responsibilities</td><td>4.67</td></tr>
<tr><td>Improvement in the Remuneration Committee’s decision-making quality</td><td>4.81</td></tr>
<tr><td>Composition and member selection of the Remuneration Committee</td><td>4.89</td></tr>
</table>
Note: Evaluation scores are on a scale of 0 to 5, with a maximum of 5 points

3. Performance of the ESG Committee
<table>
<tr><th>Assessment Aspect</th><th>Score (Note)</th><th>Evaluation Result</th></tr>
<tr><td>Degree of participation in the ESG Committee</td><td>4.80</td><td rowspan="4">The ESG Committee’s self-evaluation result shows that the average score of the four aspects is above 4.8, which is a good evaluation result.</td></tr>
<tr><td>Understanding of the ESG Committee’s duties</td><td>4.80</td></tr>
<tr><td>Improvement of the decision-making quality of the ESG Committee</td><td>4.97</td></tr>
<tr><td>Composition of the ESG Committee and selection of committee members</td><td>4.90</td></tr>
</table>
Note: Evaluation scores are on a scale of 0 to 5, with a maximum of 5 points.
</td><td></td></tr>
<tr><td>(IV) Does the Company regularly evaluate its external auditors’ independence?</td><td>V</td><td></td><td>4. The performance evaluation results of the functional committees were submitted to the Board of Directors in Q1 2026.
The Audit Committee of the Company evaluates the independence and competency of its CPAs, requires the CPA audit member group providing the Declaration of Independence and the Audit Quality Indicators (AQIs),</td><td>No significant deviations</td></tr>
</table>

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
			and evaluate according to the standards in the table below and the five dimensions of AQIs (including 13 indicators). It is confirmed that there is no other financial interest and business relationship with the Company except for the audit fee, and that their family members do not violate the independence requirements, and by referring to the AQI index information, it is confirmed that the number of training hours of the CPAs and the CPA firm is better than the average level of the industry, and the turnover rate of the auditors above the management level (excluding the CPA) is lower than the average of the industry. In addition, they will introduce audit innovation tools, expand audit support center and introduce cloud audit platform to improve audit quality. The results of the latest annual assessment were discussed and approved by the Audit Committee on March 4, 2026, and were submitted to the Board of Directors for resolution on the independence and competency assessment of the CPAs on the same day.	

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status (Note)</th><th rowspan="2">Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><th>Item</th><th>Evaluation Result</th><th>Independence of the CPAs</th></tr>
<tr><td>1. As of the most recent assurance operation, no CPA has yet to be replaced for seven (7) years.</td><td>Yes</td><td>Yes</td></tr>
<tr><td>2. The CPA does not have significant financial interest in his/her trustor.</td><td>Yes</td><td>Yes</td></tr>
<tr><td>3. The CPA avoids any inappropriate relationship with his/her trustor.</td><td>Yes</td><td>Yes</td></tr>
<tr><td>4. The CPA should ensure that his/her assistants are honest, fair and independent.</td><td>Yes</td><td>Yes</td></tr>
<tr><td>5. The CPA may not perform audit and assurance services on the financial statements of companies he/she has served within two (2) years before practicing.</td><td>Yes</td><td>Yes</td></tr>
<tr><td>6. The CPA may not permit others to practice under his/her name.</td><td>Yes</td><td>Yes</td></tr>
<tr><td>7. The CPA does not own any shares of the Company and its affiliated companies.</td><td>Yes</td><td>Yes</td></tr>
<tr><td>8. The CPA has not engaged in lending and borrowing of money with the Company and its affiliated companies.</td><td>Yes</td><td>Yes</td></tr>
<tr><td>9. The CPA has not engaged in joint investments or benefit sharing with the Company or its affiliated companies.</td><td>Yes</td><td>Yes</td></tr>
<tr><td>10. The CPA does not concurrently serve as a regular employee of the Company or its affiliated companies and does not receive a fixed salary from them.</td><td>Yes</td><td>Yes</td></tr>
<tr><td>11. The CPA is not involved in the decision-making process of the Company and its affiliated companies.</td><td>Yes</td><td>Yes</td></tr>
<tr><td>12. The CPA does not concurrently engage in other businesses that may lead to loss of independence.</td><td>Yes</td><td>Yes</td></tr>
<tr><td>13. The CPA does not have a spouse, immediate family members or relatives within the second degree of kinship who serve in the senior management of the Company.</td><td>Yes</td><td>Yes</td></tr>
<tr><td>14. The CPA has not collected any commission related to his/her service.</td><td>Yes</td><td>Yes</td></tr>
<tr><td>15. As of now, the CPA has not engaged in any matter that may result in disciplinary actions taken against him/her or damage to the principle of independence.</td><td>Yes</td><td>Yes</td></tr>
</table>
</td><td></td></tr>
<tr><td>IV. Does the TWSE/TPEx listed company have in place an adequate number of qualified</td><td>V</td><td></td><td>In order to safeguard the interests of the shareholders and strengthen the functions of the Board of Directors, the Company has appointed Chen, Yung-Chih, Head of Legal Division, as the Corporate Governance Officer, the top-level manager in charge of</td><td>No significant deviations</td></tr>
</table>

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?			corporate governance, as approved by the Board of Directors on May 7, 2019. Mr. Chen, Yung-Chih has more than 20 years of experience as a practicing lawyer and over 10 years as the manager of the legal affairs unit of a listed company. His main duties include related affairs of Board meetings and shareholders' meetings, production of meeting minutes for board meetings and shareholders' meetings, assisting Directors in taking office and continuing education, providing data required by Directors to perform their duties, assisting Directors in legal compliance, reporting the examination results of independent directors' qualifications to the Board of Directors during nomination, appointment, and tenure, and managing matters related to changes in the Board of Directors. Key points for business execution in 2025: 1. Assisted Directors in performing their duties, provide the necessary information, arrange continuing education for Directors, and process liability insurance. (1) Compile the latest laws and regulations related to the business areas and corporate governance of the Company, put them forward at the Board of Directors meeting for discussion, and keep members of the Board informed accordingly from time to time. (2) Assist Directors, upon request, in understanding the regulations to be complied with in the execution of their duties. (3) Provide corporate information required by the Directors and assist them with communication and interaction with supervisors in various business categories.	

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
			(4) Assist Independent Directors in arranging meetings with the chief internal auditor or CPAs to understand the financial and business needs of the Company. (5) Assist the Company in arranging at least 6 hours of continuing education courses for members of the Board of Directors. (6) Verify that the Company has purchased the "liability insurance for Directors and key persons" for members of the Board of Directors and reported to the Board of Directors. 2. Handle matters related to the proceedings of Board of Directors' meetings and shareholders' meetings and confirmed compliance matters of resolutions. (1) Prepare notice and agenda of Board of Directors meetings in accordance with laws; where Directors have to recuse themselves from the agenda items, they shall be reminded beforehand; the minutes shall be prepared within the statutory time limit. (2) Register the date of the shareholders' meeting in advance according to the law and prepare the meeting notice, handbook, and meeting minutes within the statutory time limit. (3) Confirm that the convening of the Board of Directors meetings and shareholders' meetings, procedures for resolutions, and minutes of the said meetings are in compliance with relevant laws and regulations and the Corporate Governance Best Practice Principles. (4) Handle matters related to registration changes involving the Board of Directors and shareholders' meetings.	

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
			3. Confirm the qualifications of independent directors and handle matters related to changes in the Board of Directors: (1) Confirm that the qualifications of independent directors meet relevant laws and regulations during nomination, appointment, and tenure, and report the examination results to the Board of Directors. (2) Handle matters related to changes in the Board of Directors in accordance with the law. 4. Maintain investor relations: The Company updates website information from time to time to keep investors abreast of the Company's financial, business, and corporate governance information and protect the interests of shareholders. Continuing education in 2025: According to Article 24 of the "Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers", TWSE-listed companies are required to arrange continuing professional education for its corporate governance officer. In addition to the minimum of 18 hours of training for the first-time corporate governance officer within one year from the date he/she assumes the position, he/she should have at least 12 hours of training per year.	

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
			In 2025, Chen, Yung-Chih, Corporate Governance Officer of the Company, had completed 50 hours of continuing education classes. The contents of the classes are as follows:	

Course Date	Sponsor	Course Title	Training Hours
2025/2/13	Taiwan Institute for Sustainable Energy	The 39th TCCS Board Meeting and CEO Seminar	2
2025/4/24	Taiwan Institute for Sustainable Energy	The 40th TCCS Board Meeting and CEO Seminar	2
2025/5/16	Securities & Futures Institute	2025 Insider Trading Prevention Seminar	3
2025/7/9	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	6
2025/7/25	Securities & Futures Institute	Promotion of the 2025 Equity Transfer by Insiders of Listed Companies and Legal Compliance	3
2025/7/29	Securities & Futures Institute	Empirical Case Studies of Smart Manufacturing and Digital Decision-Making	3
2025/8/22	Chinese National Association of Industry and Commerce	2025 Taishin/Shin Kong Net-Zero Summit Forum	3
2025/8/29	Taiwan Stock Exchange	Enhancing Climate Information Disclosure to Improve Corporate Climate Resilience	3
2025/9/12	Taiwan Institute for Sustainable Energy	2025 SDGs Asia Forum – 4th Hydrogen Forum	2
2025/10/3	Securities & Futures Institute	2025 Insider Trading Prevention Seminar	3
2025/10/16	Financial Supervisory Commission	The 15th Taipei Corporate Governance Forum (TAICGOF)	6
2025/10/16	Securities & Futures Institute	Post-U.S. Election Outlook: U.S.–China Economic Relations and Taiwan’s Industrial Prospects	3
2025/10/17	Taiwan Institute for Sustainable Energy	The 41st TCCS Board Meeting and CEO Seminar	2
2025/10/28	Taiwan Corporate Governance Association	Fubon Insurance Seminar (October 2025): AI Applications and Corporate Governance	3

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
			2025/11/21 — Securities & Futures Institute — Promotion of the 2025 Equity Transfer by Insiders of Listed Companies and Legal Compliance — 3 2025/12/5 — Securities & Futures Institute — New Approaches to Corporate Risk Hedging: Addressing Exchange Rate Challenges and Asset Management Trends — 3	
V. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	V		The Company's ESG website has a stakeholder zone, with communication channels for contact information.	No significant deviations
VI. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?		V	The Company itself deals in its own share-related matters and handles issues related to shareholders' meetings in accordance with the law.	The Company handles its own shares-related affairs to ensure quality and efficiency.

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
VII. Information Disclosure (I) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status?	V		The Company has disclosed various business, financial, and corporate governance information on the Market Observation Post System (MOPS) and the Company's website in accordance with regulations.	No significant deviations
(II) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?	V		The Company has appointed specific personnel in charge of the collection and disclosure of Company information and has implemented a spokesperson system.	No significant deviations
(III) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating		V	The Company has not announced and declared its annual financial report within two months after the end of the fiscal year but has announced and declared its quarterly financial reports, monthly revenue, and endorsement and guarantee information in advance of the specified period.	No significant deviations

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
statements for each month before the specified deadlines?				
VIII. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	V		(1) Continued training of Directors: The Company encourages continued training of directors by providing them with various continued training information, providing continued training courses from time to time, inviting directors to participate in corporate governance related courses, disclosing them in the annual report and uploading announcements to the MOPS. (2) Directors' attendance at board meetings: disclosed in the annual report and uploaded to the MOPS. (3) Implementation of risk management policies and risk measurement standards: The Company has formulated operating procedures and internal control systems, clearly stipulated the authorized limit, implemented internal audit to control risks, and disclosed them in the annual report. (4) Implementation of consumer protection or customer protection policies: The Company has a quality policy, which aims to improve the quality of products and services, and continues to work hard to improve customer satisfaction. The Company also maintains good relationships with suppliers based on the principles of good faith and mutual benefits. The Company attaches great importance to customers' expectations of product and service quality, and conducts customer satisfaction surveys twice a year on a regular basis to facilitate immediate understanding of customer needs. (5) Implementation of directors' avoidance of interest related proposals: The	No significant deviations

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
			Company's directors adhere to the principle of high self-discipline and are not allowed to participate in voting on proposals listed by the Board of Directors if there is a risk of interest related harm to the Company's interests. (6) Purchasing insurance for Directors: the Company has purchased D&O insurance for Directors and managerial officers, and announced relevant information on the MOPS. (7) Social responsibility: In addition to focusing on the business development of the Company, the Company has attached great importance on social responsibilities such as social welfare, and discloses it in the annual report.	
IX. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement. (If the Company was not included among the companies evaluated for the given recent year, this item does not need to be completed.): Improvements made: 1. The "Corporate Value Enhancement Plan" section has been submitted to the Board of Directors and disclosed on the Market Observation Post System (MOPS). (No. 1.5) 2. The "Board Performance Evaluation Guidelines" clearly stipulate that an external evaluation shall be conducted at least once every three years, and the most recent external evaluation has been duly completed. (No. 2.23)				

Note: Regardless of whether "Yes" or "No" is ticked regarding the implementation status, an explanation should still be provided in the explanation column for each item.

(IV) If the company has a remuneration committee or nomination committee in place, the composition and operation of such committee shall be disclosed.

1. Composition and operation of the Remuneration Committee

(1) Information on the members of the Remuneration Committee

December 31, 2025

Title (Note 1)	Name	Professional qualification and experience (Note 2)	Independence analysis (Note 3)	Number of other public companies at which the person concurrently serves as remuneration committee member
Independent Director (Convener)	Chen, Piao-Chun	Now serving as the Chairman of Elitech Corporation, experienced in business operation and management.	There were no incidents mentioned in Article 3, Paragraph 1 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" in the two years prior to and during his/her term of office.	0
Independent Director	Chen, Ta-Hsiung	Formerly served as Chairman of Pershing Technology Services Corporation and several other companies, with extensive business experience.	There were no incidents mentioned in Article 3, Paragraph 1 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" in the two years prior to and during his/her term of office.	1
Independent Director	Lin, Shun-Tian	PhD in materials science from American University and served as a professor at National Taiwan University of Science and Technology, having the professional qualifications required for the Company's business.	There were no incidents mentioned in Article 3, Paragraph 1 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" in the two years prior to and during his/her term of office.	1

Note 1: Please specifically fill in the number of years of relevant work experience, and the professional qualifications and experience, and the status of independence, of each remuneration committee member. If the member is an independent director, you may add a note directing readers to refer to the relevant information in Table 1 Information on Directors and Supervisors (1) on p. 11. For "Capacity," please specify whether the member is an independent director or other (if the member is the convenor, please note that fact).

Note 2: Qualifications and experience: Describe the professional qualifications and experience of each member of the remuneration committee.

Note 3: Independence analysis: Describe the status of independence of each remuneration committee member, including but not limited to the following: whether the member or their spouse or relative within the second degree of kinship serves or has served as a director, supervisor, or employee of the Company or any of its affiliates; the number and ratio of shares of the Company held by the member, their spouse, and their relatives with the second degree (or through their nominees); whether the member has served as a director, supervisor or employee of a "specified company" (see Article 6, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); the amount(s) of any pay received by the remuneration committee member for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years.

Note 4: Regarding the method for disclosure, please refer to the "SAMPLE ANNUAL REPORT" page on the website of the Taiwan Stock Exchange Corporate Governance Center.

(2) Responsibilities of the Remuneration Committee:

The Remuneration Committee shall exercise the care of a good administrator to faithfully fulfill the following functions and powers, and submit the recommendations to the Board of Directors for deliberation:

a. Regularly review the Committee's charter and propose recommendations to amend it when necessary.

b. Establish and regularly review the performance evaluation of the Board and managers in conjunction with the remuneration policies, systems, standards, and structure.

c. Regularly evaluate and determine the remuneration of the Company's Directors and Managers.

The Remuneration Committee held three meetings during the year. The key work items are summarized as follows:

a. Reviewed the remuneration of directors and managerial officers: The reasonableness of remuneration for directors and managerial officers was assessed based on remuneration policies, systems, standards and structures, performance evaluation results, median remuneration levels among industry peers, time devoted by individuals, responsibilities undertaken, achievement of individual goals, remuneration for comparable positions, achievement of the Company's short- and long-term performance objectives, and the Company's financial position.
b. Reviewed and amended relevant regulations to ensure appropriateness and legal compliance, including the Remuneration Committee Charter, remuneration policies for directors and managerial officers, Board Performance Evaluation Guidelines, and performance evaluation procedures for managerial officers.
c. Conducted market remuneration benchmarking for directors and managerial officers.
d. Reviewed the self-evaluation results of the Remuneration Committee's performance evaluation.
e. Planned the annual work plan.

(3) Operational status of the Remuneration Committee

a. The Company's Remuneration Committee consists of 3 members.

b. The term of the current Remuneration Committee: June 6, 2023 to May 25, 2026. A total of 3 (A) Remuneration Committee meetings were held in the current year. The attendance of the members was as follows:

Position	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) (B/A) (Note)	Remarks
Convener	Chen, Piao-Chun	3	0	100%	
Committee member	Lin, Shun-Tian	3	0	100%	
Committee member	Chang, Lee-Chiou	2	0	100%	Resigned on March 25, 2025
Committee member	Chen, Ta-Hsiung	1	0	100%	Assumed office on May 2, 2025

Other information required to be disclosed:

I. If the board of directors does not accept, or amends, any recommendation of the remuneration committee, specify the board meeting date, meeting session number, content of the recommendation(s), the outcome of the resolution(s) of the board of directors, and the measures taken by the Company with respect to the opinions given by of the remuneration committee (e.g., if the salary/compensation approved by the board is higher than the recommendation of the remuneration committee, specify the difference(s) and the reasons): None.

II. With respect to any matter for resolution by the remuneration committee, if there is any dissenting or qualified opinion of a committee member that is on record or stated in writing, specify the remuneration committee meeting date, meeting session number, content of the motion, the opinions of all members, and the measures taken by the Company with respect to the members' opinion: None.

Note 1: If any remuneration committee member left the committee before the end of the fiscal year, specify the date that they left the committee in the Remarks column. Their in-person attendance rate (%) should be calculated based on the number of remuneration committee meetings held and the number they attended in person during the period they were on the committee.

Note 2: If any by-election for remuneration committee members was held before the end of the fiscal year, the names of the new and old committee members should be filled in the table, with a note stating whether the member left office, was newly serving, or was serving consecutive terms, and the date of the by-election. The in-person attendance rate (%) should be calculated based on the number of remuneration committee meetings held and the number attended in person during the period of each such person's actual time on the committee.

(4) Contents and subsequent handling of the proposal of the Remuneration Committee in the year 2025:

<table>
<tr><th>Remuneration Committee</th><th>Proposal and Follow-up Actions</th><th>Dissenting Opinions or Qualified Opinions of Members of the Remuneration Committee</th></tr>
<tr><td rowspan="7">The 6th meeting of the 5th term 2025.3.4</td><td>1. Report on the distribution of directors' and employees' remuneration for the Year 2024.</td><td>None</td></tr>
<tr><td>2. Proposal on the discussion of the 2024 special bonus for managerial officers of the Company.</td><td>None</td></tr>
<tr><td>3. Review of the remuneration plan for the Company's directors and managers.</td><td>None</td></tr>
<tr><td>4. Review certain provisions of the Board Performance Evaluation Guidelines.</td><td>None</td></tr>
<tr><td colspan="2">Opinions of the Remuneration Committee: None.</td></tr>
<tr><td colspan="2">Remuneration Committee resolution: The proposal was passed unanimously by the Committee Members in attendance.</td></tr>
<tr><td colspan="2">The Company's actions in response to the opinions of members of the Remuneration Committee: The Company shall conduct relevant operations based on the resolution.</td></tr>
<tr><td rowspan="4">The 7th meeting of the 5th term 2025.8.5</td><td>1. The Company's annual salary adjustments.</td><td>None</td></tr>
<tr><td>2. Amendment to certain provisions of the Board Performance Evaluation Guidelines.</td><td>None</td></tr>
<tr><td colspan="2">Opinions of the Remuneration Committee: None.</td></tr>
<tr><td colspan="2">Resolution of the Remuneration Committee: All members in attendance unanimously passed the proposals and filed for discussion in the board meeting.</td></tr>
</table>

Remuneration Committee	Proposal and Follow-up Actions	Dissenting Opinions or Qualified Opinions of Members of the Remuneration Committee
	The Company's actions in response to the opinions of the Remuneration Committee: All the Directors in attendance voted in favor of the resolution.	
The 8th meeting of the 5th term 2025.11.4	1. Amendment to certain provisions of the Board Performance Evaluation Guidelines.	None
	2. Review of the "Remuneration Committee Charter".	None
	3. Establish the work plan of the Committee for 2026	
	Opinions of the Remuneration Committee: None.	
	Resolution of the Remuneration Committee: All members in attendance unanimously passed the proposals and filed for discussion in the board meeting.	
	The Company's actions in response to the opinions of the Remuneration Committee: All the Directors in attendance voted in favor of the resolution.	

※ In the most recent fiscal year, the Company's Board of Directors did not reject or amend any recommendations made by the Remuneration Committee.

※ In the most recent fiscal year, there were no resolutions by the Remuneration Committee with recorded or written statements of opposition or reservations from its members.

2. Information on the membership and operation of the Nomination Committee: Not applicable.

(V) Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons:

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
I. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	V		(I) The Company established the Corporate Social Responsibility Committee (later renamed as the ESG Committee) in 2015 to formulate ESG policies and review the effectiveness of their implementation. The Committee is chaired by the Chairman of the Board, with the Vice President serving as Vice Chairperson. It comprises three work implementation groups, namely the Corporate Governance Group, the Environmental Protection Group and the Social Relations Group. It is also supported by a project secretary. Members of each working group are composed of representatives from relevant departments, responsible for promoting sustainable development-related initiatives. The project secretary is responsible for consolidating the annual plans and implementation results from each working group and reporting them to the Committee. After being reviewed by the Committee, the annual plans and implementation results are subsequently reported to the Board of Directors. (II) The main responsibilities of the ESG Committee are as follows: 1. "Agreement on Sustainable Development Policy." 2. To approve sustainable development strategies, annual plans, and project plans. 3. To oversee the implementation of sustainable development strategies, annual plans, and project plans, and to evaluate their execution. 4. To review and approve the ESG Report.	This is in line with the provisions of the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			5. To report the annual implementation results of sustainable development initiatives to the Board of Directors each year. 6. To perform other duties as assigned by resolutions of the Board of Directors. (III) The Committee reports to the Board of Directors on the implementation of sustainable development initiatives at least twice each year. In 2025, two ESG Committee meetings were held on March 4 and August 5, during which reports were presented to the Board. The Committee reported to the Board on key stakeholder concerns for the year, including communication channels and actual implementation status. The matters reported included: 1. Status of greenhouse gas inventory and assurance. 2. Results of stakeholder engagement, including stakeholder identification, key concerns, communication channels, and response measures. 3. Results of sustainable development initiatives and future development targets. 4. Progress and planning of the ESG Report. The above matters were first reviewed and acknowledged by the ESG Committee and subsequently reported to the Board of Directors. (IV) Board Oversight The Board of Directors oversees and reviews the management, strategies, and target setting across the three ESG dimensions—governance, environmental, and social aspects. It also monitors progress and performance, reviews and approves the ESG Report, and provides strategic guidance and direction on key material issues.	
II. Does the company conduct	V		To strengthen corporate governance, reduce possible operating risk and ensure the stable	This is in line

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies? (Note 2)			operation and sustainable development, the Company's Audit Committee and the Board of Directors passed the Risk Management Policy and Procedures in November 2020. The Risk Management Policy and Procedures consists of risk management policy, organization of risk management, risk management process, risk management category and mechanism, effectively controlling the risks arising from business activities. The risk management operations are reported to the Audit Committee and the Board of Directors at least once a year. In order to effectively implement the risk management mechanism, the Company was jointly promoted by the Board of Directors, the Audit Committee, the persons responsible for the daily affairs of each risk management unit, the auditors, the risk management units and the subsidiaries. to identify, measure and control risks according to the work scope of each risk management unit periodically in each year. The Company and its subsidiaries defined all kinds of risks in accordance with the Company's overall operation policy, and established a risk management mechanism for early identification, accurate measurement, effective supervision and strict control to prevent possible losses. It kept an eye on the development of international and domestic risk management systems to review and improve risk management policies accordingly. The Company constantly adjusted and improved the best risk management methods in response to changes in the internal and external environment, so as to enhance the effectiveness of the Company's risk management implementation and protect the interests of the Company and its employees, Shareholders and Stakeholders. The Company's risk	with the provisions of the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			management categories include “strategic and operational risks”, “financial risks”, “raw material price and supply chain risks”, “occupational safety risks”, “information security risks”, “legal risks”, “human resources risks”, “research and development risks”, “climate change and environmental risks”, “accident risks”, “technology risks” and “other risks”. In accordance with the principle of ESG materiality, the Company integrates the main sources of business risks and considers the feasibility of practical operation to determine risk categories. The ESG Committee conducts a questionnaire survey on internal executives and external stakeholders every year, and identified 16 risks according to the possibility of risk occurrence and impact degree in 2024. Each risk management unit adjusts the control mechanism regularly according to the changes in the internal (external) operating environment. For detailed risk management, please refer to SEVEN - Review and Analysis of Financial Position and Financial Performance and Risk Matters / Six - Analysis and Assessment of Risk matters / (II) Risk Management Policy /13. Explanation of Risk Response to ESG Issue.	
III. Environmental issues (I) Has the Company set an environmental management system designed to industry characteristics?	V		(I) 1. The company emphasizes a business approach that integrates with the natural environment, recognizing that corporate operations inevitably have an impact on the Earth’s environment. As a result, the company has implemented consistent standards and objectives across all operational sites to achieve a harmonious coexistence of the	This is in line with the provisions of the Sustainable Development Best Practice

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			environment and the economy. Additionally, the company actively implements its environmental protection policy, aiming to contribute to the creation of a sustainable society. 2. Our plants in Taoyuan, Guangzhou, Kunshan, and Malaysia have all implemented ISO 14001 environmental management systems. Additionally, the Taoyuan plant has implemented an ISO 50001 energy management system (valid from October 2025 to October 2028). These systems serve as a robust framework for environmental protection, enabling us to effectively control and minimize our environmental impact, prevent accidents that could harm the environment, and ensure compliance with regulations. In March 2025, we acquired Plant 4, which includes Taipei Headquarters, Taoyuan Plant, Guangzhou Plant, Kunshan Plant, and Malaysia Plant. In 2024, we obtained ISO14064-1 greenhouse gas verification, showcasing our dedication to consistently promoting sustainable development policies to achieve long-term business sustainability and growth. 3. The Company has been developing and designing green products, and we have conducted product environmental verification in accordance with RoHS regulations to illustrate the importance of global environmental pollution prevention. In order to comply with the EU Restriction of Hazardous Substances (RoHS), which was fully implemented in July 2006, we purchased XRF inspection equipment to confirm compliance with the environmental regulations. The Company's Taoyuan Plant obtained ISO 14001 Environmental Management	Principles for TWSE/TPEx Listed Companies.

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			System certification on January 2, 2006 (valid from October 1, 2025 to October 1, 2028). The Taoyuan Plant obtained ISO 50001 Energy Management System certification on November 26, 2021 (valid from October 1, 2025 to October 1, 2028). The Taoyuan Plant obtained ISO 14064-1 certification for greenhouse gas (GHG) inventory for the year 2022 from BSI on September 30, 2024. The Guangzhou Plant and Kunshan Plant obtained ISO14064-1 2022 Greenhouse Gas Inventory certification from BSI on July 22, 2024 and July 25, 2024, respectively. The Malaysian Plant obtained ISO 14064-1 2022 Greenhouse Gas Inventory certification from CUCG on March 4, 2024.	
(II) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	V		(II) 1. The Company’s operational activities are primarily based on the concept of QCDS (Quality, Cost, Delivery, Service). Since the emergence of environmental issues, the original concept has evolved into the “QCDS+E(Environment)” model to align with the increasing environmental awareness. We believe that environmental protection activities should be closely integrated with business operations, rather than being separate entities. Therefore, environmental management is based on this fundamental concept, considering the environment as an important aspect of product quality and implementing it thoroughly. 2. The production process of our company is guided by environmental protection. From	

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			research and development and raw material procurement to product production, transportation, use, recycling, and reuse, every link in our products' "life cycle" is closely related to environmental protection issues. 3. Actively promote waste reduction and recycling measures and utilize proposal incentives to improve resource management performance. The primary objective is to achieve a waste recycling rate of over 99% by focusing on resource circulation. Achieved a waste recycling rate of over 99% in 2025. 4. Primary raw materials and recycling: The iron oxide used by the Company is partly recycled material from steel mills, and dust collection equipment is installed in the process to collect the dust collected during the process and put it back into use, so as to achieve the spirit of recycling and reuse of resources. In 2025, production volume slightly decreased. The amount of recycled dust decreased by 252 tons compared to 2024, totaling 923 tons and accounting for 15% of total production. All of our Company's raw materials comply with the DRC Conflict-Free standard. We do not use minerals from Congo mines that the United Nations Security Council considers non-compliant with the conflict-free standard.	
(III) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the	V		(III) 1. In order to tackle the escalating global climate change, our company remains committed to implementing the TCFD framework. This framework allows us to enhance our comprehension of the potential risk factors associated with extreme weather conditions and enables us to identify emerging business prospects. Based on	

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
future and adopted relevant measures to address them?			the Taiwan Climate Change Projection and Adaptation Knowledge Platform (TCCIP) and the National Disaster Prevention and Rescue Technology Center, the temperature rise, rainfall, flooding, and drought were estimated from 2016 to 2035 under the RCP 8.5 scenario. Three physical risk issues were identified. Furthermore, considering the group's strategy, industry characteristics, national self-determined contributions (INDC), and TCFD indicators, 24 potential risk and opportunity issues were listed, including nine transition risk issues and twelve opportunity issues. 2. In 2025, a questionnaire survey was conducted on the ESG Committee and senior executives to evaluate the significance of different risks to the Company's operations, their potential impact on time, and the feasibility of various opportunities. A total of 13 questionnaires were collected, and after statistical analysis by the team, 11 significant climate issues were identified (1 physical risk item, 5 transition risk items, and 5 opportunity items). 3. The Company has evaluated the potential financial effects and developed strategies and management mechanisms for 11 significant risk and opportunity factors. Its objective is to comprehend the potential impacts of climate change on various aspects and mitigate the operational consequences of extreme weather conditions. The Company is dedicated to establishing a resilient culture regarding climate change. Potential financial impact and response measures of risk and opportunity projects.	

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			(see table below)	

Climate Change Issue	**Type of Issue**	**Potential Financial Impact**	**Company Strategy and Response Measures**
High temperature	Physical Risk/ Chronic	Increase in operating costs	1. Replace outdated and energy-consuming refrigeration equipment with high-efficiency and energy-saving models. 2. The Taoyuan Plant obtained certification for implementing ISO 50001 Energy Management System verification in 2021. 3. Installing a rooftop solar power system in the plant can lower the roof temperature and reduce the operating cost of air conditioning.
Government regulation or supervision - water fee collection	Transition Risk /Policy and Legal	Increase in operating costs	Enhancing operational management and improving the wastewater recycling system will increase the amount of recycled water and reduce water consumption.
Carbon fee	Transition Risk /Policy and Legal	High initial investment costs, low carbon emissions in the later stages, and reduced operating costs.	1. Assessing the use of internal carbon pricing as a shadow price to incorporate carbon costs into investment evaluations enhances the implementation opportunities for carbon reduction projects. 2. Upgrading outdated equipment and continuously improving processes to enhance energy efficiency within the plant. 3. Continuously promote ISO 50001 by identifying energy-saving opportunities and ensuring their effective implementation.

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			(see table below)	

Renewable Energy Regulations - Large Consumers Clause Risks	Transition Risk /Policy and Legal	Increase in capital expenditure and operating costs have both risen.	1. The Company's Taoyuan Plant has installed rooftop solar power facilities with a total capacity of 322.7 kW for self-generation and self-consumption, and is evaluating opportunities for further expansion. The USI Group is actively seeking suitable sites to invest in green electricity development projects.
Low Carbon Technology Transformation	Transition Risk / Energy and Technology	Higher capital expenditure and lower operating costs	2. Promote various energy-saving and carbon reduction initiatives, including the adoption of energy-efficient equipment (such as motors) and fuel substitution.
Rising Raw Material Prices	Transition Risk / Market	Increase in operating costs	Improve process recycling and reuse.
Efficient Production	Opportunity for Resource Efficiency	Higher capital expenditure and lower operating costs	Implement a smart dashboard management system to enable real-time monitoring of equipment utilization and energy consumption.
Recycling and Reuse in the Circular Economy	Opportunity for Resource Efficiency	Reduced operating costs	Improve process recycling and reuse.
Reduce water usage and consumption.	Opportunity for Resource Efficiency	The initial investment in water-saving technology is substantial.	RO wastewater recycling and reuse.

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation status (Note 1)</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td></td><td></td><td></td><td><table>
<tr><td>Use of Low-Carbon Energy</td><td>Opportunity /Resilience, Energy Source</td><td>Increase in operating expenses, decrease in operating costs</td><td>1. Install a rooftop solar power generation system.
2. Promotion of ISO 50001 Energy Management System certification for plant sites; the Taoyuan Plant obtained certification in 2021. Ongoing improvements in processes and equipment.</td></tr>
<tr><td>Utilizing Public Sector Incentive Measures</td><td>Opportunity /Market</td><td>Increase in capital expenditure and operating revenue have both risen.</td><td>1. Upgrade to high-efficiency air compressors and apply for subsidies for power and utility equipment.
2. Participate in the Ministry of Economic Affairs’ “Large Leading Small” Low-Carbon and Smart Manufacturing Transformation Subsidy Program.</td></tr>
</table></td><td></td></tr>
<tr><td>(IV) Did the Company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?</td><td>V</td><td></td><td>(IV)
USI Group established its own energy management goals in 2016, aligning with our country’s energy development policies. It consistently monitors international trends and national regulations, conducts thorough reviews, and evaluates both internal and external factors. After careful deliberation, USI Group set its 2030 carbon reduction target in early 2022: to reduce carbon emissions by 27% compared to 2017 levels. Since 2018, the Group’s nine domestic core production plants, including our company’s Taoyuan plant, have been gradually implementing the ISO 50001 energy management system and have obtained certification. This system effectively manages energy performance and ensures the ongoing implementation of energy-saving and carbon reduction initiatives, aiming to make a positive impact and reduce environmental impact.</td><td></td></tr>
</table>

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			The Company is dedicated to greenhouse gas management, focusing on energy conservation and carbon reduction. This commitment not only contributes to society but also helps reduce operating costs through improved energy efficiency. Our Taoyuan Plant is classified as a fixed pollution source, requiring declaration as per the Ministry of Environment's announcement. We submit regular quarterly reports and cooperate with government inspections. In 2022, we successfully obtained ISO-14064-1 Greenhouse Gas Inventory Certification. Guangzhou and Kunshan Plants obtained ISO-14064-1 Greenhouse Gas Inventory Certifications in June and July 2023, respectively.	

Greenhouse gas emissions for 2024-2025

Category	**Unit**	**Taoyuan Plant**		**Guangzhou Plant**		**Kunshan Plant**		**Malaysia Plant**	
		2024	2025	2024	2025	2024	2025	2024	2025
Scope 1	**Tonnes of CO2e**	3,709	2,970	691	647	195	182	394	356
Scope 2	**Tonnes of CO2e**	7,902	6,929	21,278	21,919	17,689	18,655	4,502	829
Total	**Tonnes of CO2e**	11,611	9,900	21,969	22,566	17,884	18,837	4,896	1,185
Unit Product Greenhouse Gas Intensity	**Tonnes of CO2e per ton**	1.51	1.57	8.02	7.65	4.80	4.76	4.28	1.14

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
IV. Social issues (I) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	V		**(I) Human Rights-Related Policies** **Human rights policy** To fulfill its corporate social responsibility, safeguard human rights, and uphold universal human rights values, the Company has established a Human Rights Policy in March 2018, applicable to the Company and its affiliated entities within the USI Group. This policy is formulated with reference to internationally recognized human rights standards, including the International Bill of Human Rights and the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO). The Company is committed to preventing any infringement or violation of human rights and to providing a safe and healthy working environment, ensuring that all employees are treated with fairness, dignity, and respect. **Human rights risk identification and assessment** The Company conducts annual human rights risk identification. For identified human rights issues of concern, compliance reviews and assessments are performed. Based on the results of risk assessments and findings from internal and external reviews, mitigation and corrective actions are implemented, followed by continuous improvement to achieve effective risk management. The Company has established a structured approach and implementation procedures for each stage of human rights management as the foundation for safeguarding and protecting human rights, as outlined below.	This is in line with the provisions of the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	

Human rights issues involve multiple business units and departments. Through the Human Resources Department, the Company conducts human rights due diligence and risk management processes tailored to different affected stakeholders and human rights issues.

Human rights due diligence process

Stage	Step	Approach
Stage 1: Commitment	Statement	Publicly commit to supporting and complying with international standards and local regulations, and establish a Human Rights Policy.
Stage 2: Management	Identification	Identify material human rights issues and affected stakeholders based on the Company's organizational characteristics and operational activities.

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation status (Note 1)</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td></td><td>Assessment and Analysis</td><td>Conduct regular assessments of human rights impacts across employees and service operations to understand the level of risk exposure.</td></tr>
<tr><td rowspan="2">Stage 3: Mitigation Measures</td><td>Actions and Measures</td><td>• Develop appropriate action plans based on the level of identified human rights risks.
• Monitor the implementation and performance of action plans, and maintain ongoing communication to ensure the effectiveness of human rights management.
• In the event of human rights violations, provide remedial measures, including institutional improvements as well as material and psychological support.</td></tr>
<tr><td>Reporting</td><td>Conduct internal discussions and reporting on human rights management, and disclose related practices and performance on the Company’s website.</td></tr>
</table>

Human rights concerns and practices

1. Provide a safe and healthy working environment</td><td></td></tr>
</table>

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			To ensure workplace safety, the Company has installed various pollution control and fire safety facilities and implemented the ISO 14001 Environmental Management System. The Company also actively promotes improvement initiatives such as energy conservation and emissions reduction, disaster prevention, and pollution control, to provide a safe and healthy working environment. In addition, in alignment with the USI Group's carbon reduction target, "a 27% reduction in carbon emissions by 2030 compared to 2017 levels", the Company tracks and reviews progress on an annual basis and implements concrete measures such as equipment upgrades and replacements, renewable energy installation, and green power procurement. In addition to complying with applicable laws and regulations to ensure a safe and healthy workplace, the Company has established dedicated occupational safety and health units and committees, and employs professional physicians and nursing staff. Regular training programs on occupational safety, health, and fire prevention are conducted, and necessary preventive measures are implemented to avoid occupational accidents and reduce workplace hazards. **2. Friendly workplace** The Company fosters an inclusive and friendly workplace by respecting diversity in gender, age, and cultural backgrounds, enabling all employees to realize their full potential. The Company embraces individuals of diverse backgrounds, races, genders, sexual orientations, abilities, and perspectives, and strives to create a diverse and inclusive working environment. Based on the principles of equal pay for equal work, fairness,	

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			and inclusion, the Company provides transparent hiring conditions, promotion opportunities, and compensation structures to reduce disparities among different groups. This ensures that all employees and contractor partners are treated with respect and acceptance, and are able to fully participate and contribute. The Company continues to implement gender equality policies and prevent workplace misconduct through annual initiatives such as awareness campaigns, seminars, and various training programs. It is committed to providing employees and contractor partners with a respectful, dignified, and inclusive working environment. **3. Illegal discrimination are prohibited to ensure equal work opportunities.** The Company has implemented human rights policies in its internal control procedures and does not treat employees and job seekers unfairly on the basis of race, class, language, ideology, religion, party affiliation, origin, place of birth, gender, sexual orientation, age, marriage, pregnancy, appearance, facial features, physical and mental disabilities, zodiac sign, blood type, etc. in matters of labor rights such as employment, compensation and benefits, training opportunities, promotion, termination, or retirement. **4. Child labor is prohibited.** To ensure compliance with corporate social responsibility and ethical standards, the Company has explicitly prohibited the use of child labor from the recruitment stage. As of December 31, 2025, the Company had a total workforce of 222 employees, none of whom were child laborers. **5. Forced labor is prohibited**	

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			The Company does not impose or coerce any individual to perform work against their will. The Company strictly complies with applicable laws and regulations regarding employees' regular working hours, overtime, leave, special leave, and other types of leave. In the attendance system, employees are reminded when they apply for overtime work and are provided with overtime pay or compensatory time off after working overtime. **Training practices for human rights protection** **1. New employee training** - New education and training on compliance with relevant laws is required upon induction, including: sexual harassment prevention, anti-discrimination, anti-harassment, implementation of working hour management, and protection of humane treatment. **2. Prevention of workplace misconduct - Through promotion and public announcements, employees are made aware of their responsibility to help ensure that the workplace is free of unlawful abuse in the course of their duties, and a complaint line is disclosed to create a friendly working environment.** **3. Occupational safety series training - content includes safety and health education and training, fire safety training, emergency response, first aid personnel training, etc.** **4. Promotion of the Code of Ethical Conduct - Educate and promote daily behavior and ethical standards in order to provide a healthy and positive workplace culture.**	

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			The Company keeps paying attention to human rights protection and implementing relevant training to enhance awareness of human rights protection and reduce the possibility of related risks. The training programs cover the following areas: “Integrity and Legal Compliance”: Focuses on the Group’s Code of Conduct (CoC) and legal risk prevention (e.g., breach of trust), aligning with corporate governance evaluation requirements. “Occupational Safety and Health”: Includes statutory safety training (e.g., pressure vessels and working at heights), first aid, firefighting skills, and process safety assessment, directly supporting production stability and employee safety. “Environmental Management and Emergency Response”: Covers ISO 50001 energy management, hazardous chemical incident response, and pollution control (e.g., air pollution response), demonstrating the Company’s capability in managing environmental risks. “Human Rights and Friendly Workplace”: Includes human rights awareness training for new employees (e.g., sexual harassment prevention and anti-discrimination) and workplace violence prevention, reinforcing the “Social” (S) dimension of ESG through the promotion of humane and respectful treatment. In 2025, the Company has held trainings related to human rights protection, with 564 participants and 1,889.5 training hours in total. The details of participants and training hours are as follows:	

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
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Course Title	Total Participants	Total Training Hours
Process Safety Training	118	404
Occupational safety training/promotion	167	399
Environmental Protection Training	53	128.5
Safety and health on-the-job education and training (including on-the-job training and retraining for supervisors)	131	638.5
Firefighting Self-defense Formation Training	48	192
Fire training/promotion	1	12
Special Operations and Cancer Screening Seminar	14	31
Promoting a Friendly Workplace: Maintaining a Workplace Free from Violence, Harassment, and Intimidation	32	84.5
Total	564	1889.5

Human rights risk mitigation measures

The Company is committed to ensuring the safety of its employees and working environment, promoting respect and dignity for all individuals, and conducting its operations in accordance with ESG principles, applicable laws and regulations, and ethical standards. To fulfill this commitment, the Company upholds integrity as a core value and

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<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td></td><td></td><td></td><td>respects employees on a lawful basis. Dedicated personnel are assigned to implement occupational safety and health practices in compliance with relevant regulations. Through ongoing awareness initiatives and training, the Company integrates its human rights policy into daily operations and has established effective grievance mechanisms.
Human rights management performance in 2025
Based on the Company’s “Human Rights Policy and Management Program,” a risk identification process was conducted. A total of 14 human rights issues were identified during the year, of which 9 were classified as material issues for management focus, including: workplace inclusiveness, forced labor, excessive working hours, sexual harassment, workplace misconduct, child labor, personal data management and privacy protection, occupational safety management, and employment and workplace discrimination. For the above material issues with potential risks, the Company has implemented risk mitigation measures and remediation actions, achieving a 100% implementation rate for remediation.
The mitigation measures and remediation actions implemented are as follows:
Mitigation and remediation measures for human rights management issues
<table>
<tr><th>Issue</th><th>Mitigation measures</th><th>Remediation measures</th></tr>
<tr><td>Workplace inclusiveness</td><td>(1) In compliance with applicable laws and regulations, the Company hires persons with disabilities in accordance with statutory requirements.
(2) The Company provides an accessible</td><td>Where hiring targets are not fully met, the Company complies with the requirements of the competent authorities and actively</td></tr>
</table></td><td></td></tr>
</table>

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			and inclusive working environment for persons with disabilities. In addition to the above policies, the Group has established and disclosed a workplace diversity policy. The "Group Recruitment and Appointment Management Procedures" explicitly stipulate that recruitment, selection, hiring, assignment, and placement shall not involve discrimination based on race, class, language, ideology, religion, political affiliation, place of origin, place of birth, gender, sexual orientation, age, marital status, appearance, facial features, zodiac sign, blood type, or other similar attributes. Furthermore, the Group actively promotes a diverse and inclusive workplace by ensuring fair employment opportunities and career development for foreign workers (including blue-collar and white-collar workers, as well as overseas students), indigenous peoples, and female employees. Through competency-based and role-appropriate talent development mechanisms, the Company provides diversified training programs and capability enhancement initiatives to foster inclusion and development of diverse talent, enabling employees to fully utilize their strengths and adjusts its recruitment processes to increase the proportion of hires aligned with diversity objectives.	

Item	Implementation status (Note 1)					Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description			
				grow together within suitable roles.		
			Excessive working hours	1. The Company complies with applicable labor laws and regulations regarding working hours. Internal policies are regularly reviewed for compliance and effectively implemented. 2. Employee attendance is accurately recorded through attendance and overtime management systems. 3. The system sends daily reminders for excessive clock-in or clock-out times to reinforce standard working hours and overtime regulations, and to confirm whether extended working hours constitute overtime. Where overtime occurs, employees may choose to receive overtime pay or compensatory leave. 4. Overtime conditions across departments are regularly reviewed.	1. Overtime pay is provided in accordance with applicable laws and regulations for all verified overtime work. 2. The Company assesses employees' workload and the causes of excessive working hours, and actively implements process improvements and optimization measures to enhance work efficiency. 3. Employees with excessive working hours are included in the abnormal workload identification and risk assessment list. Regular health check-ups are conducted, and adjustments to work arrangements and staffing are made as appropriate. 4. The Company continues to review workload and the causes of excessive working hours, and	

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation status (Note 1)</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td></td><td></td><td>implements process improvements and optimization measures to enhance work efficiency.</td></tr>
<tr><td>Occupational safety management</td><td>1. To safeguard employees’ health and safety and prevent occupational accidents, the Company regularly monitors the workplace environment (e.g., conducting workplace environmental monitoring) to ensure a safe working environment.
2. The Company conducts regular quality inspections of workplace drinking water, carbon dioxide levels, lighting, and fire protection equipment.
3. Regular occupational safety and health training programs are provided to employees to enhance hazard identification awareness.
4. Occupational safety awareness is strengthened through regular internal communications and campaigns.
5. The Company has obtained ISO 14001 (Environmental Management System) certification and actively promotes initiatives such as energy saving and carbon reduction, disaster prevention, and pollution control to ensure a safe working</td><td>1. Occupational accident reporting and response procedures are activated.
2. The Company proactively provides care and relevant insurance information to assist employees in understanding how to apply for compensation.
3. Work arrangements are adjusted as appropriate based on employees’ physical and psychological recovery conditions.</td></tr>
</table>
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</table>

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			environment. **Assist employees to maintain physical and mental health and work-life balance** ● The Company commissions reputable hospitals to conduct annual health check-ups to safeguard employees' physical health, and reports the results to the competent authorities in accordance with regulatory requirements. In addition, for plant-site employees, the Company places particular emphasis on conducting special health examinations to further ensure workplace safety and effective health management. ● The Company provides venues or sponsorship funds to encourage employees to participate in health activities, and employees organize their own clubs to gather emotions among colleagues through club activities. ● In addition to holding activities such as annual year-end banquet and Mid Autumn Festival party to adjust employees' physical and mental health and gather centripetal force, the Company also sets up sports and fitness equipment for employees to use after work. ● To encourage employees to maintain physical and mental well-being and achieve work-life balance, the Group has launched the "USI Group Walking Challenge" wellness initiative. By setting a daily goal of 6,000 steps, employees are encouraged to develop regular exercise habits amid their busy work schedules. Employees' cumulative step counts are converted into corporate tree-planting initiatives, creating dual value in health promotion and environmental sustainability. Through this	

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			program, employees not only enhance their physical and mental vitality, but also strengthen workplace cohesion and team spirit through collaboration and mutual encouragement. ● The Company has established an Employee Assistance Program (EAP) aimed at "helping employees address personal issues that may affect their work performance". Through professional, confidential, and free services, the program supports employees in restoring their physical and mental well-being, thereby maintaining or enhancing their work performance and quality of life. Employees may access EAP services through multiple channels, including a toll-free hotline (0800), email, LINE, and one-on-one consultations. The services cover various areas such as psychological support, work-related issues, management consultation, medical advice, legal consultation, and financial planning. **"USI Group Well-being Hotline" employee support services recorded a total of 78 uses across the Group from March to December 2025.** ● The Company organized Well-being seminars to foster a workplace where employees feel supported, balanced, and healthy across physical, psychological, social, and financial dimensions, thereby enhancing overall productivity. The seminar topics included mental health, tax and financial planning, parent-child communication, and physical health (in conjunction with annual health check-ups). The content has also been developed into online courses, enabling all employees to access the materials for	

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			learning. **Employee satisfaction survey** From July to August 2025, ACME conducted an employee opinion survey across Group companies. The survey covered eight dimensions: supervisors, remuneration, colleagues, work, development, corporate culture, sustainable operations, and organizational commitment. To expand survey coverage to 100%, production workers were included in the survey for the first time. The response rate was 83% for staff employees and 37% for production workers, who participated in the survey for the first time. The satisfaction score was 4.59 for staff employees, 4.39 for production workers, and 4.57 for all employees, based on a maximum score of 6. Based on the survey results across the various dimensions, the Company will implement the following improvement measures and continue to optimize its practices: 1. Strengthen the market competitiveness of the remuneration structure by benchmarking against peer companies and enhancing factors such as job evaluation, professional skills, and performance, in order to improve both internal equity and external competitiveness of remuneration. 2. Implement the Employee Assistance Program (EAP) to enhance employees' physical and mental well-being. 3. Strengthen the training quality system and promote skills enhancement initiatives to support the joint development of employees and the organization.	

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			4. Develop key talent and establish succession pipelines, while optimizing performance management and promotion mechanisms. 5. Clearly communicate the Company's vision, mission, and core values during major corporate events, meetings at all levels, and training programs, and ensure their effective implementation through internal policies and procedures. ACME aims to leverage employee surveys to better understand employees' perspectives on management and operations, identify key factors for talent retention, determine priority areas for talent development, and implement targeted talent development programs to proactively respond to future human capital trends. **Appeal system** • The Company has an unimpeded appeal channel. When employees encounter various problems within the Company, they can appeal to executives at all levels or the HR Department through the Company's appeal channel. To uphold gender equality in the workplace and provide employees and job applicants with a work environment free from sexual harassment and workplace misconduct, dedicated reporting channels have been established, including designated mailbox and e-mail address for sexual harassment prevention and workplace misconduct reporting. During the appeal investigation period, confidentiality measures will be adopted and the name of the complainant or other relevant information sufficient to identify the complainant will not be disclosed to protect the complainant.	

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<tr><th rowspan="2">Item</th><th colspan="3">Implementation status (Note 1)</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td>(II) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?</td><td>V</td><td></td><td>(II) As stipulated in the Company’s Articles of Incorporation, if there are annual profits, employee remuneration shall be distributed at no less than 1% of the Company’s profit for the year.
The compensation percentage to the non-executive employees shall be no less than 40% of the total amount of employee compensation as mentioned in the preceding paragraph. All employees are entitled to share in the Company’s operating results.
The Company has established and implemented the following employee remuneration and benefits:
● Employee remuneration
The Company has established a Remuneration Committee to periodically review its compensation policies. In addition, the reward and disciplinary system is linked to year-end bonuses to ensure clarity and effectiveness. Year-end bonuses are granted based on the Company’s profitability, individual employee performance, and the achievement of organizational objectives.
● Employee welfare programs
The Company provides a range of employee welfare programs.
<table>
<tr><th>Benefit Categories</th><th>Details</th></tr>
<tr><td>Bonus Benefits</td><td>Year-end bonuses; holiday bonuses</td></tr>
<tr><td>Leave Benefits</td><td>Unpaid parental leave; menstrual leave; family care leave; maternity leave; prenatal check-up leave; paternity and paternity leave</td></tr>
</table></td><td>This is in line with the provisions of the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.</td></tr>
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<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation status (Note 1)</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td>Insurance Benefits</td><td>Labor insurance; national health insurance; business travel accident insurance; group insurance for employees and their dependents; labor pension contributions</td></tr>
<tr><td>Transportation Benefits</td><td>Employee parking; transportation allowances</td></tr>
<tr><td>Recreational Benefits</td><td>Subsidies for employee clubs; employee trips; year-end banquets and occasional gatherings; complimentary freshly brewed coffee</td></tr>
<tr><td>Subsidy Programs</td><td>On-the-job training; domestic and overseas education and training subsidies</td></tr>
<tr><td>Other Benefits</td><td>Marriage, bereavement, and celebration allowances; long-service employee recognition; regular health check-ups and wellness programs</td></tr>
</table>

● Employee Retirement System and Implementation:
In accordance with the Labor Standards Act, the Company has established the retirement regulations for workers, and has made its retirement subject to regulations. Moreover, in order to improve the Company's employee retirement system, the Company has applied for the establishment of the Labor Retirement Reserve Supervision Committee and set up a special pension account to set aside 2% of the total salary per month and deposit it in the Bank of Taiwan as pension fund, which is kept and applied by the Labor Retirement Reserve Supervision Committee; and, in response to the need for set aside full amount of retirement reserves after the amendment to the Labor Standards Act, at the end of each year, we carry out trial calculation of the annual amount that should be made up in the next year, and deposit the amount in the account before the end of March,
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Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			so as to ensure that each employee who applies for retirement according to law can receive the pension due. After the implementation of the new pension system on July 1, 2005, the Company held an information meeting with employees and consulted them on their preferences in accordance with the law. Employees selected the old system have been subject to the Labor Standards Act, and those selecting the new system will have their old seniority reserved. In accordance with the law, the Company will make monthly contributions of 6% of salary as pension to the Labor Insurance Bureau and withhold another voluntary contribution of pension to the Labor Insurance Bureau. For detailed information, please refer to the section on labor-management relations in Chapter 4 "Operating Overview" of the Company's 2025 Annual Report.	
(III) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	V		(III) 1. The Company actively participates in safety promotion activities in various industrial zones under the jurisdiction of various plants in order to improve the autonomy of inspection and prevention in work safety, and joins the regional joint defense partner of the industrial zone under the Guanyin Industrial Zone Service Center. In terms of occupational safety and environmental protection, we participate in resource integration meetings in the northern region of the Group, observe and learn from each other, improve the safety and health protection of operators, and regularly hold fire drills and work safety education and training every year to cultivate employees' ability to respond to emergencies and self-safety management. The Company attaches great	This is in line with the provisions of the Sustainable Development Best Practice Principles for TWSE/TPEx Listed

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			importance to the personal safety and health of its employees, providing a group insurance plan for employees, including regular life insurance, major illness, accidental injury, occupational injury, cancer medical treatment, etc. Regular health checks are conducted every year, providing employees with physical health care and medical assistance, and conducting regular outdoor activities to help employees achieve a balance between work and life. 2. Environmental safety and health education, training, and promotion are the foundation for enhancing employees' safety awareness. The Company conducts various on-the-job training according to job requirements to enhance personnel's safety awareness and concepts. 3. The Company has passed ISO 45001 Occupational health and safety management systems certification on December 22, 2022 (valid from December 22, 2022 to December 21, 2025), and is actively promoting improvement activities such as energy conservation, prevention of environmental pollution inside and outside the plant to ensure the safety and health of employees. 4. In 2025, the Company's Taipei office and Taoyuan Plant maintained a zero incidence rate for occupational accidents and fire incidents.	Companies.
(IV) Has the Company established effective career development training programs for employees?	V		**(IV) Career development and training programs** To enhance employees' overall competitiveness, the Company has established a comprehensive training system aligned with external environmental trends, the Group's business strategies, the Company's development plans, departmental performance objectives, and employees' career development needs. This system	This is in line with the provisions of the Sustainable

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
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			provides a wide range of training programs to support the development of well-rounded talent. The training framework consists of three key components: On-the-Job Training (OJT), Off-the-Job Training (Off-JT), and Self-Development (SD). Through this structured approach, the Company systematically plans training programs required for employees' career development, further extending into a lifelong learning system. For new employees, the Company provides comprehensive orientation programs covering the Group's corporate culture, business philosophy, labor laws and regulations, organizational policies, professional skills, and operational procedures. These programs help employees quickly adapt to the workplace, enhance their sense of belonging and engagement, and are supplemented with specialized or occupational safety training based on departmental needs. For existing employees, the Company conducts an annual training needs assessment in the fourth quarter to formulate its annual training plan and budget. The Company regularly organizes competency training, management training, seminars, health-related programs, and various workshops. Training is delivered through diverse methods. In addition to classroom instruction, interactive activities, case studies, and group discussions are incorporated based on the nature of each course to enhance engagement and learning effectiveness. A digital learning platform is also available to support self-directed learning, enabling employees to access training anytime and anywhere, thereby improving professional and managerial capabilities while supporting overall well-being. For succession candidates, the Company implements structured development programs to ensure smooth transitions for key positions and continuity of operations.	Development Best Practice Principles for TWSE/TPEx Listed Companies.

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			Training programs include job rotation, overseas assignments, project leadership opportunities, and courses in management skills and leadership development. These initiatives aim to prevent talent gaps and support the Company's operational stability and long-term competitiveness. For employees approaching retirement, the Company provides programs focusing on physical and mental well-being and post-retirement planning. These include courses on financial planning, health management, and life adjustment, helping employees transition smoothly into retirement.	
(V) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	V		(V) The Company is ISO 9001, ISO 14001, ISO 50001, ISO 45001, ISO 14064-1, and IATF 16949 certified, and, based on quality, ability and environmental policy, cooperates with quality suppliers for a long time to serve customers and fulfill our corporate social responsibility. In order to protect the security of our customers' data, USI Group's Information Technology Division has established various regulations such as the General Policy on Information Security Management, the System Development and Maintenance Management Regulations, the Application Program On-line Operation Management Guidelines, and the Database Management Guidelines, and, through measures such as strengthening firewall management, authority control, separating the testing environment from the actual operating environment, and de-identifying data containing personal information, we strengthen personal information protection to prevent leakage. In addition, the Company has a Customer Property Management Measures to	This is in line with the provisions of the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			properly keep the goods provided by the customer, and in the event of intellectual property rights owned by the customer, a confidentiality agreement is signed with the customer; The Company is aware of and shall take necessary measures to maintain the business secrets known or held during the cooperation period and keep them confidential. Except for normal use in official duties, without the prior written consent of the customer, the business secret shall not be arbitrarily disclosed, leaked, delivered or transferred to a third party, or disclosed to the public, or utilized for the Company itself or a third party; only when the customer or the owner of the business secret discloses the business secret to the public or releases its confidentiality, can the Company simultaneously release the confidentiality responsibility of the business secret. The Company has established the Customer Quality Complaint Management Regulations. Customers can raise complaints to the business unit through oral, telephone, written or other means. After receiving the message, the business unit will immediately confirm the situation and report it to the quality unit and other relevant units. The Company complies with its commitment to customers to ensure that their intellectual and financial rights and privacy are respected while conducting business activities. Therefore, the Company did not have any complaints about customer privacy violations or damage to customer property in 2025.	
(VI) Has the company formulated supplier management policies	V		(VI) The Company has established long-term strategic partnerships with major raw material suppliers and set up safety stock according to preparation schedule so that	This is in line with the

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?			the supply chain can continue to run smoothly. To encourage continuous supplier optimization so that the Company can obtain raw materials and services at the right time, in the right quantity and at the right price, the Company regularly performs annual evaluation of suppliers according to aspects including quality, delivery dates, environmental protection and occupational safety and health, packaging, quality certification and services in coordination with production operations and environmental protection policies. In the future, the Company plans to conduct regular assessments to learn about the human rights management of suppliers, and promote ESG concepts before further incorporating them into routine assessments. The Company will continuously strengthen self-evaluation of supply chain sustainability, and gradually incorporate ESG performance into selection, evaluation and audit processes. The Company jointly fulfills corporate social responsibilities with its suppliers using its influence. Excellent ESG experience sharing and collaboration with suppliers serve as a vital foundation for the Company to establish sustainable businesses.	provisions of the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.
V. Does the company refer to international reporting standards or guidelines when preparing its ESG report and other reports disclosing non-financial information? Does the company obtain third	V		The Company first issued its 2014 Corporate Social Responsibility Report in 2015 and renamed it as ESG Report in 2020, and the contents of the 11th ESG Report 2025 followed the "Core" option of the Global Reporting Initiative's (GRI) ESG Reporting Guidelines. The 2025 ESG Report was officially reviewed by Deloitte Taiwan, serving as an independent third-party assurance provider. The firm assessed compliance with GRI Standards and conducted limited assurance procedures on five key ESG indicators in	This is in line with the provisions of the Sustainable Development Best Practice

<table>
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<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td>party assurance or certification for the reports above?</td><td></td><td></td><td>accordance with Assurance Standard ISAE 3000. Upon completion, Deloitte issued an assurance report.</td><td>Principles for TWSE/TPEx Listed Companies.</td></tr>
<tr><td colspan="5">VI. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviation from the principles in the Company’s operations:
On March 10, 2014, the Company added its Corporate Social Responsibility Best Practice Principles and changed the name to the ESG Best Practice Principles on March 8, 2022.</td></tr>
<tr><td colspan="5">VII. Other important information to facilitate better understanding of the company’s promotion of sustainable development:
(I) In 2021, the Company participated in the Taiwan Corporate Sustainability Awards (TCSA) for the first time and stood out in the highly competitive electronic information manufacturing industry, earning the highest honor—the Platinum Award. In 2025, we continued our excellence by receiving the Gold Award, affirming our commitment to transparency in ESG disclosures and strong performance, which was recognized by the judging panel.
(II) ACME ESG - ESG Report https://www.usig.com/ACMECSR/Report.aspx</td></tr>
</table>

Note 1: If “Yes” is ticked in the “Implementation status” column, please concretely describe the major policies, strategies, and measures adopted and the status of their implementation. If “No” is ticked in the “Implementation status” column, please explain the deviations and the reasons in the “Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons” column and explain the Company’s plans for adoption of related policies, strategies, and measures in the future. However, for Items 1 and 2, the TWSE/TPEx listed company shall describe its governance and supervisory framework for sustainable development, including but not limited to management policy, strategy and goal formulation, review measures, etc. It additionally shall describe the company’s risk management policies or strategies for operations-related environmental, social, and corporate governance issues, and their assessment status.

Note 2: The materiality principle refers to focusing on environmental, social and corporate governance issues likely to have a material impact on the Company’s investors and other stakeholders.

Note 3: Regarding the method for disclosure, please refer to the “SAMPLE ANNUAL REPORT” page on the website of the Taiwan Stock Exchange Corporate Governance Center.

Implementation of Climate-Related Information

Item	Implementation Status
1. Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.	The Company has established a board-level oversight framework for climate change management, with the ESG Committee serving as the highest governing body for climate-related initiatives. The committee, chaired by independent directors, is responsible for reviewing the Company's climate change strategy and goals, managing climate change risks and opportunities, and monitoring implementation. It reports to the Board of Directors on an annual basis. The relevant information from various working meetings is summarized below: 1. Board of Directors Meeting: This meeting, chaired by the Chairman, is held periodically to promote and plan major energy-saving and carbon reduction policies, as well as report on the outcomes. 2. Group Environmental Department Quarterly Meeting: As the highest authority for energy management within USI Group, it provides quarterly reports on progress and planning to the chairman and makes decisions. 3. The Audit Committee, under the Board of Directors, reports the results of risk identification conducted by the Risk Management Task Force to the Board on an annual basis. The scope of identification includes risks arising from global climate change, energy issues, and related financial and tax impacts. The Remuneration Committee evaluates and reviews management's ESG-related performance annually, including the management of issues related to climate change, and incorporates climate-related targets into the performance evaluation and remuneration system for senior executives to monitor the achievement of climate-related objectives. Recognizing the growing global emphasis on environmental (E), social (S), and governance (G) issues, the Company follows the "Sustainable Development Roadmap" issued by the Financial Supervisory Commission. It promotes the phased disclosure of greenhouse gas inventories and assurance information by listed companies while building corporate greenhouse gas inventory capabilities. The Company has completed greenhouse gas (GHG) inventory and assurance for the consolidated entities. Progress on related initiatives is reported annually, with the Board of Directors providing recommendations.

<table>
<tr><th>Item</th><th>Implementation Status</th></tr>
<tr><td></td><td>Beyond continuously enhancing corporate governance efficiency, the Company is also carefully planning and executing strategies to achieve carbon reduction goals and develop green energy initiatives. These efforts aim to help businesses mitigate challenges and risks, meet international standards, and ultimately achieve long-term corporate sustainability.</td></tr>
<tr><td>2. Describe how the identified climate risks and opportunities affect the business's strategy and finances (short, medium, and long term).</td><td>In response to uncertainties arising from climate change, the USI Group has identified key climate-related physical risks, transition risks, and opportunities relevant to its operations. The Group has also assessed the potential impacts of these factors on its business, operational strategies, and financial performance across different time horizons.
Based on the Company's operational characteristics and industry environment, the time horizons are defined as follows:
• Short term: 2025–2027
• Medium term: 2027–2030
• Long term: 2030–2050
The identified situation of climate risk affecting the Company is as follows:
<table>
<tr><th rowspan="2">Category</th><th rowspan="2">Item</th><th rowspan="2">Description</th><th colspan="3">Time Horizon of Potential Impact</th></tr>
<tr><th>Short Term</th><th>Medium Term</th><th>Long Term</th></tr>
<tr><td>Transition Risk</td><td>Carbon Fee Implementation</td><td>Under the Climate Change Response Act, Taiwan will formally implement a carbon fee starting in 2025. The levy applies to entities with annual greenhouse gas emissions exceeding 25,000 metric tons of CO_2e. The initial standard fee rate is NTD 300 per ton. Companies that submit concrete and verifiable voluntary reduction plans approved by the competent authority may qualify for a preferential rate of NTD 100 per ton. In addition, entities exposed to a high risk of carbon leakage may apply adjusted chargeable emissions with an initial discount factor of 0.2.</td><td>◎</td><td>◎</td><td>◎</td></tr>
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Item	Implementation Status					
	Physical Risk	High Temperature and Unstable Energy Supply	As climate change intensifies, rising average temperatures and an increasing number of extreme heat days have become global trends. According to data from the Central Weather Administration, both the average annual temperature and the frequency of extreme heat events in Taiwan have shown a clear upward trend, indicating that high temperatures in summer may become a persistent source of risk in the future.			◎
		Extreme Weather Events and Flooding	Based on observations from the Central Weather Administration and IPCC reports, Taiwan has experienced a significant increase in typhoons, heavy rainfall, and localized extreme precipitation events in recent years. These events have caused repeated flooding in urban and low-lying areas and pose immediate and severe impacts on business operations, representing acute physical risks.		◎	◎
	Opportunity	Adoption of Low-Carbon Energy	Driven by increasingly stringent global climate policies and the goal of achieving net-zero emissions by 2050, corporate energy structures are undergoing rapid transformation. The adoption of renewable energy has become a key opportunity for companies to fulfill their decarbonization commitments and maintain international competitiveness. For carbon-intensive industries, generating or procuring renewable energy, such as solar, wind, and geothermal power, can effectively reduce indirect emissions associated with electricity consumption.	◎	◎	◎
		Enhancement of Corporate Reputation and Brand Value	Sustainable development has become an integral component of corporate brand value and market competitiveness. Participation in sustainability assessments (e.g., CDP and the Taiwan Corporate Sustainability Awards (TCSA)), proactive disclosure aligned with TCFD and TNFD frameworks, and the expansion of third-party assurance for consolidated greenhouse gas inventories and ESG reports will enhance the transparency and consistency of sustainability information, thereby strengthening credibility with investors, customers, and regulatory authorities.	◎	◎	◎

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<tr><th>Item</th><th>Implementation Status</th></tr>
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The identified situation of climate risk affecting the Company is as follows:
<table>
<tr><th>Category</th><th>Item</th><th>Financial Impact</th><th>Response Strategy</th></tr>
<tr><td>Transition Risk</td><td>Carbon Fee Implementation</td><td>This risk may affect the Company across the short, medium, and long term. The financial implications for the current period are as follows:
• The Company's current annual emissions do not exceed the carbon fee threshold announced by the Ministry of Environment; therefore, no carbon fee was incurred during the reporting period. However, the Company continues to conduct greenhouse gas (GHG) inventories and monitor voluntary emission reduction efforts to mitigate potential risks associated with future regulatory threshold adjustments.
• To proactively address future carbon pricing mechanisms and reduce potential costs, the Company invested approximately NTD 800 thousand in capital expenditures during the reporting period. These investments included upgrades to the cooling water system and waste heat recovery projects, resulting in an increase in non-current assets and cash outflows from investing activities.
• While such investments may lead to higher depreciation expenses in the short term, improvements in energy efficiency are expected to reduce electricity costs over the long term and enhance competitiveness under increasingly stringent regulations. This will help optimize overall operational efficiency and support the Company's profitability.</td><td>1. The Company has introduced internal carbon pricing using a shadow pricing mechanism, incorporating carbon costs into investment evaluations to enhance the feasibility of emission reduction projects.
2. The Company has established an energy management system to analyze performance data, identify improvement opportunities, and continuously implement energy-saving and carbon reduction initiatives, including equipment upgrades and efficiency improvements.
3. A 75 kW rooftop solar power system for self-generation and self-consumption was installed and connected to the grid in November 2025, with further expansion opportunities under evaluation.</td></tr>
<tr><td>Physical Risk</td><td>High Temperature and Unstable</td><td>This risk is expected to have a long-term impact. The Company has adopted a phased strategy to strengthen energy resilience. While no significant</td><td>1. Conduct regular annual maintenance and servicing of air compression, air conditioning,</td></tr>
</table>
</td></tr>
</table>

Item	Implementation Status			
		Energy Supply	capital expenditures were incurred during the reporting period, the Company continues to implement multi-year equipment optimization initiatives: • In 2024, the Company completed the replacement of high-efficiency air compressors, improving energy efficiency and mitigating the impact of electricity cost fluctuations. • The Company plans to launch a “Power Monitoring and Control System Implementation” project in 2027. This project will integrate existing diesel generator units and establish automated backup and power monitoring mechanisms to address long-term risks associated with unstable power supply.	and power generation systems. 2. Replace and upgrade aging equipment in air compression, chilled water, and power generation systems. 3. Conduct annual emergency response drills and training for generator systems.
	Physical Risk	Extreme Weather Events and Flooding	This risk is expected to have medium- to long-term impacts. The financial implications for the current period are as follows: • To mitigate financial risks arising from extreme weather events, the Company increased insurance coverage, resulting in an additional insurance expense of approximately NTD 1,185 thousand compared to the previous year. • In response to long-term physical risk protection needs, the Company invested approximately NTD 8,000 thousand in capital expenditures during the reporting period to upgrade drainage systems and improve flood control infrastructure. These investments enhanced operational resilience and resulted in an increase in non-current assets. • Through preventive measures such as routine dredging and risk transfer via insurance, the Company aims to reduce long-term recovery costs and the risk of business interruption caused by medium to long-term extreme climate events, thereby maintaining long-term financial stability.	**(Water Consumption Fee)** 1. Enhancing operational management and improving the wastewater recycling system will increase the amount of recycled water and reduce water consumption. **(Reduce water usage and consumption)** 1. Invest in wastewater treatment systems. 2. Improve process equipment and operations to reduce steam consumption. 3. Continuously develop and implement water conservation initiatives.

<table>
<tr><th>Item</th><th colspan="4">Implementation Status</th></tr>
<tr><td rowspan="2"></td><td rowspan="2">Opportunity</td><td>Adoption of Low-Carbon Energy</td><td>This opportunity is expected to have short-, medium-, and long-term impacts. The financial implications for the current period are as follows:
• To enhance energy self-sufficiency and support the energy transition, the Company invested approximately NTD 2,670 thousand in capital expenditures during the reporting period to install on-site solar photovoltaic (PV) systems for self-consumption. This resulted in an increase in non-current assets and cash outflows from investing activities.
• While the installation of solar PV systems increases capital expenditures in the short term, over the long term it is expected to reduce reliance on conventional fossil fuels, mitigate potential impacts from rising carbon costs, and enhance the Company’s green competitiveness and brand value.</td><td>1. Develop self-owned solar power generation projects.
2. Monitor and participate in the renewable energy market.</td></tr>
<tr><td>Enhancement of Corporate Reputation and Brand Value</td><td>This opportunity is expected to have short-, medium-, and long-term impacts. The financial implications for the current period are as follows:
• The Company invested approximately NTD 153,045 thousand in research and development of sustainability-related products currently under development, as well as in sustainability-focused brand promotion during the reporting period.</td><td>Develop new products and actively transition toward green and low-carbon product offerings.</td></tr>
<tr><td>3. Describe the financial impact of extreme weather events and transition actions.</td><td colspan="4"><u>Financial Impact of Extreme Weather Events</u>
With reference to IFRS S2 Climate-related Disclosures, the Company assesses the impacts of climate-related risks and opportunities on its business strategy and financial position. Through scenario analysis, key risk drivers are identified, and corresponding response measures are incorporated into the Company’s management decision-making processes.
For physical risks, the Company refers to the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) and the publication “Taiwan Climate Change Key Indicator Atlas: AR6 Statistical Downscaling Version”, as well as research data from the National Science and</td></tr>
</table>

	Technology Center for Disaster Reduction. The analysis adopts scenarios based on the IPCC AR6 framework, incorporating Shared Socioeconomic Pathways (SSPs) and Representative Concentration Pathways (RCPs). The Company uses the SSP5-8.5 scenario (very high greenhouse gas emissions) as the baseline, under which carbon dioxide emissions are projected to approximately double by around 2050. Financial impact analyses are conducted for key hazards, including extreme heat, flooding, and drought. 1. Physical Impacts of Climate Events and Financial Impact Analysis • Typhoon Intensity and Extreme Rainfall Risk: Although the total number of typhoons affecting Taiwan is projected to decrease by approximately 15% by the mid-21st century, the proportion of intense typhoons is expected to increase significantly by around 100%, with typhoon-related precipitation projected to rise by approximately 20%. This trend may increase the likelihood of flooding at operational sites due to heavy rainfall, potentially resulting in equipment damage, operational disruptions, and revenue losses. • Strong Winds and Extreme Wind Speeds: Maximum wind speeds are projected to increase by approximately 4%. Elevated wind risks may lead to structural damage to facilities or disruptions to power infrastructure, thereby increasing maintenance costs and overall operating expenses. • Long-term Climate Trends: By the end of the 21st century, the proportion of intense typhoons may increase by up to 50%, with typhoon-related precipitation rising by approximately 35%. Over the long term, without appropriate adaptation measures, risks of asset damage and operational uncertainty are expected to increase. 2. Strengthening Resilience in Response to Physical Risks To enhance strategic resilience and reduce potential financial losses, the Company has adopted proactive adaptation measures. • Enhancing Disaster Preparedness: In response to the increasing risk of intense typhoons, the Company has strengthened drainage systems and flood prevention infrastructure at its facilities, and enhanced the wind resistance and disaster resilience of buildings and equipment. These measures aim to reduce unplanned capital expenditures resulting from equipment damage. • Advancing Scenario Analysis: The Company continues to refine its physical risk scenario

	analysis tools by incorporating extreme heat and drought risks into financial assessments, enabling more precise planning of adaptation and risk management strategies. Integration into Decision-Making Processes: The results of the above risk assessments are incorporated into the Company's overall strategic resilience evaluation, ensuring that climate-related financial impacts are considered at an early stage of risk identification and management. **Financial Impact of Transition Actions** Under the transition to a low-carbon economy, the Company faces a broad range of challenges arising from policies and regulations, technological developments, and evolving market demand. Based on the assessment, key risks in the short term to long term include carbon fee implementation, greenhouse gas (GHG) emissions caps, renewable energy regulations, and shifts in consumer preferences. While demand for low-carbon products continues to grow, the Company has undertaken the following actions to address transition risks, with corresponding impacts reflected in its financial structure: I. Carbon Pricing and Energy Efficiency Project Management: The Company has formally introduced internal carbon pricing, applying a shadow pricing mechanism as a basis for investment evaluation to enhance the execution of decarbonization projects. In accordance with the carbon fee regulations announced by the Ministry of Environment, the Company recognizes estimated carbon fee expenses based on emissions as operating expenses. At the same time, the Company has invested significantly in energy-efficient equipment upgrades, including the replacement of aging motors, boilers, and chillers. While these investments increase capital expenditures, depreciation, and cash outflows in the short term, they are expected to reduce electricity and carbon-related costs in the long term, thereby improving overall profitability. II. Energy Transition and Low-Carbon Electricity Adoption: To enhance energy self-sufficiency, the Company is actively developing self-owned solar power generation projects and implementing renewable energy procurement programs. Related electricity procurement costs are recognized as operating expenses. Through self-generation and renewable energy procurement, the Company

Item	Implementation Status
	aims to mitigate the impact of rising carbon costs associated with electricity consumption. In addition, the Company utilizes an energy management system to analyze performance data and identify opportunities for continuous improvement. III. Product Innovation and Sustainable Brand Development: The Company continues to invest in the research and development of sustainability-related products, resulting in increased R&D expenses in the current period. These investments support the enhancement of corporate reputation and help maintain a competitive advantage in response to the growing trend of green consumption.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	To uphold a sound philosophy of ethical business conduct, ensure stable operations and long-term sustainability, and reduce potential operational risks, the Board of Directors approved the Risk Management Policy and Procedures in 2020. This policy enables the Board to effectively assess and oversee various existing or potential risks faced by the Company. Each responsible functional department conducts timely assessments and rolling updates based on recent changes in the global economic environment, the latest ESG regulations, and the Company's risk and opportunity assessment framework. The General Manager Office reports on the Company's risk management implementation to the Board at least once a year, allowing directors to gain a clear understanding of current risks and provide timely, concrete recommendations for the Company's operational strategies.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	In order to tackle the escalating global climate change, the Company remains committed to implementing the TCFD framework. This framework allows us to enhance our comprehension of the potential risk factors associated with extreme weather conditions and enables us to identify emerging business prospects. Based on the Taiwan Climate Change Projection and Adaptation Knowledge Platform (TCCIP) and the National Disaster Prevention and Rescue Technology Center, the temperature rise, rainfall, flooding, and drought were estimated from 2016 to 2035 under the RCP 8.5 scenario. Three physical risk issues were identified. Based on the nature of risk and opportunity factors, risks are categorized into transition risks and physical risks. Transition risks include policy and regulations, reputation, technology, and market-related risks. Physical risks encompass flooding, drought, and high temperatures. Opportunities are divided into four aspects: resource efficiency, energy sources, products and services, and market

Item	Implementation Status
	potential. The assessment of physical risks refers to the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) publication, Taiwan Climate Change Key Indicator Atlas: AR6 Statistical Downscaling Edition (released in June 2023), and the Climate Change Disaster Risk Map published by the National Science and Technology Center for Disaster Reduction. These sources estimate long-term climate changes and potential climate risks. The IPCC AR6 framework integrates Shared Socioeconomic Pathways (SSPs) and Representative Concentration Pathways (RCPs). The Company has selected SSP5-8.5, a high-emission scenario where greenhouse gas emissions are projected to rise significantly, with CO_2 emissions doubling by around the year 2050. This scenario serves as the basis for future climate disaster impact analyses, specifically for high temperatures, flooding, and drought. The assessment of transition risks refers to the World Energy Outlook (WEO) published by the International Energy Agency (IEA) in 2021. This report categorizes energy trends and climate policies into three scenarios: STEPS (Stated Policies Scenario), APS (Announced Pledges Scenario), and NZE (Net Zero Emissions Scenario). Among them, NZE is the most ambitious scenario, assuming all countries achieve net-zero emissions by 2050. Additionally, the analysis takes into account Taiwan's Pathway and Strategy Overview for Net Zero Emissions by 2050, published by the National Development Council in 2022. This ensures alignment with Taiwan's decarbonization strategy while reinforcing the Company's resilience in the face of extreme climate change impacts. The primary financial impacts include: government policies on carbon fees and water consumption charges, which will directly increase the Company's operational costs. In the short term, capital investment is required to enhance energy and water resource efficiency. However, in the long run, the adoption of energy-saving technologies, process recycling, and circular economy initiatives will gradually reduce operational costs and strengthen the Company's competitiveness. In addition, rising raw material prices driven by climate change will also affect production costs. The Company must invest in smart equipment to improve energy efficiency and resource recovery, thereby reducing

Item	Implementation Status
	financial risks and seizing opportunities from market transitions to maintain long-term financial stability.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	To achieve our corporate sustainability vision, the Company is actively implementing corresponding response strategies and management mechanisms through concrete actions. Our production sites continue to carry out and verify greenhouse gas inventories in accordance with ISO 14064-1, while also planning and executing carbon reduction initiatives. Additionally, we are actively developing external renewable energy projects. As of the end of 2023, the combined grid-connected capacity of the solar power installations at our Taoyuan and Kunshan plants has reached 2,247 kW. The Company follows the Group's carbon reduction target for 2030 to plan its decarbonization pathway. In 2025, the Company's greenhouse gas (GHG) emissions decreased by 15.5% compared to the base year of 2017, primarily due to the use of renewable energy. The Company will continue to actively implement energy-saving and carbon reduction initiatives to further reduce emissions in the future. The mid-term carbon reduction strategy will focus on low-carbon energy transformation, energy efficiency, smart monitoring and control, and the installation and use of renewable energy. The long-term carbon reduction strategy will continue to focus on low-carbon fuels, carbon capture and reuse technologies, and negative carbon emission technologies to achieve carbon neutrality targets and promote sustainable development.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	To proactively respond to the government's carbon fee policy, effectively address climate change, and reduce carbon-related risks, the USI Group introduced an internal carbon pricing mechanism in 2024. The scope of implementation covers all plants in Taiwan. The pricing is determined with reference to the domestic carbon fee pricing basis, with the initial carbon price set at NT$300 per metric ton, subject to rolling reviews and phased adjustments. This mechanism primarily integrates carbon costs into corporate decision-making and investment evaluation processes, assesses the impact of carbon emissions on business operations, accelerates the implementation of carbon reduction measures, and

Item	Implementation Status
	drives low-carbon investments. To ensure effective implementation, the Group conducts regular annual management reviews and confirms execution status. In May 2025, the Group completed a review of each unit's actual implementation of incorporating carbon pricing into project evaluations, ensuring that the mechanism can be effectively translated into momentum for low-carbon transition and support the Company's long-term sustainable development goals.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	Climate change is a global challenge that we all face. In order to comply with international standards and meet the requirements of sustainable development, our country announced the amendment of the "Greenhouse Gas Reduction and Management Act" to the "Climate Change Response Act" on February 15, 2023. With the impact of climate change, reducing carbon emissions has become a global community effort. In early 2022, the USI Group set a goal to "reduce carbon emissions by 27% by 2030, compared to 2017". In addition, in 2023, they set the long-term goal of achieving carbon neutrality by 2050. The Company follows the Group's carbon reduction targets to plan its decarbonization pathway toward 2050. To achieve its long-term sustainability vision, as of the end of 2025, the cumulative grid-connected capacity of solar power installations across the Taoyuan, Kunshan, Guangzhou, and Malaysia plants reached 5,036 kW, with total renewable electricity consumption of 17,326,069 kWh. For details on the scope, timeline, and annual progress of greenhouse gas emissions reduction, please refer to Section 9: Implementation Status.
9. Greenhouse Gas Inventory and Assurance Status and Reduction Targets, Strategies and Specific Action Plans.	For detailed information, please see Sections 1-1 and 1-2.

1-1 Greenhouse Gas Inventory and Assurance Status in the Past Two Years

1-1-1 Greenhouse Gas Inventory Information

1. The parent company will be required to begin greenhouse gas inventory starting from 2026.
2. Subsidiaries included in the consolidated financial statements will be required to begin inventory starting from 2027.

The parent company has conducted greenhouse gas (GHG) inventories since 2021 in accordance with ISO 14064-1:2018 issued by the International Organization for Standardization (ISO), in order to monitor and manage its GHG emissions. Starting from 2024, the Company and its subsidiaries included in the consolidated financial statements have conducted GHG inventories on an annual basis. The GHG inventory data for the most recent two years have been compiled using the operational control approach, covering emissions from the Company and all subsidiaries included in the consolidated financial statements, as detailed below:

Year	2024		2025	
The Company	Emissions (CO_2e)	Emission intensity (tons CO_2e per NT$1 million in revenue)	Emissions (CO_2e)	Emission intensity (tons CO_2e per NT$1 million in revenue)
Scope 1 (direct greenhouse gas emissions)	3,708.6867		2,970.6420	
Scope 2 (indirect greenhouse gas emissions)	7,902.2920		6,929.4544	-
Subtotal	11,610.9787		9,900.0964	
Subsidiaries included in the consolidated financial statements	Emissions (CO_2e)	Emission intensity (tons CO_2e per NT$1 million in revenue)	Emissions (CO_2e)	Emission intensity (tons CO_2e per NT$1 million in revenue)
Scope 1 (direct greenhouse gas emissions)	1,279.3494		1,185.0149	
Scope 2 (indirect greenhouse gas emissions)	43,469.4990		41,402.7931	
Subtotal	44,748.8484		42,587.8080	
Total	56,359.8271	18.6792	52,487.9044	17.1023

Note:

1. The inventory calculation for 2024 and 2025 follows ISO 14064-1:2018 standards.
2. For the 2025 inventory, if the carbon emissions from a reporting site account for no more than 5% of the total emissions and there are no significant operational changes, the emission data from the first year (2023) will be used for calculation. This applies to the ACME Electronics Corporation – Taipei Office. The following companies are holding companies with no emissions: ACME Components (Malaysia) Sdn. Bhd. and ACME Electronics (Cayman) Corp.

1-1-2 Greenhouse Gas Assurance Information

1. The parent company will begin executing assurance starting from 2028.
2. Subsidiaries included in the consolidated financial statements will begin executing assurance starting from 2029.

Assurance Status of Greenhouse Gas (GHG) Inventories for the Company and Its Consolidated Subsidiaries (Past Two Years):

Scope of Assurance Execution		Emissions in 2024 (tCO_2e)	Emissions in 2025 (tCO_2e)
The Company	(Scope 1) Direct greenhouse gas emissions	3,708.6867	The complete assurance information will be disclosed in the 2025 ESG Report
	(Scope 2) Indirect greenhouse gas emissions	7,902.2920	
	Total	11,610.9787	
	Percentage of the data disclosed in Section 1-1-1 of the inventory	100%	
All subsidiaries included in the consolidated financial statements	(Scope 1) Direct greenhouse gas emissions	1,279.3494	
	(Scope 2) Indirect greenhouse gas emissions	43,469.4990	
	Total	44,748.8484	
	Percentage of the data disclosed in Section 1-1-1 of the inventory	100%	
Assurance organization		Ernst & Young	
Description of assurance engagement		TWSAE 3410	
Opinion/Conclusion		Unqualified conclusion	

1-2 Greenhouse Gas Reduction Targets, Strategies, and Action Plans

ACME is actively promoting sustainable operations. In early 2022, the Company set its first carbon reduction target, aiming to reduce carbon emissions by 27% by 2030 compared to 2017 levels. In 2023, the Company further established a more ambitious goal: achieving carbon neutrality by 2050. These targets apply to the consolidated entities and focus on Scope 1 (direct emissions) and Scope 2 (indirect emissions) of greenhouse gas emissions.

To implement its carbon reduction goals, the domestic production site continues to carry out ISO 14064-1 greenhouse gas inventories and third-party verifications. Through systematic management, the Company effectively monitors emissions data and trends. In addition, it actively promotes energy management systems to enhance energy efficiency, implementing measures such as pump upgrades, installation of high-efficiency motors (IE4 and above), replacement of aging air compressors, and heat recovery systems for kilns—significantly reducing energy consumption and carbon emissions.

The adoption of renewable energy is also a key component of ACME's carbon reduction strategy. By the end of 2025, the Company had successfully launched several solar power projects, with a cumulative grid-connected capacity of 5,036 kW—demonstrating clear progress in renewable energy deployment.

In 2025, the self-inventoried Scope 1 emissions totaled 4,156 metric tons of CO_2e, while Scope 2 emissions reached 48,332 metric tons of CO_2e, for a combined annual total of 52,488 metric tons of CO_2e. These figures reflect the initial effectiveness of the Company's current carbon reduction strategies. Acme will continue to implement energy-saving and emissions reduction measures to build a more sustainable and competitive business model.

(VI) Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons:

Evaluation item	Implementation status (Note)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
I. Establishment of ethical corporate management policies and programs				
(I) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	V		**(I) Ethical Policy** The Group upholds the business philosophy of "Solid Operation, Professional Management, Seeking Excellence and Serving the Society" and exercises its corporate culture that "seeks truth, honesty and comprehensiveness". With the approval of the Board of Directors, the Company has established the Ethical Corporate Management Best Practice Principles, the Procedures and Guidelines for Integrity Management and the Code for Ethical Conduct of Directors and President to specify its ethical corporate management policies. The Company's Board of Directors and the President have signed statements of ethical management to fulfill their commitments in management policies.	Consistent with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.
(II) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no	V		**(II) Ethical Corporate Management Best Practice Principles and Preventive Measures** The Company has established the Ethical Corporate Management Best Practice Principles, which has been approved by the Board of Directors, and established a risk assessment mechanism for unethical conduct to regularly analyze and evaluate business activities with higher risk of unethical conduct	Consistent with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.

Evaluation item	Implementation status (Note)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?			within the business scope, so as to formulate prevention programs, while reviewing the adequacy and effectiveness of prevention programs on a regular basis and strengthening relevant preventive measures. The prevention programs adopted by the Company include preventive measures against the following: 1. Offering and receiving bribes. 2. Illegal political contributions. 3. Improper charitable donation or sponsorship. 4. Offering or accepting unjustified presents or hospitality, or other improper benefits. 5. Infringing upon business secrets, trademark rights, patent rights, copyright and other intellectual property. 6. Engaging in unfair competition. 7. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.	
(III) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?	V		**(III) Ethical Corporate Management and Whistleblowing Mechanism** 1. The Company has established the Ethical Corporate Management Best Practice Principles and the Procedures and Guidelines for Integrity Management, both approved by the Board of Directors. These documents clearly outline the standards of conduct to be observed by directors, managers,	Consistent with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.

Evaluation item	Implementation status (Note)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			employees, and substantial controllers in the execution of their duties. They also specify disciplinary measures for violations and establish a grievance and whistleblowing mechanism. 2. The Company has established the “Procedures for Handling Cases of Illegal and Unethical or Dishonest Conduct” to promote the reporting of any illegal behavior or violation of the Code of Conduct or the Ethical Corporate Management Principles. A variety of whistleblowing channels are provided, allowing employees or external parties to report suspected misconduct. Designated personnel are responsible for handling such reports, and all whistleblower identities and the contents of the reports are kept strictly confidential. The whistleblowing channel is as follows: Audit Committee Mailbox: Available on the Company’s official website to receive reports from shareholders, investors, and other stakeholders. Group Audit Office: Whistleblower hotline: 2650-3783 Group Human Resources Department: Grievance hotline (ext. 2609) and email: usighr@usig.com Employee Grievance Mailboxes: Physical mailboxes are located near the security office or bulletin boards in each plant, and on the 6th floor of the USI Building in the Taipei office area. None of the units received illegal reports in year 2025. 3. Related regulations have been fully implemented and we continue to organize training courses to promote the ideals.	

Evaluation item	Implementation status (Note)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
II. Ethical Management Practice (I) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?	V		(I) The Company has requested for terms of ethical conduct to be clearly defined in commercial contracts in accordance with its Ethical Corporate Management Best Practice Principles and the Procedures for Ethical Management and Guidelines for Conduct.	Consistent with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.
(II) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the Board of Directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?	V		(II) To ensure sound management of ethical business practices, the Company has assigned the corporate governance team to be responsible for formulating and overseeing the implementation of the integrity management policy and preventive measures. The Corporate Governance Officer is required to report to the Board of Directors on a regular basis, at least once a year. The Corporate Governance Officer reported to the Board of Directors on matters related to ethical corporate management on November 4, 2025, including: 1. Formulate and implement regulations relating to ethical management policies in accordance with the framework of law and enforce compliance. 2. Regular analysis and assessment of integrity risk within the business scope – The Company evaluates risks of unethical conduct within its operations based on the “Checklist for Assessing Integrity Risk”. Based on the assessment, there are no significant risks this year.	Consistent with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.

Evaluation item	Implementation status (Note)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			3. The Company has planned its internal organizational structure and placed a control mechanism on business activities with higher risk of dishonest conduct in the business scope. 4. It promoted and coordinated of honesty policy advocacy training.	
			5. A whistleblowing mechanism has been established to ensure effective implementation. An investigation revealed that no reports of illegal activities were received this year. 6. Assist the Board of Directors and the President in reviewing and assessing whether the prevention measures taken for the purpose of implementing ethical corporate management are carried out effectively, and prepare reports on the regular assessment of compliance with operating procedures.	
(III) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?	V		(III) The Company has formulated the Code for Ethical Conduct of Directors and Managerial Officers to prevent conflict of interest and provide suitable channels for Directors, managers, and employees to explain any potential conflict of interest with the Company.	Consistent with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.
(IV) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of	V		(IV) The Company's accounting systems and internal control systems can run independently and objectively. Internal control personnel regularly report to the Audit Committee and the Board of Directors. CPAs appointed by the Company regularly	Consistent with the Ethical Corporate Management Best Practice Principles

Evaluation item	Implementation status (Note)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?			perform internal audits and hold discussions with the management. The internal audit unit, after assessing risks, has drafted the audit plan for the next year, which incorporates the items under "Management of Reporting Illegal and Unethical or Dishonest Behavior," so as to audit the compliance with the Company's Unethical Conduct Prevention Program.	for TWSE/TPEx Listed Companies.
(V) Does the company provide internal and external ethical corporate management training programs on a regular basis?	V		(V) To ensure that the Company's directors, managers, and employees understand and adhere to the Group's standards of integrity and ethics, compliance with the integrity management policy is required as a condition of employment. Upon onboarding, employees are required to sign a commitment to comply with the Company's integrity policy. Directors and senior managers must also sign a Declaration of Integrity Management upon appointment, which is properly documented and retained by designated personnel. To reinforce integrity and ethical conduct, the Company continues to promote awareness and regularly holds relevant training sessions. Knowledge tests are also administered to enhance employee understanding. In 2025, the Company organized integrity-related training courses, with a total of 363 attendees, including employees and directors, accumulating 426 total training hours. The breakdown of the courses is as follows:	Consistent with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.

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<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status (Note)</th><th rowspan="2">Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><th>Course Title</th><th>Hours of the Course</th><th>Total Participants</th><th>Total Training Hours</th></tr>
<tr><td>[Integrity Seminar] AI Trends and Legal Risk Guidance</td><td>2</td><td>63</td><td>126</td></tr>
<tr><td>[Integrity Seminar] Employee Code of Conduct (Part I)</td><td>1</td><td>148</td><td>148</td></tr>
<tr><td>[Integrity Seminar] Employee Code of Conduct (Part II)</td><td>1</td><td>152</td><td>152</td></tr>
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</td><td></td></tr>
<tr><td>III. Implementation of Complaint Procedures
(I) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle blowing channels, and appointed appropriate personnel specifically?</td><td>V</td><td></td><td>(I) On November 11, 2019, the Company’s Board of Directors approved the amendment of the “Procedures for Handling Reporting of Illegal and Unethical or Dishonest Conduct” (URL: https://www.acme-ferrite.com.tw/doc/acme54.pdf). The procedures clearly specify the whistleblowing channels, reward system, designated personnel for handling reports, and protection for whistleblowers.
1. Report channels:
(1) In-person: Face-to-face explanation.
(2) By telephone: 02-26503783
(3) By mail: Audit Office, 7F, No. 37, Jihu Road, Neihu District, Taipei City.
2. Reward system:
Where a report is verified as true and its contribution generates significant economic benefits, the incident may be submitted to the President to provide the reporter with appropriate rewards.</td><td>Consistent with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.</td></tr>
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Evaluation item	Implementation status (Note)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			3. Responsible personnel: (1) Audit Committee: Accept reports from shareholders, investors, and other stakeholders. (2) Audit Office: Accept reports from customers, suppliers, and contractors. (3) HR Department: Accept reports from employees. 4. Whistleblower protection: Whistleblowers or persons involved in investigations shall be fully protected and the confidentiality of their identities and information provided shall be fully maintained, so that they will not be subjected to unfair treatment or retaliation. Where the whistleblower is an employee, the Company shall guarantee that the employee shall not sustain inappropriate treatment that may arise from the report.	
(II) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?	V		(II) The measures mentioned in the preceding paragraph specify the standard operating procedures for investigating the case being exposed by the whistleblower and the relevant confidentiality mechanism; where whistleblower is anonymous or did not use his/her true name, or the content stated or the proof of origin provided is deemed necessary for investigation, the case may still be reported to the Chairman/President before the case is handled and recorded as a reference for internal review. After a report is accepted, an investigation will be conducted for internal evidence. If it is proved to be true, the Company will	Consistent with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.

Evaluation item	Implementation status (Note)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
(III) Has the company adopted proper measures to protect whistleblowers from retaliation for filing complaints?	V		handle it based on its illegal violation or the severity of violation in accordance with the disciplinary regulations and relevant laws. (III) The procedures above also specify that whistleblowers or persons involved in investigations shall be fully protected and the confidentiality of their identities fully maintained, so that they will not be subjected to unfair treatment or retaliation.	Consistent with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.
IV. Strengthening Information Disclosure Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?	V		The Company has disclosed relevant regulations and information on ethical corporate management on the Company's website, which is available for employees at any time. (website: https://www.ACME-ferrite.com.tw/Offical_Zone/CorporateGovernance#03). In addition, the Company also disclose information related to good-faith operation and promotion achievements in the annual report and the Market Observation Post System.	Consistent with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.
V. If the Company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviations between the principles and their implementation: The Company has established its Code for Ethical Conduct of Directors and Managerial Officers, the Ethical Management Best Practice Principles, the Procedures and Guidelines for Integrity Management, the "Code of Conduct for Employees Regarding Concurrent and Part-time Work", and the "Procedures for Handling Cases of Illegal and Unethical or Dishonest Conduct". There was no material discrepancy during the implementation of these rules and regulations.				
VI. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies (e.g., the Company's reviewing and amending of its ethical corporate management best practice principles): 1. By referring to the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" promulgated by the competent authority, the Company has formulated own "Ethical Management Best Practice Principles, the Procedures and Guidelines for				

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status (Note)</th><th rowspan="2">Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td colspan="5">Integrity Management and the Procedures for Handling Reporting of Illegal and Unethical or Dishonest Conduct, which has been effective after reporting to and approving by the Board of Directors. The same rule shall apply to any amendments thereof. The Corporate Governance Officer reports to the Board of Directors at least annually on the implementation matters of ethical management. Matters of ethical management of 2025 have been reported to the Board of Directors on November 4, 2025.
2. In accordance with the Corporate Governance Best Practice Principles amended by the competent authority in August 2022, the Company amended the Procedures and Guidelines for Integrity Management to specify that, in addition to the prohibition of insider trading, the Company’s directors shall not trade in the Company’s shares during the closed period of 30 days prior to the announcement of the annual financial report and 15 days prior to the announcement of the quarterly financial report. Throughout the fiscal year 2025, none of the directors of our company reported any stock transfers during the closed period.</td></tr>
</table>

Note: Regardless of whether “Yes” or “No” is ticked regarding the implementation status, an explanation should still be provided in the explanation column for each item.

(VII) Other significant information that will provide a better understanding of the state of the company's implementation of corporate governance may also be disclosed:

As of the date of publication, the Company has a Corporate Governance Best Practice Principles and related regulations, such as: the Articles of Incorporation, the Procedures for Acquisition or Disposal of Assets, the Procedures for Endorsement and Guarantee, the Procedures for Lending Funds to Others, the Code for Ethical Conduct of Directors and Managerial Officers, the Rules of Procedures for Board Meetings, the Rules of Procedures for Shareholders' Meetings, the Organizational Procedures for the Audit Committee, the Code of Practice for Sustainable Development, the Organizational Procedures for the ESG Committee, the Organizational Procedures for the Remuneration Committee, the Code of Conduct for Integrity, the Procedures for Handling Internal Material Information, , the Procedures and Guidelines for Integrity Management, the Board Performance Evaluation Guidelines, the Rules Governing the Scope of Responsibilities of Independent Directors, the Rules for Handling Reports of Illegal, Unethical or Dishonest Conduct, and the Standard Procedures for Handling Directors' Requests, etc. For details, please refer to the following website:

1. Corporate Governance section of the Market Observation Post System (https://mops.twse.com.tw).
2. Website of the Company (https://www.ACME-ferrite.com.tw).

   The Company regularly performs audit of its subsidiaries, and regularly analyzes and reviews the financial and business information of its subsidiaries in accordance with the requirements for supervision and monitoring of subsidiaries stipulated in the Regulations Governing Establishment of Internal Control Systems by Public Companies.

(VIII) The section on the state of implementation of the company's internal control system shall furnish the following:

1. Statement of Internal Control:

   The Statement on Internal Control System for 2025 has been duly filed and disclosed on the Market Observation Post System (MOPS). For details, please refer to the MOPS under: Company Information → Corporate Governance → Corporate Policies/Internal Control → Statement on Internal Control System.

   https://mopsov.twse.com.tw/mops/web/ajax_t06sg20?parameters=0eb65210d5bdc34ea16e295ccdbad1094fa31aee87661611d3f8c22bea3fb50d9431092059e57ec5acce2508557bbb827dd8deda6d21048dd6757f91f6feed9efade4567702b1a82869a09fd73fc40580c34cb06b2f34283ff7b7f5a90d6ea84903dde6a928cc89597c96889484360aa69e2d433f833ea7a8e738f7bb6b5fbd6

2. Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report: None.

(IX) Material resolutions of a shareholders meeting or a board of directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

1. Shareholders' Meeting

Year of Meeting	Date of Meeting	Material Resolutions
2025	2025/5/27	The minutes of the Shareholders' Meeting were posted onto MOPS on June 12, 2025. The material resolutions and their status of implementation are as follows: 1. Ratified the 2024 Account Book. Implementation status: Adopted. 2. Ratified the 2024 Deficit Compensation. Implementation status: Adopted. 3. Discuss the amendment to Articles of Incorporation Implementation status: Adopted. 4. Election of one additional independent director: 5. Chen, Ta-Hsiung was elected as an independent director. Implementation status: One independent director was elected in a by-election at the Annual General Meeting. The term of office is from May 27, 2025 to May 25, 2026, and the director assumed office following the conclusion of the Annual General Meeting. 6. Discussed the removal of the non-compete clause for directors Implementation status: Adopted.

2. Board of Directors

Session (Year) of Meeting	Date of Meeting	Material Resolutions
The 9th meeting of the 12th term (1st Meeting in 2025)	2025/3/4	1. Approved the change of the Company's Accounting Manager. 2. Approved the Accounting Manager's competitive behavior. 3. Approved the 2024 Account Book. 4. Approved the 2024 Deficit Compensation. 5. Approved the amendment of certain articles in the Articles of Incorporation 6. Approved the establishment of the scope of frontline employees in the Company. 7. Approved the recommendation to lift competition restrictions against newly elected directors at the Annual General Meeting. 8. Approved matters related to the convening of the 2025 Annual General Meeting. 9. Adopted the period and venue for accepting shareholder proposals.

Session (Year) of Meeting	Date of Meeting	Material Resolutions
		10. Approved the proposal to provide endorsement and guarantee to Acme Electronics (Kunshan) Co., Ltd., a subsidiary of the Company. 11. Approved the 2025 evaluation of the independence and competency of appointed CPAs. 12. Approved the appointment of CPAs for 2025. 13. Approved the issuance of the 2024 Statement on Internal Control System. 14. Approved the donation to the USI Education Foundation.
The 10th meeting of the 12th term (2nd Meeting in 2025)	2025/3/27	1. One independent director was elected through a by-election at the Annual General Meeting. 2. Approved the recommendation to lift competition restrictions against newly elected independent director at the Annual General Meeting. 3. Approved the amendments to matters related to the convening of the 2025 Annual General Meeting.
The 11th meeting of the 12th term (3rd Meeting in 2025)	2025/4/16	1. Approved the list of independent director nominees nominated by shareholders holding more than 1% of the Company’s shares. 2. Approved the recommendation to lift competition restrictions against newly elected directors at the Annual General Meeting.
The 12th meeting of the 12th term (4th Meeting in 2025)	2025/5/2	1. Approved the Q1 2025 Consolidated Financial Statements. 2. Approved the supplementary appointment of one member to the Remuneration Committee.
The 13th meeting of the 12th term (5th Meeting in 2025)	2025/8/5	1. Approved the Q2 2025 Consolidated Financial Statements. 2. Approved the amendment of certain articles in “Board Performance Evaluation Guidelines”. 3. Approved the amendments to the Company’s internal control system. 4. Approved the 2024 ESG Report. 5. Approved the managerial competitive behavior.
The 14th meeting of the 12th term (6th Meeting in 2025)	2025/11/4	1. Ratified the execution of a short-term export loan facility agreement with the Export-Import Bank of the Republic of China. 2. Ratify the renewal of a two-year unsecured comprehensive credit line signed with Mega International Commercial Bank. 3. Ratified the renewal of a short-term unsecured general credit facility and a three-year unsecured loan facility with Chang Hwa Bank. 4. Approved the execution of a short-term unsecured general credit facility agreement with Shanghai Commercial & Savings Bank.

Session (Year) of Meeting	Date of Meeting	Material Resolutions
		5. Approved the authorization for the Chairman to sign and deliver short-term credit loan agreements and related documents with financial institutions. 6. Approve the Q3 2025 Consolidated Financial Statements. 7. Approved the Budget for 2026. 8. Approved remuneration of CPAs for 2025. 9. Approve the amendment of some provisions in the Regulations on Financial Transactions between Related Parties, Specific Companies, and Corporate Groups. 10. Approved the amendment of certain articles in “Board Performance Evaluation Guidelines”. 11. Approved the amendments to the Company’s internal control system. 12. Approved the 2026 Annual Audit Plan.
The 15th meeting of the 12th term (1st Meeting in 2026)	2026/3/4	1. Ratified the renewal of a short-term unsecured general credit facility agreement with Taishin International Bank. 2. Ratified the execution of a short-term hedging financial transaction facility agreement with Cathay United Bank. 3. Approve the 2025 Account Book. 4. Approve the 2025 Deficit Compensation. 5. Approve the amendment of some provisions in the Regulations Governing the Acquisition and Disposal of Assets 6. Approved the re-election of directors at the Annual General Meeting this year. 7. Approved the removal of non-compete restrictions for newly elected directors. 8. Approved matters related to the convening of the 2026 Annual General Meeting. 9. Adopted the period and venue for accepting shareholder proposals. 10. Approved partial amendments to the “Remuneration Policy and Procedures for Directors and Managers”. 11. Approved the review of the scope of the Company’s entry-level employees. 12. Approved the assessment of the independence and qualifications of the external auditors for 2026. 13. Approved the appointment of CPAs for 2026. 14. Approved the issuance of the 2025 Statement on Internal Control System. 15. Approved the donation to the USI Education Foundation.

(X) Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the Board of Directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof.: None

IV. Information on CPA Fees:

Unit: NT$ thousands

Name of accounting firm	Names of CPAs	Audit Period	Audit fees	Non-audit fees	Total	Remarks
Deloitte & Touche	Chang, Cheng-Hsiu	2025	2,530	350	2,880	–
	Chiu, Cheng-Chun					

Note 1: The non-audit professional service fee for tax certification is NT$350 thousand.

(I) When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: Not applicable because no CPA firm is changed.

(II) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed: The audit fee of the Company in year 2025 is not reduced by 10% or more compared with that in year 2024, so it is not applicable.

V. Information on change of CPA

(I) Previous CPAs:

<table>
<tr><th>Date of Replacement</th><th colspan="4">The Board of Directors approved on March 4, 2026</th></tr>
<tr><td>Replacement reasons and explanations</td><td colspan="4">Starting from the first quarter of 2026, the financial reports were audited (reviewed) and signed by Accountants Chang, Cheng-Hsiu and Liu Yi-Ching, in accordance with the rotation system for certified public accounts of Deloitte & Touche.</td></tr>
<tr><td rowspan="3">Describe whether the Company terminated or the CPA did not accept the appointment</td><td colspan="2">Contracting Party / Scenario</td><td>CPA</td><td>Appointer</td></tr>
<tr><td colspan="2">Terminate the appointment</td><td colspan="2" rowspan="2">Not applicable</td></tr>
<tr><td colspan="2">CPA declined to accept (continue with) the appointment</td></tr>
<tr><td>Opinion and reason for the issuance of audit reports containing opinions other than unqualified opinions in the most recent two fiscal years</td><td colspan="4">Audit reports with unqualified opinions were issued for both 2024 and 2025.</td></tr>
<tr><td rowspan="7">Differences with the Company</td><td rowspan="5">Yes</td><td colspan="2"></td><td>Accounting principles or practices</td></tr>
<tr><td colspan="2"></td><td>Disclosure of financial report</td></tr>
<tr><td colspan="2"></td><td>Audit scope or procedures</td></tr>
<tr><td colspan="2"></td><td>Others</td></tr>
<tr><td colspan="2"></td><td></td></tr>
<tr><td>None</td><td colspan="3"></td></tr>
<tr><td colspan="4">Description: None</td></tr>
<tr><td>Other items for disclosure (where Item 1-4 to Item 1-7, Subparagraph 6, Article 10 of the Regulation should be disclosed)</td><td colspan="4">None</td></tr>
</table>

(II) Successor CPAs:

Accounting Firm	Deloitte & Touche
Names of CPAs	Accountants Chang, Cheng-Hsiu and Liu Yi-Ching
Date of Appointment	2026.3.4
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
Written opinions from successor CPAs with regards to matters with which former CPAs disagreed	None

(III) Former CPAs reply to Item 1 and Item 2-3, Subparagraph 6, Article 10 of the Regulations: Not applicable.

VI. Where the Company's Chairman, President, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held, shall be disclosed. The term "affiliated enterprise of a certified public accountant's accounting firm" means one in which the certified public accountants at the accounting firm of the attesting certified public accountant hold more than 50 percent of the shares, or of which such accountants hold more than half of the directorships, or a company or institution listed as an affiliated enterprise in the external publications or printed materials of the accounting firm of the certified public accountant: None.

VII. Any transfer of equity interests and/or pledge of or change in equity interests (during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report) by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report. Where the counterparty in any such transfer or pledge of equity interests is a related party, disclose the counterparty's name, its relationship between that party and the company as well as the company's directors, supervisors, managerial officers, and ten-percent shareholders, and the number of shares transferred or pledged.

(I) Changes in equity interest of directors, supervisors, managerial officers and shareholders holding more than 10% of the shares:

Position (Note 1)	Name	2025		Year to March 31, 2026	
		Increase (decrease) in number of shares held	Increase (decrease) in number of shares pledged	Increase (decrease) in number of shares held	Increase (decrease) in number of shares pledged
Major Shareholder	USI Corporation	0	0	0	0
Director	Wu, Yi-Gui (Representative of USI Corporation)	0	0	0	0
	Hsu, Shan-Ko (Representative of USI Corporation)	0	0	0	0
Shareholder	Asia Polymer Corporation	0	0	0	0
Director	Cheng, Hui-Ming (Representative of Asia Polymer Corporation)	0	0	0	0
	Wu, Wen-Hao (Representative of Asia Polymer Corporation)	0	0	0	0
Shareholder	Taita Chemical Co., Ltd.	0	0	0	0
Director	Wu, Hsien-Tsung (Representative of Taita Chemical Co., Ltd.)	0	0	0	0
	Huang, Chun-Hui (Representative of Taita Chemical Co., Ltd.)	0	0	0	0
Independent Director	Chen, Ta-Hsiung (Assumed office on 5/27/2025)	0	0	0	0
	Chen, Piao-Chun	0	0	0	0
	Chang, Lee-Chiou (Dismissed on 3/25/2025)	0	0	Not applicable	
	Lin, Shun-Tian	0	0	0	0
	Wang, Ting-Chang	0	0	0	0
CEO	Wu, Yi-Gui	0	0	0	0
President	Wu, Wen-Hao	1,000	(250,000)	0	0
Vice President	Liang, Ching-Chin	0	0	0	0
	Yang, Fu-Tien	0	0	0	0
	Chen, Po-Tzu	0	0	0	0
	Tseng Yuan-Chi (Assumed office on 12/1/2025; Dismissed on 2/1/2026)	0	0	0	0
Assistant Vice President	Chen, Chien-Chi	0	0	0	0
	Wang, Min-Hua	0	0	0	0
	Shih, Pei-Chao	(23,491)	0	0	0
	Cheng, Kuo-Wei	0	0	0	0
	Chiu, Shih-Che (Dismissed on 1/17/2026)	0	0	0	0
	Hsiung, Shao-Yung (Assumed office on 4/2/2025)	0	0	0	0
Corporate Governance Officer	Chen, Yung-Chih	0	0	0	0
Chief Financial Officer	Yvonne Fang	0	0	0	0

Position (Note 1)	Name	2025		Year to March 31, 2026	
		Increase (decrease) in number of shares held	Increase (decrease) in number of shares pledged	Increase (decrease) in number of shares held	Increase (decrease) in number of shares pledged
Accounting Manager	Lin, Su-Ying (Appointed on 3/5/2024; Dismissed on 2/1/2025)	0	0	Not applicable	
	Chih, Mei-Hsuan (Appointed on 2/1/2025; Dismissed on 3/31/2026)	0	0	0	0
	Tsai, Hsiao-Ping (Appointed on 3/31/2026)	Not applicable		0	0

Note 1: Any shareholder holding more than 10 percent of the Company's total share capital shall be noted as a major shareholder, and such shareholders shall be listed individually.

Note 2: If the counterparty of a transfer of shareholding or a pledge of shareholding is a related party, additionally complete the table below.

(II) Equity Transfer Information

Name (Note 1)	Reason for Equity Transfer (Note 2)	Transaction Date	Counterparty	Relationship between the Counterparty and the Company, Directors, Supervisors, Managers, and Shareholders Holding more than 10% of the Shares	Number of Shares	Transaction Price
Not applicable						

Note 1: Please list the names of the company's directors, supervisors, managers, and shareholders holding more than 10% of the shares.

Note 2: Please specify whether it is an acquisition or disposal.

(III) Equity Pledge Information

Name (Note 1)	Reason for Pledge Change (Note 2)	Change Date	Counterparty	Relationship between the Counterparty and the Company, Directors, Supervisors, Managers, and Shareholders Holding more than 10% of the Shares	Number of Shares	Percentage of Ownership (%)	Pledge Ratio	Pledged (Redeemed) Amount
Not applicable								

Note 1: Please list the names of the company's directors, supervisors, managers, and shareholders holding more than 10% of the shares.

Note 2: Please specify whether it is a pledge or a redemption.

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

Information of the top 10 shareholders in terms of number of shares held, who are related parties of each other

March 28, 2026; Unit: shares; %

Name (Note 1)	Shares Held By The Individual		Shares Held By Spouse And Underage Children		Shares Held Through Nominees		Title (Or Name) And Relationship Among Top Ten Shareholders With Related Party, Spousal, Or Second-Degree Relative Relationships (Note 3)		Remarks
	Number of Shares	Percentage of Ownership (%)	Number of Shares	Percentage of Ownership (%)	Number of Shares	Percentage of Ownership (%)	Title (or Name)	Relationship	
USI Corporation	61,682,967	28.96%	—	—	0	0%	Note 4	Same representative	—
Representative: Wu, Yi-Gui	1,510,750	0.71%	—	—	0	0%			
USIFE Investment Co., Ltd.	20,280,230	9.52%	—	—	0	0%	Note 4	Same representative	—
Representative: Wu, Yi-Gui	1,510,750	0.71%	—	—	0	0%			
Asia Polymer Corporation	6,801,315	3.19%	—	—	0	0%	Note 4	Same representative	—
Representative: Wu, Yi-Gui	1,510,750	0.71%	—	—	0	0%			
Taita Chemical Co., Ltd.	4,991,556	2.34%	—	—	0	0%	Note 4	Same representative	—
Representative: Wu, Yi-Gui	1,510,750	0.71%	—	—	0	0%			
Emerald Investment Corporation	4,053,530	1.90%	—	—	0	0%	Note 4	Same representative	—
Representative: Wu, Yi-Gui	1,510,750	0.71%	—	—	0	0%			
China General Plastics Corporation	3,566,526	1.67%	—	—	0	0%	Note 4	Same representative	—
Representative: Wu, Yi-Gui	1,510,750	0.71%	—	—	0	0%			
APC Investment Corporation	3,116,262	1.46%	—	—	0	0%	Note 4	Same representative	—
Representative: Wu, Yi-Gui	1,510,750	0.71%	—	—	0	0%			
Li, Ying-Chi	1,604,000	0.75%	—	—	0	0%	None	None	—
Shih, Hui-Ching	1,562,000	0.73%	No information given by the shareholder.						
Wu, Yi-Gui	1,510,750	0.71%	—	—	0	0%	Note 4	Note 4	—

Note 1: All the top 10 shareholders should be listed. For institutional shareholders, their names and the name of their representatives shall be listed separately.

Note 2: Shareholding percentage is calculated separately based on the number of shares held in the name of the person, his/her spouse and minors, and others.

Note 3: Relationships between the aforementioned shareholders, including institutional and natural person shareholders should be disclosed.

Note 4: Mr. Wu, Yi-Gui is the representative of USI Corporation, USIFE Investment Co., Ltd., APC Investment Corporation, Taita Chemical Co., Ltd., Emerald Investment Corporation, China General Plastics Corporation, and APC Investment Corporation.

IX. The total number of shares and total equity stake held in any single

enterprise by the company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the company.

December 31, 2025; Unit: shares; %

Investee enterprise (Note)	Investment by the Company		Investment by the Directors, Supervisors, Managerial Officers and Directly or Indirectly Controlled Entities of the Company		Total investment	
	Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)
Golden Amber Enterprises Ltd.	20,800,000	100%	0	0	20,800,000	100%
Acme Electronics (Cayman) Corp.	43,887,521	60.10%	0	0	43,887,521	60.10%
USI Optronics Corporation	22,064,224	34.00%	39,539,911	60.92%	61,604,135	94.92%

Note: This refers to investments accounted for using the equity method.

CHAPTER 3　CAPITAL OVERVIEW

I. Capital and Shares:

(I) Sources of Share Capital:

Unit: Thousands of Shares/Thousands of New Taiwan Dollars

MM/YYYY	Issue Price	Authorized Capital		Paid-in Capital		Remark		
		Number of Shares	Amount	Number of Shares	Amount	Sources of Share Capital	Capital Paid in by Assets Other than Cash	Others
1991.09.05	10	15,000	150,000	15,000	150,000	Initial stock offering by cash	—	
1992.09.30	10	30,000	300,000	30,000	300,000	Capital increased by cash	—	
1996.11.12	13	50,000	500,000	50,000	500,000	Capital increased by cash	—	J. (1996) S.Z. No. 120406
2000.07.05	10	33,850	338,500	33,850	338,500	Capital reduction	—	(2000) T.C.Z. (Y.) No. 54845
2000.08.09	15	40,000	400,000	40,000	400,000	Capital increased by cash	—	(2000) T.C.Z. (Y.) No. 54845
2001.08.01	10	53,400	534,000	53,400	534,000	Retained earnings	—	(2001) T.C.Z. (Y.) No. 140848
2002.08.01	10	63,600	636,000	63,600	636,000	Retained earnings	—	(2002) T.C.Z.Y. No. 0910136029
2004.08.18	10	72,068	720,680	68,888	688,880	Retained earnings	—	J.G.Z.Y.Z. No. 0930132880
2005.08.30	10	79,156	791,568	75,976	759,768	Retained earnings	—	J.G.Z.Y.Z. No. 0940131391
2006.08.10	10	150,000	1,500,000	85,294	852,940	Retained earnings	—	J.G.Z.Y.Z. No. 0950129106
2006.09.30	10	150,000	1,500,000	85,961	859,610	Exercise of employee stock options	—	2006.10.23 J.S.S.Z. No. 09501238560
2007.03.22	10	150,000	1,500,000	86,213	862,130	Exercise of employee stock options	—	2007.04.03 J.S.S.Z. No. 09601067110
2007.06.23	10	150,000	1,500,000	86,318	863,180	Exercise of employee stock options	—	2007.07.04 J.S.S.Z. No. 09601149180
2007.08.14	10	150,000	1,500,000	90,816	908,161	Retained earnings	—	J.G.Z.Y.Z. No. 0960035882

MM/YYYY	Issue Price	Authorized Capital		Paid-in Capital		Remark		
		Number of Shares	Amount	Number of Shares	Amount	Sources of Share Capital	Capital Paid in by Assets Other than Cash	Others
2007.08.23	10	150,000	1,500,000	90,856	908,561	Exercise of employee stock options	–	2007.09.12 J.S.S.Z. No. 09601223900
2007.09.19	35	150,000	1,500,000	105,856	1,058,561	Capital increased by cash	–	J.G.Z.Y.Z. No. 0960035883
2007.12.24	10	150,000	1,500,000	106,302	1,063,021	Exercise of employee stock options	–	2008.01.14 J.S.S.Z. No. 09701003390
2008.03.20	10	150,000	1,500,000	106,818	1,068,181	Exercise of employee stock options	–	2008.04.17 J.S.S.Z. No. 09701093630
2008.08.18	10	150,000	1,500,000	114,459	1,144,592	Retained earnings	–	2008.09.09 J.S.S.Z. No. 09701224330
2008.12.26	10	150,000	1,500,000	114,739	1,147,392	Exercise of employee stock options	–	2009.02.02 J.S.S.Z. No. 09801006150
2009.07.07	10	150,000	1,500,000	114,854	1,148,542	Exercise of employee stock options	–	2009.07.24 J.S.S.Z. No. 09801164660
2009.12.23	10	150,000	1,500,000	115,072	1,150,722	Exercise of employee stock options	–	2010.01.07 J.S.S.Z. No. 09901001820
2010.03.22	10	150,000	1,500,000	115,331	1,153,312	Exercise of employee stock options	–	2010.04.07 J.S.S.Z. No. 09901067700
2010.07.12	10	150,000	1,500,000	115,400	1,154,002	Exercise of employee stock options	–	2010.08.10 J.S.S.Z. No. 09901178890
2010.08.23	10	150,000	1,500,000	115,551	1,155,512	Exercise of employee stock options	–	2010.09.07 J.S.S.Z. No. 09901200850
2010.12.30	10	150,000	1,500,000	115,824	1,158,242	Exercise of employee stock options	–	2011.01.27 J.S.S.Z. No. 10001019260
2011.03.22	10	150,000	1,500,000	115,935	1,159,352	Exercise of employee stock options	–	2011.04.01 J.S.S.Z. No. 10001065580
2011.06.30	10	150,000	1,500,000	116,892	1,168,922	Exercise of employee stock options	–	2011.07.22 J.S.S.Z. No. 10001162740
2011.08.25	10	180,000	1,800,000	163,239	1,632,395	Retained earnings	–	2011.09.08 J.S.S.Z. No. 10001209180
2011.08.30	10	180,000	1,800,000	164,141	1,641,415	Exercise of employee stock options	–	2011.09.15 J.S.S.Z. No. 10001214750
2011.12.31	10	180,000	1,800,000	164,240	1,642,405	Exercise of employee stock options	–	2012.01.13 J.S.S.Z. No. 10101006310

MM/YYYY	Issue Price	Authorized Capital		Paid-in Capital		Remark		
		Number of Shares	Amount	Number of Shares	Amount	Sources of Share Capital	Capital Paid in by Assets Other than Cash	Others
2012.03.22	10	180,000	1,800,000	164,396	1,643,965	Exercise of employee stock options	—	2012.04.12 J.S.S.Z. No. 10101060880
2012.07.05	10	180,000	1,800,000	164,483	1,644,835	Exercise of employee stock options	—	2012.07.24 J.S.S.Z. No. 10101150560
2012.08.15	10	250,000	2,500,000	180,909	1,809,087	Retained earnings	—	2012.08.29 J.S.S.Z. No. 10101178680
2012.08.30	10	250,000	2,500,000	181,450	1,814,497	Exercise of employee stock options	—	2012.09.19 J.S.S.Z. No. 10101194210
2012.12.28	10	250,000	2,500,000	181,477	1,814,767	Exercise of employee stock options	—	2013.01.10 J.S.S.Z. No. 10201006650
2013.03.27	10	250,000	2,500,000	181,538	1,815,377	Exercise of employee stock options	—	2013.04.11 J.S.S.Z. No. 10201065890
2013.05.17	10	250,000	2,500,000	181,587	1,815,867	Exercise of employee stock options	—	2013.06.05 J.S.S.Z. No. 10201103360
2013.08.15	10	250,000	2,500,000	182,074	1,820,737	Exercise of employee stock options	—	2013.08.30 J.S.S.Z. No. 10201178340
2013.12.26	10	250,000	2,500,000	182,171	1,821,707	Exercise of employee stock options	—	2014.01.20 J.S.S.Z. No. 10301003980
2014.03.21	10	250,000	2,500,000	182,289	1,822,887	Exercise of employee stock options	—	2014.04.09 J.S.S.Z. No. 10301059870
2014.05.19	10	250,000	2,500,000	182,293	1,822,927	Exercise of employee stock options	—	2014.05.30 J.S.S.Z. No. 10301101210
2014.08.16	10	250,000	2,500,000	182,303	1,823,027	Exercise of employee stock options	—	2014.09.01 J.S.S.Z. No. 10301180550
2015.05.19	10	250,000	2,500,000	182,378	1,823,777	Exercise of employee stock options	—	2015.06.05 J.S.S.Z. No. 10401105520
2015.11.16	10	250,000	2,500,000	182,423	1,824,227	Exercise of employee stock options	—	2015.12.08 J.S.S.Z. No. 10401252140
2016.03.20	10	250,000	2,500,000	182,431	1,824,307	Exercise of employee stock options	—	2018.04.09 J.S.S.Z. No. 10701034080
2017.03.20	10	250,000	2,500,000	182,471	1,824,707	Exercise of employee stock options	—	2019.04.17 J.S.S.Z. No. 10801036830
2017.05.17	10	250,000	2,500,000	182,994	1,829,937	Exercise of employee stock options	—	2019.05.31 J.S.S.Z. No. 10801062840

MM/YYYY	Issue Price	Authorized Capital		Paid-in Capital		Remark		
		Number of Shares	Amount	Number of Shares	Amount	Sources of Share Capital	Capital Paid in by Assets Other than Cash	Others
2023.02.06	10	300,000	3,000,000	212,994	2,129,937	Capital increased by cash	—	2023.02.06 J.S.S.Z. No. 11230012240

Note 1: Please complete the data for the current year up to the publication date of the annual report.
Note 2: The capital increase section should include the effective approval date and the document number.
Note 3: Stocks issued at a price below par value must be prominently marked.
Note 4: For individuals utilizing monetary claims or technology to offset share capital, a comprehensive explanation must be provided, including a notation of the type and amount of the offset.
Note 5: Private placements should be clearly indicated.

Types of Shares	Authorized Capital			Remark
	Outstanding Shares	Unissued Shares	Total	
Ordinary Shares	212,993,743	87,006,257	300,000,000	TPEx-listed

Note: Please specify whether the stock is associated with a TWSE or TPEx listed company (the stock should be noted if it is subject to restricted TWSE/TPEx listing or trading).

Information on the Shelf Registration System

Types of Securities	Amount of Scheduled Issuance		Amount Issued		The Purpose and Expected Benefits of the Issued Shares	Unissued Shares Scheduled Time of Issuance	Remark
	Total Number of Shares	Approved Amount	Number of Shares	Price			
Not applicable							

(II) List of Major Shareholders: List the Shareholders with a Shareholding Ratio of More than 5%. If There Are Less than 10 Shareholders, the Names of the Top 10 Shareholders with a Shareholding Ratio, the Amount of Shareholding and the Proportion of Shareholding Should Be Disclosed:

March 29, 2025

Shares / Name of Major Shareholder	Number of Shares Held	Shareholding (%)
USI Corporation	61,682,967	28.96%
USIFE Investment Co., Ltd.	20,280,230	9.52%
Asia Polymer Corporation	6,801,315	3.19%
Taita Chemical Company, Limited	4,991,556	2.34%
Emerald Investment Corporation	4,053,530	1.90%
China General Plastics Corporation	3,566,526	1.67%
APC Investment Corporation	3,116,262	1.46%
Li, Ying-Chi	1,604,000	0.75%
Shih, Hui-Ching	1,562,000	0.73%
Wu, Yi-Gui	1,510,750	0.71%

(III) Company Dividend Policy and Implementation:

1. Dividend policy set forth in the Company's Articles of Incorporation:
   If the Company has net profits after tax according to its annual financial account, the Company may, after making up all past losses, set aside a 10% legal reserve from the remainder, if any. The remaining allocable earnings, if any, plus the accumulated unappropriated earnings for prior years and the balance after provision or reversal of special earnings required by the competent authority, shall be accumulated allocable earnings, which shall be allocated according to the proposal drafted by the Board of Directors and resolution made by a general shareholders' meeting duly. The shareholders' meeting may retain the earnings, in whole or in part, subject to the overview of business.
   As the industry which the Company is engaged in refers to a growing phase, when resolving to allocate earnings, in consideration of the future funding needs and financial plan, the shareholders' dividend allocable shall be no less than 10% of the allocable earnings, including the cash dividend no less than 10% of the whole

dividends. Notwithstanding, no dividend shall be allocated, if the allocable earnings per share is less than NT$0.1.

2. Distribution of dividends proposed at the most recent Shareholders' Meeting:

   The Company's Board of Directors' meeting on March 4, 2026 approved the proposed non-distribution of dividends to shareholders, pending recognition at the 2025 Annual General Meeting of Shareholders.

3. Any expected material changes to the dividend policy should further be explained:

   The Company's dividend policy is not expected to experience any material changes as of the publication date of this annual report.

(IV) The Impacts of Issuing Stock Dividends in the Year on the Company's Operational Performance and Dividend Per Share:

Not applicable

(V) Compensation Distributed to Employees and Directors

1. Percentage or range of rewards distributed to employees and directors as stipulated in the Company's Articles of Incorporation:

   If the Company retains earnings in the current year, it shall allocate the compensation to directors and employees. The compensation to directors shall be no more than 1% of the earnings gained in the current year, while the compensation to employees shall be no less than 1% of the earnings. Notwithstanding, if the Company retains accumulated losses, it shall reserve the amount to be covered in advance.

   Of the total employee compensation distributed as set forth in the preceding paragraph, no less than 40% shall be allocated to grassroots employees.

   Said compensation to employees may be allocated in the form of shares or in cash, including the employees of the Company's subsidiaries meeting certain specific requirements entitled to receive shares or cash. The specific requirements shall be defined by the Board of Directors.

2. Basis for estimating the amount of rewards to be distributed to employees and directors, basis for calculating the number of shares to be distributed as employee compensation and accounting treatment for discrepancies between the actual and estimated amount of rewards to be distributed for this period:

(1) The basis for estimating the amount of employee and director's compensation: The amount of employee and director's remuneration was not estimated in fiscal year 2025 of the Company due to a pre-tax net loss.

(2) Basis for calculating the number of shares to be distributed as employee compensation: Not applicable.

(3) Accounting treatment for discrepancies between the actual and estimated amount of rewards to be distributed: If there is any material change made to the amount of rewards upon approval by the Board of Directors, such changes shall be adjusted as annual expenses in the current fiscal year.

3. The Board of Directors approved the distribution of compensation:

(1) Rewards for employees and directors shall be distributed in the form of cash or shares. If there is any discrepancy between the aforementioned amount and estimated amount of recognized expenses for the current fiscal year, the amount, causes and treatment of such discrepancy shall be disclosed:

A. Compensation allocated to employees and directors: None.

B. Discrepancy between the amount and the estimate for the year: None

C. Reason for the difference with the estimate: Not applicable.

D. Processing conditions: Not applicable.

(2) The amount of employee compensation distributed in stocks and the amount as a percentage of net income stated in the parent company only financial statements or individual financial statements for the current period and total employee compensation: not applicable.

4. If there is any discrepancy between the actual amount of compensation distributed to employees and directors (including number and dollar amount of shares distributed, as well as share price) and the recognized amount of compensation for employees and directors in the previous fiscal year, the amount, causes and treatment of such discrepancies shall be stated:

(1) Distribution of compensation to employees and directors in the previous fiscal year:

Unit: NT$

Item	Proposal for the Distribution of Compensation to Employees and Directors for 2024		Discrepancy	Description of Discrepancy
	05/27/2025 Report to the Shareholders' Meeting	03/04/2025 Submit to the Board of Directors		
Director Compensation	0	0	0	–
Employee Compensation	0	0	0	–

(2) If there is any discrepancy between the actual amount and the recognized amount of remuneration for employees and directors in the previous fiscal year, the amount, causes and treatment of such discrepancy should be noted: There is no discrepancy between the actual amount and the recognized amount of remuneration distributed.

(VI) Repurchase of the Company's Own Shares: None.

II. Corporate Bonds: None.

III. Issuance of Preferred Shares: None.

IV. Processing Status of Overseas Depositary Receipts: None.

V. Processing Status of Employee Stock Option Certificates: None.

VI. Issuance of New Restricted Employee Shares: None.

VII. Status of New Share Issuance in Connection with Mergers and Acquisitions: None

VIII. Implementation Status of Fund Utilization Plan

(I) Content:

As of the end of the previous quarter before the printing date of the annual report, there have been no outstanding or recently completed issuances or private placements of securities within the past three years where the planned benefits have not yet materialized.

(II) Implementation Status: Not applicable.

CHAPTER 4 OPERATIONAL OVERVIEW

I. Business Activities

(I) Scope of Business

1. Main purpose of the Company's businesses:

   The Company and its subsidiaries mainly engage in the manufacturing and sales of manganese zinc and nickel zinc soft ferrite powder, ferrite cores, silicon carbide powder, and other related inductor components.

2. Products and their proportion in operations in 2025:

Unit: In Thousands of New Taiwan Dollars/%

Item	Sales of 2025	Ratio
Soft Ferrite Powder and Ferrite Cores	2,652,850	86
High-purity SiC Powder	416,171	14

3. Current products (services) of the Company:

   (1) Mn-Zn soft ferrite powder

   (2) Ni-Zn soft ferrite powder

   (3) Mn-Zn soft ferrite cores

   (4) Ni-Zn soft ferrite cores

   (5) High-purity SiC powder

4. New products planned for development:

   New products planned to be developed in 2025

   (1) Application frequency up to 10MHz of material and ferrite core development.

   (2) Development of 3D/4D transponder core for automotive application

   (3) Development of power material and ferrite core for EV OBC charger application

   (4) High Flux and high Curie temperature choke material and ferrite core for automotive application

   (5) Development of CAN bus material and ferrite core for automotive application

   (6) Development of airbag connector material and ferrite core for automotive application

(7) Development of composite iron core bonding technology

(8) Development of high temperature/high current material and ferrite core for power supply design

(9) Development of high-frequency & low loss material and ferrite core for GaN/SiC server application

(10) Development of high-frequency and high-flux ($\Delta B>120mT$) power supply materials and ferrite core

(11) Development of SiC precision block sintering powder and trays

(II) Industry Overview

1. Current state and development of the industry

(1) Ferrite powder and ferrite cores

A. Industry Profile

Passive components play the role of basic components in electronic circuits, which cannot operate on their own and need to be supplemented and linked with active components to operate. Passive components can be classified as resistor, capacitor, and inductor, etc. They are essential basic components for various information, communication, consumer and industrial electronic devices. In terms of function, resistors are used to regulate voltage and current in a circuit; capacitors are used for charge storage, AC filtering or bypassing, cutting or blocking DC voltages, and providing tuning and oscillation; and inductors are used to prevent electromagnetic interference, filter noise in currents, and for power conversion.

The MN-Zn and Ni-Zn ferrite cores produced by our company are inductor materials in passive components, and can be used as upstream material for filters, chokes, ballasts, switch power supplies, various transformers (e.g. inverters, converters, inductors and telecoms), and can be further applied to common electronic products such as (wireless) chargers, cloud servers, desktop computers, notebook computers, liquid crystal displays, smart phones, automotive electronics and communication network devices. Because inductors can stabilize electric current, remove noise and suppress electromagnetic radiation, inductors are widely used in electronic information and consumer products.

B. Current State and Development

Inductors are mainly classified as coil type and chip set type. Our Mn-Zn soft ferrite cores and Ni-Zn soft ferrite cores are mainly used in coil type inductors. In 2023, the passive component market size shrunk, representing a 6.4% decrease compared to the previous year, primarily due to factors such as the impact of the Russia-Ukraine war, weak demand for electronic terminals, inventory adjustments falling short of expectations, and economic slowdown in China. In 2024, despite the ongoing sluggish demand for consumer electronics such as mobile phones and laptops worldwide, the inventory within the supply chain of the cloud server industry has decreased. Notably, the demand for AI servers and AI terminal devices has risen, driving growth in the demand for passive components. The market size for passive components in Taiwan is approximately NT$242 billion, reflecting an annual growth rate of 11.1%. In 2025, Taiwan's passive component industry benefited from the demand for AI servers and high-end automotive products, with an overall output value estimated to reach NT$257.1 billion, representing an annual growth of approximately 2.64%.

(2) High-purity SiC powder

A. Industry Profile

Silicon Carbide (SiC) is a chemical compound composed of silicon (Si) and carbon (C) elements. It is a widely used non-metallic material that has attracted extensive attention due to some of its unique physical and chemical properties. Here are some key characteristics of silicon carbide and its applications in high-voltage, high-power environments:

- High voltage resistance: Silicon carbide material exhibits excellent insulation performance and high voltage resistance, making it highly suitable for use in high-voltage environments. This makes silicon carbide components particularly useful in power conversion and control applications, such as electric vehicles and electric vehicle charging stations.
- Low loss characteristics: The low electrical conductivity loss of silicon carbide material results in less heat generation when current passes through it. This makes silicon carbide components perform excellently in high-power applications while reducing energy consumption and increasing efficiency.
- High temperature stability: Silicon carbide can operate stably at extremely high temperatures, which is crucial for applications operating in high-temperature environments. It can be used in fields such as automotive electronics, aerospace, solar power generation, and industrial equipment that require operation at high temperatures.
- High-frequency operation: Due to its high electron mobility, silicon carbide performs well in high-frequency electronic components. This is particularly valuable for applications such as communication equipment, radar systems, and high-frequency power amplifiers.
- Energy-saving and environmentally friendly: Due to its high-efficiency conversion characteristics and low power consumption, silicon carbide contributes to energy savings and reduction of carbon emissions, aligning with the modern trend towards green energy and environmental protection.
- Small size and high integration: SiC semiconductor technology enables smaller device sizes and higher integration, making it possible to achieve more functionality in limited space while reducing costs.

Silicon carbide is a versatile semiconductor material with excellent characteristics such as high voltage, high power, high temperature, and high frequency capabilities. This makes it highly suitable for applications such as electric vehicles, electric vehicle charging stations, green energy equipment, and more. It holds significant potential for further advancements in technology and industrial applications in the future.

B. Current State and Development

With the continuous evolution of the technology industry, silicon carbide (SiC) material has emerged as a prominent technological trend, offering significant potential for the semiconductor and energy sectors. As a superior semiconductor material, SiC not only boasts outstanding characteristics such as high-temperature stability, high power density, and high electron mobility but also contributes to energy savings and efficiency improvement. This has garnered widespread attention for its applications in electric vehicles, power conversion, new energy, and more.

2. Upstream, midstream and downstream correlation

(1) Ferrite powder and ferrite cores

Upstream	Midstream	Downstream	Product Application
Iron oxide Manganese oxide Zinc oxide Nickel oxide Copper oxide	Manganese-zinc ferrite core Nickel-zinc ferrite core Manganese-zinc ferrite powder Nickel-zinc ferrite powder	Upstream component for power transformers, load coils, choke coils and degaussing coils	Information products: Power supplies, monitors, motherboards, hard drives, optical drives, printers, scanners and other computer peripheral devices
			Telecommunication products: Transmission devices such as smartphones, telephones, fax machines, switches and servers, as well as end-user devices
			Consumer electronics: tablets, digital cameras, game consoles, CD/DVD players, LED TVs, audio, etc.
			Others: Automobile electronics, medical instruments, solar energy, wireless chargers, etc.

(2) High-purity SiC powder

Upstream	Midstream	Downstream	Product Application
N-type silicon carbide Semi-insulating silicon carbide	Wafer substrate Epitaxy	IC design IDM factory Wafer foundry	Telecommunication, communication equipment sector, electric vehicle charging stations, onboard chargers, etc. The automotive sector remains the central focus, expanding continuously.
			High-power power supply and networking equipment

3. Trends and competition of the products:

(1) Ferrite powder and ferrite cores

A. Product Trends

Rapid development of consumer electronics has encouraged downstream manufacturers to continuously launch new products in response to changing consumer demand. With the function of electronic products enhanced and the polarized market trend evolving towards the development of large-sized transformers as well as the development of micro-miniature inductors, customers' demand regarding product characteristics such as functions, materials, and shapes should all be considered into the design of a product's materials, formulas, impedances, dimensions and appearances. The market trend have developed to wide temperature endurance, high frequency, resistance to high electric current and micro-complex size.

B. Competition

The Company's products are mainly sold in mainland China. Currently, the Company's principal competitors are the ferrite core manufacturers in mainland China and Japan. Since there are many competitors in this industry, and the price competition is fierce, the Company has established a competitive advantage and market segmentation effectively by enhancing the added value of its products, improving the manufacturing process to reduce production costs, and bettering the quality of its products. In addition, the Company has established an all-round support service to be in line with customers' need for product development. This has helped the Company shaping competitive advantage in differentiation over other competitors. By cooperating with customers in the research and development of future products, the Company has been able to keep a close eye on market dynamics as well as enhancing its business competitiveness.

(2) High-purity SiC powder

A. Product Trends

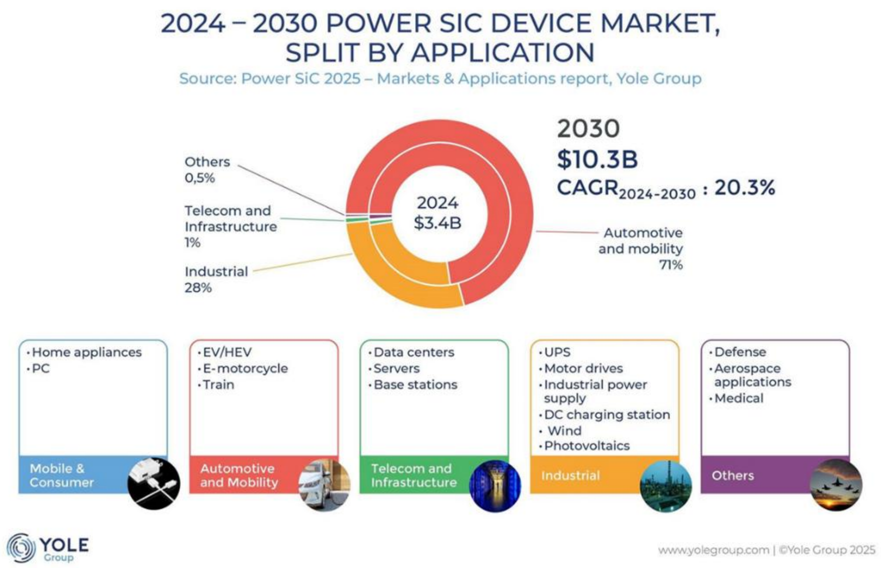
Comparison overview of semiconductor materials from Category 1 to Category 3

Classification	Category 1 Semiconductor	Category 2 Semiconductor	Category 3 Semiconductor
Materials	Silicon, Germanium	Gallium arsenide, Indium phosphide	Gallium nitride, Silicon carbide
Characteristics	Wide range of applications but inability to emit light, and less efficient performance in energy conversion and high-frequency communication compared to category 3 semiconductors.	Processes high-frequency signals faster and can convert signals into light sources such as lasers.	Can withstand higher voltages, exhibits higher conversion efficiency, and has better high-frequency transmission efficiency.
Application	Applications such as logic chips	Power amplifiers for mobile phones and base stations, lasers, optical fiber transmission	LiDAR, automotive diodes, 5G, satellite communication power amplifiers, wind power generation, and other power control systems.
International Business Situation	IDM-focused	IDM-focused	IDM-focused
Domestic Development Situation	Emphasis on specialized division of labor	The wafer foundry industry has performed remarkably	The manufacturing sector is stronger, while the design and packaging testing sectors are weaker.

Source: Wealth Media and the Taiwan Industry Economics Services, February 2023

B. Competition

Based on the forecast data in the figure, it can be seen that the global silicon carbide (SiC) power semiconductor market size is projected to grow from US$3.04 billion in 2024 to US$10.03 billion in 2030. The compound annual growth rate (CAGR) for the period from 2024 to 2030 is estimated to be around 20.3%. Among these, automotive applications are expected to dominate the silicon carbide (SiC) market, accounting for over 70% of the entire SiC device market. The primary growth driver for silicon carbide lies in the automotive market, particularly electric vehicles. In light of the current slowdown in electric vehicle market demand, the Company differentiates itself through high-quality, high value-added products. The Company is also developing products for renewable energy and AI server applications, while actively investing in the development of high-purity SiC sintered products for related application markets. Through the expansion of diverse application offerings, the Company aims to enhance its overall competitiveness.



Source: Yole, July 2025

(III) Technology and R&D Overview

1. Research and development (R&D) expenses in the most recent fiscal year up to the publication date of this annual report

Unit: NT$ thousands

Year / Item	2025	Year to March 31, 2026
Research and Development Expenses	210,819	50,696

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

(1) Development of composite iron core bonding technology

(2) Development of SiC precision block sintering powder and forming sintering techniques.

(3) Application of embryo carving technology for the development of various sized/surfaced shapes.

(4) Power chokes made with P65 material.

(IV) Long-term and Short-term Business Development Plans

1. Short-term business development plan

(1) Ferrite powder and ferrite cores

A. The Company will continue to develop new materials, new technology and new products, and integrate the cost advantage of factories in mainland China to increase competitiveness and market share.

B. The Company will reinforce its existing sales network in Taiwan, Malaysia, South China, East China, and Chengdu Office, and add service sites in the United States, etc., constantly enhance services for downstream customers, and stay close to them in order to respond quickly to their needs.

C. The Company will also work in collaboration with international major manufacturers to implement the Design-in/Spec-in process and let our new product designs be recognized.

D. Product portfolio will also be adjusted in order to increase profitability.

(2) High-purity SiC powder

A. The Taoyuan Plant continues to expand its production capacity to meet the rapidly growing market demand.

B. Expanding the production line in Malaysia to avoid delays in product recognition due to geopolitical factors.

2. Long-term business development plans

(1) The Company will also integrated relevant resources of the Group and acquire potential customers and develop new sales sites so as to increase market share.

(2) On the other hand, the Company will continue to nurture international marketing talents, set up overseas sales offices, and keep abreast of information related to international markets in order to achieve the goal of internationalization.

(3) The new materials business group will continue the development.

II. Overview of Market, Production and Sales

(I) Market Analysis

1. Sales regions for major products

Unit: In Thousands of New Taiwan Dollars/%

2025		
Sales Territory	Net Sales	Percentage
Asia	2,238,330	73
Americas	614,252	20
Europe	121,541	4
Others	94,898	3
Total	3,069,021	100

2. Approximate market share:

(1) Ferrite powder and ferrite cores

The market size of passive components in Taiwan in 2025 was about NT $257.1 billion, and the market size of inductors in Taiwan accounted for about 12-15% of the passive components market. The net sales of the Company in 2025 was about NT $1,029 million, and the market share was estimated to be about 2-4%.

(2) High-purity SiC powder

In 2025, the Company’s net sales in silicon carbide (SiC) amounted to approximately NT$416 million, representing an estimated 12~15% share of the global market.

3. Supply and Demand in the Market and Possible Future Growth

(1) Ferrite powder and ferrite cores

In 2025, the ongoing Russia–Ukraine conflict, the slowdown in demand for electric vehicles in Europe and the U.S., and U.S. tariffs continued to affect the market. Global demand for consumer electronics such as mobile phones and laptops showed a modest recovery, while rapid growth in server applications drove increased demand for high-performance passive components in data centers, general-purpose servers, and AI servers, offsetting the shortfall from reduced demand in automotive applications. The Taiwanese passive component market grew approximately 2.64% year-on-year in 2025. Although the electric vehicle market may underperform relative to expectations in the future, demand for server applications—including AI, 5G communications, and data storage—will continue to grow. Consequently, both the quality and quantity of demand for passive components are expected to rise at the same time, supporting positive future prospects for the passive component market.

(2) High-purity SiC powder

The silicon carbide market is projected to achieve a compound annual growth rate of 31% from 2022 to 2028, with 70% of its applications dedicated to electric vehicles. In 2025, however, disappointing electric vehicle sales resulted in a recovery in demand that did not meet expectations. Future market demand and applications are expected to improve with the development of new energy sources and the integration of AI-powered solutions.

4. Competitive Niches

(1) Strategic production and marketing locations

Considering that the downstream industry of soft ferrite cores is mainly located in mainland China, in order to improve competitiveness, obtain lower labor costs, and provide timely supply to downstream customers in mainland China, after being approved by the Investment Committee of the Ministry of Economic Affairs in 2000, the Company invested in Acme Electronics (Kunshan) Co., Ltd. to engage in the molding, sintering, and grinding of ferrite cores, and to serve customers in the East China region of mainland China nearby; In addition, as early as 1998, the Company invested to establish Golden Amber Enterprises Limited to outsource the processing of ferrite core grinding to Gao'an Electronics Plant in Chang'an Shangsha Management Zone, Dongguan, mainland China through the subsidiary. The processed products were distributed and supplied to customers in South China; On November 24, 2004, Acme Electronics (Guangzhou) Co., Ltd. was established in Zengcheng City, Guangdong Province, mainland China through Golden Amber Enterprises Limited. In 2Q2006, the factory was completed and put into operation, replacing the functions of Gao'an Electronics Plant, becoming our production and sales site in South China, fully utilizing the benefits of being in place. In addition, we have set up an office in Sichuan, China to serve our customers nearby, and we also have a production and sales site in Malaysia.

(2) Excellent management system

The Company passed ISO9001 quality certification in 1997, ISO14001 in 2006, TS16949 in 2008, IATF16949 in 2018, Taoyuan Plant also passed ISO50001 energy management system certification in 2021 and ISO45001 occupational health and safety management system in 2022, promoting quality control activities to ensure product quality and environmental protection requirements. In addition, we have successfully implemented the Enterprise Resource Planning (ERP) system in 2001 to meet the timely needs of our customers, shorten the delivery period, provide stable quality products, and establish a competitive brand image.

(3) Material development ability

The technical experience and product scale of Japan, Europe, and the US are in a dominant position. The ferrite powder formula of the ferrite cores greatly affect the production process of cores and the final quality as the content of the formula is closely related to the magnetic permeability, density, energy conversion efficiency of the manganese-zinc ferrite, as well as the time required for future sintering, so large factories of ferrite cores consider the formula content the most confidential. Since establishment, the Company has continuously accelerated talent cultivation and the development of technology research to establish the self-development ability for materials. The Company has also caught up with the pioneer of material development.

(4) Complete service and stable customer base

In addition, our products need to be aligned with the applications of downstream manufacturers for different purposes. Therefore, the Company participates in the planning at the beginning of the downstream clients' product design, and then supplies it to the further downstream terminal product manufacturers to make finished products. Once the downstream clients adopts this model, it is not easy for them to change suppliers in normal conditions, and the product loyalty is high.

5. Favorable and unfavorable factors affecting the Company's development prospects and corresponding countermeasures

(1) Favorable Factors:

A. The electromagnetic radiation interference discovered between electronic products has growingly attracted public attention nowadays. Europe and the U.S. were the first to pay attention to the issue of electromagnetic radiation, and have established strict electromagnetic test standards. In the future, products to be released in the market must pass these tests, which will help increase the demand for ferrite cores and inductors.

B. With the thriving development in the global automotive, information, network communication, and consumer electronics industries, the global market scale continues to expand, thereby increasing the demand for ferrite cores and inductors. Moreover, due to a wide range of applications for downstream products, the Company will be less affected by the condition of a single industry.

C. The Company’s management team has over 10 years of experience in business operations. We have extensive experience in product development trends, manufacturing, and sales in our industry. The management team is well aware that quality is the cornerstone of sales promotion. Therefore, since establishment, we have focused on comprehensive quality improvement policies and passed the ISO9002 quality certification in 1996, ISO9001 quality certification in 1997, QS9000 quality certification in 2003, ISO14001 quality certification in 2006, and in compliance with RoHS requirements, passed QC080000 quality certification in 2007, passed TS16949 quality certification in 2008, and IATF16949 quality certification in 2018. Taoyuan Plant also passed ISO50001 energy management system certification in 2021, and ISO45001 occupational health and safety management system certification in 2022, fully promoting quality control activities to ensure product quality and environmental requirements.

D. The Company has been based on the industry for more than 30 years, and is well aware of the competitive situation in the passive component market. Only with a large production scale and excellent production efficiency, can the Company increase its own operation competitiveness. The Company has put emphasis on the improvement and enhancement of production processes over the years in order to streamline the management of production lines. In response to industry development trends, the Company has shifted its production abroad, where the Company can effectively use local resources to achieve the economy of scale arising from mass production. In addition to providing products with cost advantage, the overseas operations also enable the Company to provide customers with products and services that come from nearby.

E. On February 17, 2005, the Company was officially listed on TPEx, which helps to enhance the overall corporate image and brand awareness of the Company, encourage employees to make continuous efforts to ensure product quality and corporate image, and increase the recognition of outstanding talents to the Company.

(2) Unfavorable Factors:

A. Costs of domestic and foreign workers are gradually increasing every year, thereby increasing production and operating costs.

Countermeasures: Improve quality, lean production, and automated production through the purchase of advanced machines and equipment and improvement of manufacturing processes, as well as enhance employees' on-the-job training in order to improve efficiency and productivity.

B. There are many competing manufacturers in this industry, leading to intense price competition.

Countermeasures: The Company add value to products, refine and improve manufacture processes to reduce cost and enhance overall product quality, so as to facilitate effective market segmentation and establish competitive advantage in the market. In addition, establish all-around support service capabilities in line with customers' product development needs, shape the Company's competitive advantage over other competitors, as well as jointly develop future products according to development trends in order to quickly grasp market dynamics and enhance competitiveness.

(II) Usage and Manufacturing Processes for Main Products

1. Important application of major products

(1) Ferrite powder and ferrite cores

Product Category	Downstream Products	Application
Traditional ferrite core	Filters, adapters, and lighting ballast	Power supplies, modems, scanners, (wireless) chargers, laptops, smartphones, tablets, game
Ferrite core for inverters	Inverters	
Ferrite core for communications	Communication transformers and splitters	

Product Category	Downstream Products	Application
Polished ferrite core for filtering	Electromagnetic interference filters	consoles, routers, Server, central office switches and telecommunication network equipment, automotive electronics and medical equipment
Ring-type ferrite core	Electromagnetic interference filters and lighting ballast	
Ferrite core for power inductors	Power inductors	
Nickel-zinc series ferrite core	Communication transformers and power inductors	
Soft ferrite powder	Raw materials for ferrite cores	

(2) High-purity SiC powder

The high-purity silicon carbide powder is used as raw material for monocrystal production and as high-purity sintered blocks materials.

2. Production process of primary products

(1) Ferrite powder and ferrite cores

The production process is divided into four stages: powder producing, forming, sintering, and grinding.

(2) High-purity SiC powder

The production process mainly consists of three stages: synthesis, crystal growth, and purification.

(III) Supply of major raw materials

1. Ferrite powder and ferrite cores

The main raw materials and suppliers are as follows and the supply of such materials are stable:

Main Raw Materials	Name of Main Supplier
Iron oxide	HIMAG Magnetic Co., Ltd.
Manganese oxide	Guizhou Kingray Xinye Materials Co., Ltd
Zinc oxide	Sun Beam Tech. Industrial Co., Ltd.
Nickel oxide	Prior Company, Ltd.

2. The main raw materials and suppliers of silicon carbide powder are European and American manufacturers, and the supply of such materials are stable.

(IV) The names of suppliers (clients) accounting for more than 10% of the total amount of purchases (sales) in any of the past two years, as well as the amount and proportion of their purchases (sales), and the reasons for their changes in increase or decrease:

1. Information on main suppliers

Unit: NT$ thousands

	2024				2025				2026 up to the First Quarter			
Item	Name	Net Purchase	As a Percentage of Net Purchase for the Year (%)	Relationship with the Issuer	Name	Net Purchase	As a Percentage of Net Purchase for the Year (%)	Relationship with the Issuer	Name	Net Purchase	As a Percentage to Net Purchase for the Year up to the First Quarter (%)	Relationship with the Issuer
1	Supplier A	43,662	6	None	Supplier A	93,720	17	None	Supplier A	27,165	15	None
2	Supplier B	57,198	8	None	Supplier B	31,127	6	None	Supplier B	26,383	15	None
3	Supplier C	67,494	9	None	Supplier C	49,954	9	None	Supplier C	22,295	13	None
4	Supplier D	83,175	11	None	Supplier D	64,265	12	None	Supplier D	15,120	8	None
5	Others	478,461	66	None	Others	302,276	56	None	Others	87,922	49	None
	Total	729,990	100		Total	541,342	100		Total	178,885	100	

Note 1: List the name of suppliers who account for more than ten (10) percent of the total purchases of goods and their amount and proportion of purchase of goods in the most recent two fiscal years. However, if the name of suppliers or counterparties are individuals and non-related persons, or whose name cannot be revealed due to contractual agreements, their codes shall be indicated.

Note 2: As of the date of publication of the Annual Report, if financial information of the Company that are publicly listed or whose shares are traded over the counter has recently been audited or reviewed by CPAs, such information shall be disclosed.

Note 3: Considering the supply volume, prices, delivery time, the Company’s production plan and inventory, the purchase amount from different suppliers vary in each period.

2. Information on main clients

Unit: NT$ thousands

	2024				2025				2026 up to the First Quarter			
Item	Name	Net Sales	As a Percentage to Net Sales for the Year (%)	Relationship with the Issuer	Name	Net Sales	As a Percentage to Net Sales for the Year (%)	Relationship with the Issuer	Name	Net sales	As a Percentage to Net Sales for the Year up to the First Quarter (%)	Relationship with the Issuer
1	Client A	344,516	11	None	Client A	366,521	12	None	Client A	114,410	13	None
2	Client B	367,600	12	None	Client B	234,921	8	None	Client B	110,790	13	None
3	Others	2,383,163	77	None	Others	2,467,579	80	None	Others	627,661	74	None
	Total	3,095,379	100		Total	3,069,021	100		Total	852,861	100	

Note 1: List the name of clients who account for more than ten (10) percent of the total sales of goods and their amount and proportion of sales of goods in the most recent two fiscal years. However, if the customers or counterparties are individuals and non-related persons, or whose name cannot be revealed due to contractual agreements, their codes shall be indicated.

Note 2: As of the date of publication of the Annual Report, if financial information of the Company that are publicly listed or whose shares are traded over the counter has recently been audited or reviewed by CPAs, such information shall be disclosed.

Note 3: There is no significant change in the proportion and amount of sales of major clients during each period.

III. The Employee Information for the Most Recent Two Years and as of the Date of the Annual Report Publication

Mar. 31, 2026 Unit: Employees

Year		2024	2025	Year to March 31, 2026
Number of Employees	Direct labor	1,288	1,401	1271
	Indirect labor	444	461	649
	Total	1,732	1,862	1920
Average Age		37.1	37.4	37
Average Seniority of Service		7 years	7 years	6.3 years
Education Distribution	Doctor	0.35%	0.38%	0.31%
	Master	3.41%	3.54%	3.54%
	University/College	19.75%	19.01%	18.59%
	Senior High school	25.75%	26.00%	26.25%
	Below Senior High school	50.74%	51.07%	51.3%
	Total	100.00%	100.00%	100%

Note: The data for the current year should be filled in as of the date of the annual report publication.

IV. Disbursements for Environmental Protection

(I) During the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, the losses incurred due to the environment pollution (including compensation and environmental protection audit results that violated environmental protection laws and regulations, the date of disciplinary action, disciplinary official letter number, the provision of laws violated, the content of laws violated, and the content of disciplinary action), current and future estimated amounts of compensation that may occur, and responding measures. If it cannot be reasonably estimated, state the fact that it cannot be reasonably estimated:

In the recent annual report, as of the publication date, the Company has not incurred any losses due to environmental pollution, including compensation and violations of environmental protection regulations, as determined by environmental protection inspections and administrative penalties related to workplace safety.

(II) Estimated amount and response measures for current and future possibilities:

1. Ensure compliance with applicable environmental safety regulations and related environmental requirements.

2. Consistently advocate for energy conservation, recycling, and the reduction of industrial waste.
3. Pollution prevention and reduction of potential operational risks.
4. Continuous employee training to implement environmental safety and health initiatives.
5. Thoroughly implement the environmental management system to enhance environmental performance and reduce community safety risks.
6. Continuously promote the occupational health and safety management system (ISO 45001) to provide a safe and healthy workplace through "risk prevention and continuous improvement" regarding incidents.

The material environmental capital expenditures of the Company for the most recent fiscal year, up to the date of the annual report's publication, are as follows:

Unit: NT$ thousands

Established Pollution Prevention Equipment or Expenditure Details		Amount
1.	Phase III of the new heat recovery system	50
2.	Pipeline spill containment box project	19
3	Replacement of exhaust pipes for the washing tower at Plant 2	62
4	Fume hood - dust collection type	36.3
5	1700PP fume hood - dust collection type	19.9
6	Waste heat recovery from RK9 to RK4	80
7	Replacement of dust-collection pipelines (SUS304 5T) at Plant 3	37.7
8	Maintenance of dust-collection pipelines at Plant 2	8.95
9	High-temperature furnace exhaust system (C1 area)	17.8
10	Sludge collection and disposal	256

V. Labor Relations

(I) The Company's employee welfare policies, continuing education, training, retirement systems and implementation status, as well as agreements between the employer and employees and measures for protecting employee rights and interests:

1. Employee welfare measures:

The Company has established an Employee Welfare Committee to improve employee welfare measures. All welfare measures are handled in accordance with the Labor Basic Law, Labor Insurance Regulations, Labor Pension Regulations, Employee Welfare Regulations, and relevant laws and regulations.

Employees not only enjoy general benefits such as labor and health insurance and pension payments, but also various benefits such as employee travel, employee birthday, gathering, marriage and funeral subsidies, as well as complete education, training, and lectures.

According to Article 34 of the Company's articles of Incorporation, if the Company retains earnings in the current year, it shall allocate the compensation to directors and employees. The compensation to directors shall be no more than 1% of the earnings gained in the current year, while the compensation to employees shall be no less than 1% of the earnings. Notwithstanding, if the Company retains accumulated losses, it shall reserve the amount to be covered in advance.

The compensation percentage to the non-executive employees shall be no less than 40% of the total amount of employee compensation as mentioned in the preceding paragraph.

The Company provides appropriate salary adjustments or year-end performance bonuses based on the Company's operational performance and individual employee performance.

2. Employee education and training:

(1) Employees are the most important assets of the Company, and the training and development of their skills and functions have always been the direction of the Company's active investment and efforts. In order to respond to the overall development of the Company, to cultivate the moral character of employees, and to improve the quality and efficiency of employees, the Company has, in addition to establishing the Employee Education and Training and Qualification Certification Measures as a guideline for employee education and training, made the HR Department to organize the education and training of all employees and the planning and execution of human resources development.

(2) In addition to internal training courses planned and conducted by the HR Department, employees are also encouraged to attend training courses arranged by external professional organizations for special professional needs. All the courses and trainings attended by each employee are documented and managed, and provided to the relevant executives for

reference. Through employee education and training, we encourage our employees to grow and integrate their knowledge into the daily management and work of the Company in order to improve the performance and quality of work of each unit.

(3) In 2025, we conducted ISO quality training, professional training for each unit, various project courses, on-site staff education and training, labor safety and hygiene promotion, fire training, and emergency response promotion in Taiwan, mainland China, and Malaysia. The total number of participants was 33,801 person-time and the total number of training hours was 87,190 hours, of which 84,019 hours were conducted by the Company itself and 3,171 hours were external training. Total expenses amounted to NT$1,235 thousand, of which NT$94 thousand was spent on self-training and NT$1,141 thousand was spent on external training.

3. Retirement system and its implementation:

In accordance with the Labor Standards Act, the Company has established the retirement regulations for workers, and has made its retirement subject to regulations. Moreover, in order to improve the Company’s employee retirement system, the Company has applied for the establishment of the Labor Retirement Reserve Supervision Committee and set up a special pension account to set aside 2% of the total salary per month and deposit it in the Bank of Taiwan as pension fund, which is kept and applied by the Labor Retirement Reserve Supervision Committee; and, in response to the need for set aside full amount of retirement reserves after the amendment to the Labor Standards Act, at the end of each year, we carry out trial calculation of the annual amount that should be made up in the next year, and deposit the amount in the account before the end of March, so as to ensure that each employee who applies for retirement according to law can receive the pension due.

After the implementation of the new pension system on July 1, 2005, the Company held an information meeting with employees and consulted them on their preferences in accordance with the law. Employees selected the old system have been subject to the Labor Standards Act, and those selecting the new system will have their old seniority reserved. In accordance with the law, the Company will make monthly contributions of 6% of salary as pension to the Labor Insurance Bureau and withhold another voluntary contribution of pension to the Labor Insurance Bureau.

4. Agreement between the employer and employee:

   The Company's labor relations are harmonious and there are no labor disputes or losses resulting from labor disputes.

5. Maintenance of employee rights and interests:

   The Company has established the Employee Welfare Committee and the Labor Retirement Fund Supervision Committee in accordance with the law to coordinate the planning, appropriation, safekeeping and utilization of the employee welfare and retirement funds and related matters regulated by the relevant laws and regulations; in addition, the representatives elected by the employees and the representatives appointed by the employer form the Employer-Employee Conference, which is held once every three months to discuss labor matters and listen to the opinions of the employees. The protection of employees' rights and benefits and the implementation of the welfare system are based on laws and regulations.

6. Related certifications obtained from the relevant competent authorities by personnel of the Company involved with the transparency of financial information:

Department	Name	Related Certification
Audit Division of the Company	Li, Ta-Cheng	Certified Internal Auditor (CIA)
		Certificate of Qualification in the Professional Development Course and Test for Internal Auditors The Institute of Internal Auditors-Chinese Taiwan, Certificate No.: J.X.B.Z.F.Z. No. 1140091 The Institute of Internal Auditors-Chinese Taiwan, Certificate No.: J.X.B.Z.F.Z. No. 1142341

7. Employee Code of Conduct or Ethics:

   In accordance with the Labor Standards Act and relevant laws, employees' work rules and various management systems have been established in order to maintain workplace discipline and order among employees.

   (1) Every employee is given a Employee Work Rules Handbook which specifies the behavior or work ethic of employees, including employment, dismissal, working hours, vacation, leave, rewards and punishments, performance appraisal, retirement and welfare.

   (2) Training for new employees includes basic education on company rules and regulations, ethics, environmental protection, occupational safety and health management, etc.

(3) Signing of the Letter of Confidentiality and the Letter of Commitment by employees: This document establishes employees' commitment towards maintaining the confidentiality of information regarding the Company's tangible and intangible operating assets and prevents employees from infringing on the interests of the Company.

(4) The Company's website discloses: the Code for Ethical Conduct of Directors and Managerial Officers, the Procedures for Handling Material Internal Information, the Ethical Corporate Management Best Practice Principles, and the Procedures and Guidelines for Integrity Management.

8. Protection measures for work environment and employees' personal safety:

(1) The Company has passed ISO14001 Environmental Management System certification and ISO 45001 Occupational Health and Safety Management System certification, and is actively promoting improvement activities such as energy conservation, prevention of environmental pollution inside the plants and the spread of pollution outside the plants, etc. The Company also participates in the regional joint prevention organization led by the Guanyin Industrial Park Service Center of the Industrial Development Bureau to strengthen joint prevention and early warning notification and mutual support of equipment in the industrial area.

(2) An Occupational Safety and Health Committee is established within the plant in accordance with the Occupational Safety and Health Management Regulations. Every three months, a committee meeting and an all-employee meeting are held to discuss occupational safety and health-related issues and activities, and to enhance the safety awareness and health concepts of employees.

(3) Fire drills are held regularly in June and December each year to cultivate the employees' ability of handling and responding emergency, and on-the-job training of environmental safety and health is conducted according to job requirements. According to the statistics, in 2025, a total of 14,127 person-times of environmental safety education and training, 209 times of environmental safety education and training, and a total of 38,375 hours of training were held.

(4) For the special working environment (dust, noise, free radiation, special chemical substances) in the factory, we conduct regular monitoring of the working environment every six months and provide personal protective equipment such as safety shoes, goggles, ear plugs and masks for employees to use.

(5) Special workers (those involving dust, noise, free radiation, special chemicals) and general workers are subject to annual health checkups in large hospitals, and the checkup results are assigned to health management agency for graded management. Physicians are arranged to visit and educate high-risk colleagues in the plant every quarter.

(6) The safety of contractors and suppliers is as important as that of employees, and we have established the Contractor Management Measures and the Contractor Entry Management Manual. Before entering the plant, safety education and training, construction safety risk assessment, and proposing a construction application are necessary. Also, safety observation shall be carried out during the construction to ensure the construction safety.

9. Fulfillment of social responsibility

(1) Contribute to our social and economic well-being.

(2) Encourage employees to engage in various service activities that promote community and social development.

(3) In compliance with government regulations, we are dedicated to minimizing the adverse effects of our business activities on the environment and fulfilling the group’s environmental policy objectives (initiatives such as replacing refrigerants with environmentally friendly alternatives, employing energy-efficient lighting, and implementing additional measures to reduce carbon emissions and mitigate the greenhouse effect).

(4) In executing various business activities, we strive to respect local cultures and social traditions.

(5) The Company adheres to the principle of equal opportunity and recognizes the contributions of diverse talents. Through an open selection process, we prioritize talent and ensure that the right person is placed in the appropriate position, rather than making decisions based on race, gender, age, religion, nationality, or political stance.

(II) During the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, the losses suffered due to the labor disputes (including matters with labor inspection results that violate the Labor Standards Act, the punishment date, the punishment font size, the provisions of the statute violated, the content of the statute violated, and the punishment content are listed), and the current and future estimated amounts of loss and responding measures shall be estimated. If it cannot be estimated reasonably, state the fact that it cannot be estimated reasonably:

The Company has always had harmonious and stable labor relations, and has not suffered any loss due to labor disputes, and the possibility of loss due to labor disputes in the future is estimated to be extremely low.

VI. Information Security Management

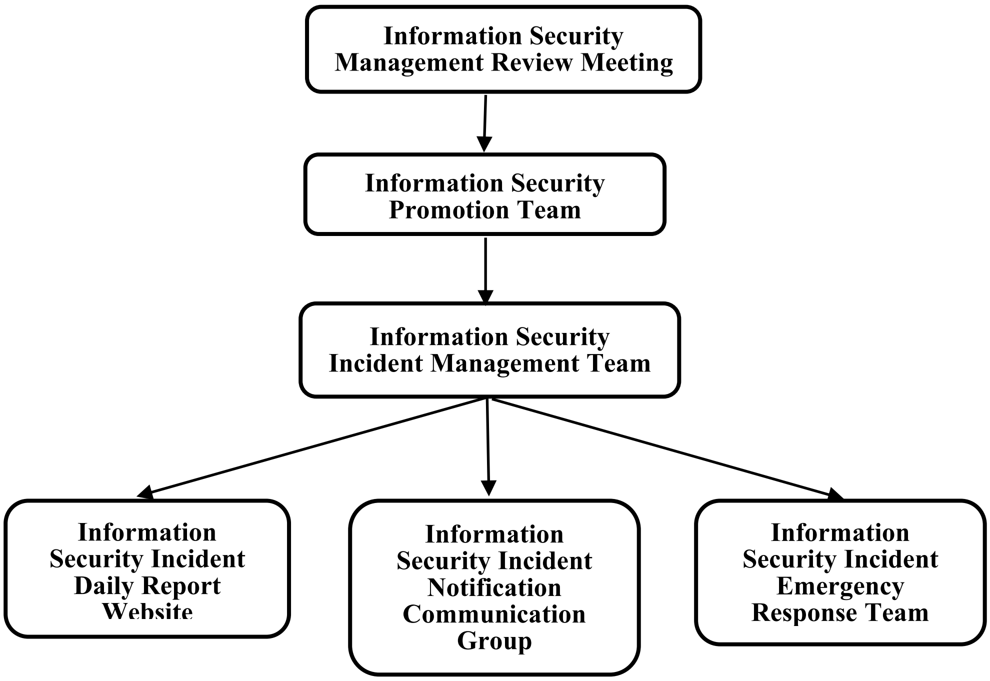
(I) Describe the information security risk management framework, the information security policy, the specific management plan and the resources invested in the information security management, etc.

1. Information Security Risk Management Framework

(1) Corporate information security governance organization

The Company is a member of USI Corporation, which holds an annual "information security management review meeting" at fixed date, make a judgment on the six input projects (resolution status of past management reviews, changes to internal and external issues related to the information security management system, feedback on information security performance, feedback from related parties, status of risk assessment results and risk management plans, opportunities for continuous improvement) of the information security system management, and make a conclusion on the two output projects of the information security management system (including decisions related to continuous improvement opportunities and any need for changes to the information security management system), to achieve the objectives of the information security management system.

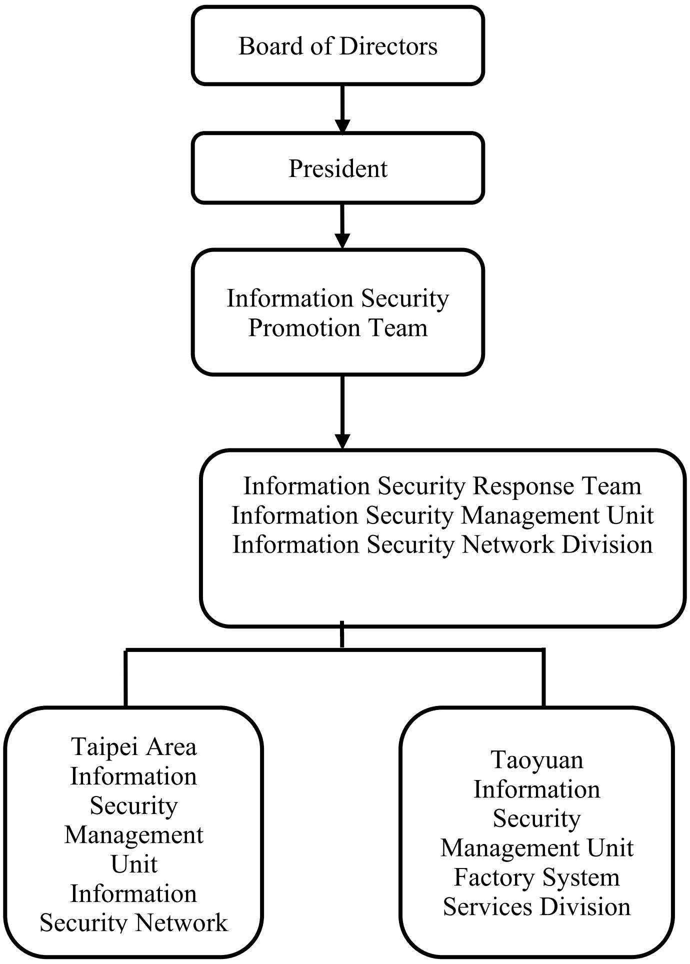
Organizational Chart of Information Security Management Review Board



(2) Corporate Information Security Organization Framework

According to the provisions in the standard operating procedure (SOP) of USI Corporation, the Setting Standards of Information Security Promotion Organization, an "Information Security Promotion Team" has been set up to supervise the operation of information security management within the Group and define the roles and responsibilities of each promotion organization. The meeting is held once a year. If there is a major information security incident, it can be held immediately. The Director of the Information Technology Department serves as the convener of the Team and takes charge of the meetings of the Information Security Implementation Team as well as decisions and arbitration of opinions in the meetings. The executives of units under the jurisdiction of the Information Technology Department are members of the Team. In the event of a material information security incident, the Director of the Information Technology Department shall report to the President or heads of related departments.

Organizational Chart of the Information Security Promotion Team



Responsibilities of Information Security Promotion Team:

- Establish the information security risk management framework and information security policies
- Conduct information security risk assessments and analyses
- Information security maintenance and execution
- Verification of the effectiveness of information security operations

2. Information Security Policy

(1) Information security management strategy and framework

- ISO 27001 Information Security System: Since 2014, the ISO/IEC 27001:2013 Information Security Management System has been established and continuously operated. Every year, external professional asset safety audit and certification companies (British Standards Institution, BSI) are engaged for review. In 2025, the ISO/IEC 27001:2022 version verification was successfully passed. Up to now, the Company has passed certification audits for 11 consecutive years. (The validity period of the current certificate is from July 4, 2023 to July 3, 2026)
- NISF CSF Information Security Management Framework: Incorporated into the information security Framework (CSF) developed by the National Institute of Standards and Technology (NIST).

(2) Enterprise information security risk management and continuous improvement framework

Based on the ISO/IEC 27001 information security management system, supplemented by the NIST CSF information security management framework, it strengthens risk management and control, improves information security resilience, and has the ability to withstand, contain and quickly recover from information security incidents, so as to continue to provide key operational services.

3. Specific Management Plan

(1) Vulnerability scanning detection: Regularly perform server operating system vulnerability scanning detection to identify potential risks, make system corrections or propose compensatory measures, and improve information security. It has been continuously running for 10 years so far.

(2) Information asset control: establish an information asset management platform to log information assets, note asset items, usage status, and maintain records, and conduct regular inspection and maintenance.

(3) Firewall and industrial control equipment (OT): Palo Alto networks PA-440 is adopted to improve the execution efficiency of filtering incoming and outgoing packets and effectively reduce the risk of system vulnerability exposure with the next-generation 7-layer firewall system.

(4) Critical Server (SEVER): deploy Crowd Strike/XDR endpoint detection software, use artificial intelligence (AI) and machine learning (ML) modes of non-feature comparison, to analyze attack behaviors in real time, and block known and unknown potential threats.

(5) Email (Mail): Adopt the Microsoft Office 365 solution, plus Advanced Threat Protection (ATP) to defend against unknown malicious code and viruses. Through the cloud operation through email, gradually reduce the number of AD and DC (Domain Controller) is gradually reduced, thereby reducing the attack scope.

(6) Office equipment (IT): Use Trend Micro anti-virus software to detect abnormal network behaviors, such as monitoring the behavior of users' computers to log in to AD (Active Directory) hosts, and find abnormalities in real time.

(7) VPN: To prevent hackers from remotely attacking the VPN and subsequently infiltrating the internal network—thereby posing information security risks to the Company—the Information Technology Department has enabled the SAML mechanism. This requires MFA (multi-factor authentication) verification when connecting via VPN, enhancing the overall security level.

(8) Annually, the group conducts regular information security inspections of external laptops to ensure compliance with the latest information security policies. This process facilitates the timely identification and remediation of potential security vulnerabilities, thereby reducing the risk of external malicious threats or attacks.

(9) Personnel information security management: Prevent hacking or data leakage; information personnel receive at least four hours of information security education and training every year.

(10) Social engineering drills: Every single year, the Company entrusts an external professional security consulting company to carry out social engineering drills, so as to effectively enhance employees' awareness of security, protect data from external intrusion and tampering.

4. Resources invested in the security management of information security

Information security has become a critical concern for the company's operations. The following are the relevant information security management issues and resource allocation plans:

(1) Responsible personnel: The Group has established a dedicated corporate organization known as the "Information Security Network Division" to oversee information security planning, technology implementation, and related audit matters for all companies within the Group. This is done to ensure the maintenance and enhancement of information security.

(2) Certification: passed ISO/IEC 27001 certification for 11 consecutive years without any significant security audit deficiencies.

(3) Customer Satisfaction: There have been no major information security incidents and no complaints about loss of customer information.

(4) Education and Training: All IT personnel have completed biannual information security education and assessment. All employees participated in one social engineering phishing email drills in 2025, with a total of 506 participants.

(5) Information security investment amount: Approximately NT$237 thousand.

(6) Information security Announcement: A total of eight notices have been issued.

(II) List the losses suffered due to major information security incidents in the most recent fiscal year up to the publication date of the annual report, and the possible impact and countermeasures. If the amount of loss cannot be reasonably estimated, facts of which estimation cannot be made shall be explained: as of the date of publication of the annual report, the Company has not suffered any losses or potential impacts due to major information security incidents.

VII. Important Contracts:

This section outlines the supply and sales contracts, technical cooperation agreements, engineering contracts, long-term loan agreements, and other important contracts that are valid and in effect as of the publication date of the annual report, as well as those that are set to expire in the most recent fiscal year. It includes the parties involved, key provisions, restrictive clauses, and the start and end dates of the contracts.

Nature of Contract	Contracting Party	Valid Period	Main Content	Restrictive Clauses
Medium-term Secured Lending Limit Contract	Yuanta Commercial Bank	2024.11.15-2029.11.15	Taoyuan Plant's land, plant were provided as collaterals for a loan, with a limit of NT$870,000 thousand	There are limits on current ratio and debt-to-equity ratio
Medium-term Lending Limit Contract	Yuanta Commercial Bank	2024.11.15-2029.11.15	Taoyuan Plant's land, plant were provided as collaterals for a loan, with a limit of NT$130,000 thousand	There are limits on current ratio and debt-to-equity ratio
Medium-term Secured Lending Limit Contract	Yuanta Commercial Bank	2023.12.15-2028.12.15	Taoyuan Plant's machinery and equipment were provided as collaterals for a loan, with a limit of NT$560,000 thousand	There are limits on current ratio and debt-to-equity ratio
Medium-term Unsecured Lending Limit Contract	Chang Hwa Bank	2025.10.13-2028.10.13	The limit is NT$ 300,000 thousand.	None
Medium-term Unsecured Lending Limit Contract	Mega International Commercial Bank	2025.10.06-2027.10.05	The limit is NT$ 100,000 thousand	None
Medium-term Unsecured Lending Limit Contract	Taiwan Cooperative Bank	2024.08.15-2029.08.15	The limit is NT$ 28,000 thousand	None

CHAPTER 5 REVIEW, ANALYSIS, AND RISKS OF FINANCIAL CONDITIONS AND PERFORMANCE

I. Financial Position

Unit: NT$ thousands

Item \ Year	End of 2025	End of 2024	Difference	
			Amount	%
Current Assets	$2,628,574	$2,490,327	$138,247	6
Property, Plant and Equipment	2,670,188	2,614,704	55,484	2
Intangible Assets	3,114	4,281	(1,167)	(27)
Other Assets	363,140	501,104	(137,964)	(28)
Total Assets	5,665,016	5,610,416	54,600	1
Current Liabilities	957,887	1,153,625	(195,738)	(17)
Non-current Liabilities	2,025,876	1,710,093	315,783	18
Total Liabilities	2,983,763	2,863,718	120,045	4
Ordinary Share Capital	2,129,937	2,129,937	0	0
Capital Surplus	54	50	4	8
Retained Earnings (Accumulated Deficit)	(86,859)	(20,755)	(66,104)	318
Other Equity	(79,456)	(88,649)	9,193	(10)
Non-controlling Interests	717,577	726,115	(8,538)	(1)
Total Equity	2,681,253	2,746,698	(65,445)	(2)

(I) The main reasons for the significant changes (change of more than 20%) in assets, liabilities and shareholders' equities in the most recent two years:

1. The intangible assets decreased, mainly due to the amortization over the useful life in 114.
2. The decrease in other assets was primarily due to a reduction in prepaid equipment payments.
3. The increase in retained earnings (accumulated deficit) was primarily due to the result of the net loss incurred in 2025.

(II) Effects: No material effect.

(III) Future response plan: N/A

II. Financial Performance

(I) Comparative analysis of financial performance

Unit: NT$ thousands

Item \ Year	2025	2024	Increase (decrease) amount	Change, % (%)
Operating Revenue - Net	$3,069,021	$3,095,379	($26,358)	(1)
Operating Costs	2,559,786	2,457,590	102,196	4
Gross Profit	509,235	637,789	(128,554)	(20)
Operating Expenses	575,983	540,639	35,344	7
Operating Net Income (loss)	(66,748)	97,150	(163,898)	(169)
Non-operating Income and Expenses	(24,353)	48,379	(72,732)	(150)
Net Profit (loss) before Tax	(91,101)	145,529	(236,630)	(163)
Income Tax Benefit (Expense)	(3,490)	(15,332)	11,842	(77)
Net Profit (loss)	(94,591)	130,197	(224,788)	(173)

(I) Analysis of the primary factors contributing to the fluctuations in increase and decrease ratios over the past two years.
1. In 2025, despite the continued impact of the Russia–Ukraine conflict and U.S. tariffs, global demand for consumer electronics such as mobile phones and laptops showed a modest recovery, leading to increased demand for passive components and overall growth in magnetic core demand. However, the recovery of the electric vehicle market in Europe and the United States was slower than expected, resulting in a decline in the Company's silicon carbide revenue, which in turn led to decreases in the Company's gross profit, operating income, income before tax, and net income after tax.
2. The decrease in non-operating income was primarily attributable to an increase in foreign exchange losses.
3. The income tax expense decreased, mainly due to the decrease in profits before tax.

(II) The expected sales volume in the next year and its basis: the annual sales volume of ferrite core is expected to reach 9,470 metric tons. In principle, sales targets are primarily determined by taking into consideration the balance between production and sales, as well as niche products.

(III) Effects on the Company's financial operations in the future: No material effect.

(IV) Future response plan: Not applicable

III. Cash Flow

Analysis of changes in cash flow and improvement plans for liquidity shortage in the most recent fiscal year, and cash liquidity analysis in the coming fiscal year

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

Unit: NT$ thousands

Beginning Cash Balance	Annual Net Cash Flow from Operating Activities of the Year	Other Cash Inflows (Outflows) of the Year	Cash Surplus (Inadequacy)	Remedies for Cash Shortage	
				Investment Plan	Financial plan
727,586	186,289	(249,005)	664,870	-	-

1. Operating activities:

   The net cash from operating activities decreased compared to the previous year, mainly due to the operating losses.

2. Investing activities:

   Net cash outflow amounted to NT$388,720 thousand, mainly resulting from acquisition of property, plant and equipment.

3. Financing activities:

   The net cash inflow totals NT$134,338 thousand, primarily resulting from an increase in both short-term and long-term borrowings.

(II) Improvement plan for liquidity shortage

No cash inadequacies.

(III) Cash liquidity analysis for the coming year

Beginning cash balance: NT$664,870 thousands.

Cash inflow of the year: NT$261,694 thousands.

Cash outflow of the year: NT$216,016 thousands.

Cash surplus (shortage): NT$710,548 thousands.

IV. Effect on Financial Operations of Any Major Capital Expenditures during the Most Recent Fiscal Year:

The Company and its subsidiaries made capital expenditures of NT$320,717 thousand in FY2025, which were financed by cash inflows from operational activities and fundraising activities, and had no impact on the Company's and its subsidiaries' finances. Continued capital expenditures will enhance the competitiveness and operating performance of the Company and its subsidiaries.

V. Reinvestment Policy for the Most Recent Fiscal Year, the Main Reasons for the Profits/Losses Generated Thereby, the Plan for Improving Re-Investment Profitability, And Investment Plans for The Coming Year:

USI Optronics Corporation ("USIO") reinvested by the Company still incurred an net loss of NT$16,290 thousand due to weak market demand and persistently low prices in the sapphire industry. The sapphire market is still highly competitive and the market for newly developed products is not yet mature, so USIO will continue to strive to increase revenue and reduce losses and cash expenses to meet the challenges.

In the coming year, the investment plan will be evaluated from a long-term strategic perspective. The Company will conduct a thorough assessment of investment projects to address future capacity demands and consistently enhance its competitiveness.

VI. Risk Analysis and Assessment:

An analysis and assessment of risk items for the most recent fiscal year, up to the date of the annual report's publication

(I) Risk Management Organization Structure

Important Risk Assessment Items	Executive and Responsible Entities	Supervision Unit
1. The effect upon the company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future	Financial units of the Company and its subsidiaries	Audit Division of the Company
2. Policy Regarding High-risk Investments, Highly The company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future	Financial units of the Company and its subsidiaries	
3. Research and development work to be carried out in the future, and further expenditures expected for research and development work	R&D units of the Company and its subsidiaries	

Important Risk Assessment Items	Executive and Responsible Entities	Supervision Unit
4. Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response	Financial units of the Company and its subsidiaries	
5. Effect on the company's financial operations of developments in science and technology (including cybersecurity risks) as well as industrial change, and measures to be taken in response	The financial, marketing strategy and sales units of the Company and its subsidiaries, the Information Office of the Group	
6. Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response	Administration units of the Company and its subsidiaries	
7. Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken	Financial units of the Company and its subsidiaries	
8. Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken	Plants of the Company and its subsidiaries	
9. Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken	Supply chain and sales units of the Company and its subsidiaries	
10. Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken. K. Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken	Financial units of the Company and its subsidiaries	
11. Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken	The Board of Directors of the Company	
12. Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that: (1) involve the company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts	Legal units of the Company and its subsidiaries	

Important Risk Assessment Items	Executive and Responsible Entities	Supervision Unit
of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report. M. Other important risks, and mitigation measures being or to be taken		
13. Other significant risks and response measures	Each relevant unit of the Company and its subsidiaries	

(II) Risk Analysis and Assessment

1. The effect upon the company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future:

Unit: NT$ thousands

Item	2025		2024	
	Amount	Proportion to Revenue	Amount	Proportion to Revenue
Interest Income	14,715	0.48%	19,461	0.63%
Interest Expense	45,296	1.48%	38,286	1.24%
Operating Revenue	3,069,021	100.00%	3,095,379	100.00%

In 2025, as inflation moderated, major economies are expected to enter a rate-cutting cycle. In addition to maintaining sufficient short-term funding to meet operational needs, the Company and its subsidiaries closely monitor market conditions and adjust borrowing tenors in a timely manner to effectively reduce funding costs. At the same time, the Company has secured medium- to long-term credit facilities from financial institutions and plans to increase the proportion of floating-rate borrowings to address potential downside risks associated with declining interest rates.

Unit: NT$ thousands

Item	2025		2024	
	Amount	Proportion to Revenue	Amount	Proportion to Revenue
Exchange Gain (Loss)	(16,188)	(0.53%)	22,774	0.74%
Operating Revenue	3,069,021	100.00%	3,095,379	100.00%

The Company's export ratio reached 99% in 2025. To mitigate the impact of fluctuations in exchange rates between the New Taiwan Dollar and foreign currencies, the Company continuously adjusts its export pricing and enters into forward exchange contracts to hedge risk exposures as necessary. Accordingly, the Company's foreign exchange risk remains effectively controlled. The Company and its subsidiaries will continue to strengthen operational management, enhance production efficiency, and work more closely with customers to accelerate product innovation and development, with a view to securing competitive advantages and maintaining profitability.

2. The Company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future:

   (1) The Company and its subsidiaries do not engage in high-risk, highly leveraged investments. At present, the Company and its subsidiaries do not engage in derivative transactions other than foreign exchange hedging operations. The Company follows the Procedures for the Acquisition or Disposal of Assets for derivative transactions to reduce the risk of exchange rate fluctuations of foreign currency assets and liabilities through forward exchange transactions.

   (2) The Company and its subsidiaries follows the Procedures for Lending Funds to Others in lending funds to others, and conduct thorough assessments before providing funds and diligently track the progress afterward.

   (3) The Company and its subsidiaries follows the Procedures for Making Endorsements/Guarantees in providing endorsements and guarantees, and conduct thorough assessments before endorsing or guaranteeing any obligations and diligently track the progress afterward.

   (4) The Company and its subsidiaries have not lend funds to companies other than the consolidated entities, nor have they provided endorsement guarantees to companies other than the consolidated entities.

3. Research and development work to be carried out in the future, and further expenditures expected for research and development work:

   Improvement and innovation is the important basis for the Company to expand its competitive advantage and has an innovative leadership position in the market to meet the different design needs from customers. In 2025, the Company's research and development focus in materials primarily emphasize on the development of materials for automotive system components and AI servers. This includes applications such as power supply for Electric Vehicle On-Board Charger (OBC), CAN-BUS communication, Parking sensors, and high-frequency power products for AI servers. In terms of product development, we are working with leading domestic and foreign companies to develop high-frequency, high-power, and lower loss green materials to meet future market demand and development trends. Based on the experience of R&D expenses in the past few years, it is estimated that the ratio of R&D expenses to revenue will be about 5%.

Unit: NT$ thousands

The Most Recent Year Plan	Current Progress	Research and Development Funding to be Reinvested	Completion Time	Key Factors Influencing the Success of Future R&D
AI Server Application Ferrite Core	Sample fabrication and testing	10,000	December 2026	Server power supply market applications
Development of new extrusion forming technology	Product testing and validation stage	10,000	December 2026	Welding applications
SiC Ceramic Powder and parts	Sample delivery and testing	25,000	December 2026	Semiconductor equipment demand and verification
Material development of AIN	Product testing and validation stage	150,000	December 2026	Semiconductor equipment demand and verification

4. Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response:

(1) Effects on the financial operations: During the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, there were no significant domestic or foreign policy and legal changes that had a material impact on the Group's financial operations.

(2) Response measures:

The Company has established a legal department to assess legal risks and formulate corresponding countermeasures. This department reviews important contractual documents and legal-related papers, identifying potential risks in advance. Additionally, it provides legal consultation and manages legal matters as needed, ensuring the protection of the Company's interests and minimizing the risk of breaches and losses. The Accounting Department will continuously evaluate the impact of changes in accounting and tax-related laws and regulations on the Company's financial operations, along with the necessary measures to address these changes. Furthermore, discussions will be conducted with accountants to ensure appropriate advance planning for any relevant modifications.

5. Effect on the company's financial operations of developments in science and technology (including cybersecurity risks) as well as industrial change, and measures to be taken in response:

For the impact of technological changes and industrial changes on the Company's financial operations and the countermeasures, please refer to (2) Industry Overview of IV: Operational Overview.

Impact of information security risks on the Company's financial business and the countermeasures:

(1) Risk of information technology security

The maintenance and operation management of factories is central to the manufacturing industry. The production processes and operations are primarily managed and controlled by operational technology (OT) systems, such as Distributed Control Systems (DCS) and Supervisory Control and Data Acquisition (SCADA) systems. Due to the requirements for production stability, operational systems or programs are often not upgraded or updated after installation, resulting in what is known as a Legacy System. The level of information security protection for these systems is significantly inferior compared to that of general information technology systems, such as ERP, CRM, and OA hardware and software.

(2) Management measures for information technology security

- Audits are conducted regularly by the Company's Audit Department and external professional information security consultants, and annually by Taiwan Branch of the British Standards Institution (BSI), an internationally renowned certification company, for the ISO 27001 certification each year. In addition to the audit of information security risk management framework, the Company also carries out the prevention coaching and information security risk assessment analysis for the internal and external issues.
- Fully applied multi-Factor Authentication (MFA) mechanism in the Group's mail system. In addition to password authentication, the second authentication is required through other tools to enhance the level of security.
- Adopted Fortinet firewall in industrial control equipment (OT) to improve the execution efficiency of filtering incoming and outgoing packets and effectively reduce the risk of system vulnerability exposure with the next-generation 7-layer firewall system.
- To enhance control over external devices connected to industrial control equipment, it is recommended to restrict USB access. This measure will help prevent data leakage and external information security attacks, thereby avoiding any disruptions to the production line.
- External Storage Media Health Check: Perform a thorough assessment of external storage media to minimize the chances of data loss and undetected information security threats. This can be achieved through regular virus scanning, inspection, and inventory management.
- For operating systems of equipment such as servers, we annually appoint external professional information security consulting firms to conduct vulnerability scans, identify potential risks, and implement system remediation or adopt compensating controls as appropriate.

- To strengthen personnel information security management, prevented hacker intrusion or data leakage and other incidents, information personnel conduct at least four hours of information security training each year, as well as sharing the latest information security knowledge to enhance employees' awareness of security risks.

(3) Promotion, Development, and Application of Generative AI (GenAI):

In light of the rapid advancement of Generative AI (GenAI), the Information Technology Department has assisted in identifying potential use cases within the Group where GenAI can be applied, with the aim of leveraging GenAI in smart manufacturing and the reengineering of administrative processes. In addition, multiple related training sessions have been conducted to encourage employees to engage in human–machine collaboration with Generative AI.

6. Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response:

   There is no significant image change that affects corporate crisis management during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.

7. Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken:

   There are no planned mergers and acquisitions during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.

8. Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken:

   There are no plans to expand the plant during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.

9. Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken:

   The customers and raw material suppliers in 2025 were still scattered, and there was no excessive concentration.

10. Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken:

There is no such circumstance during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.

11. Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken:

    There have been no changes in ownership or control of the Company in the most recent fiscal year and up to the date of the annual report publication.

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

    There is no such circumstance during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.

13. Other significant risks and response measures:

    To strengthen corporate governance, reduce potential operational risks, and ensure the Company's sound operations and sustainable development, the Company actively promotes the implementation of a risk management framework. In accordance with the principle of materiality, the Company conducts risk assessments on environmental, social, and corporate governance (ESG) issues related to its operations. The Company has established the "Risk Management Policy and Procedures" to effectively control risks arising from business activities. A designated unit is responsible for reporting the status of risk management implementation to the Audit Committee and the Board of Directors on an annual basis.

    The Company has internalized risk management into its daily operations, with each unit conducting ongoing risk assessments and controls to safeguard the interests of the Company, employees, shareholders, and stakeholders, in pursuit of sustainable operations.

The Company's functional units conducted detailed risk identification based on their respective specialties, and formulated management strategies and countermeasures to reduce, transfer, or avoid risks, which were supervised by the Audit Department. The key operations of risk management units in 2025 were as follows:

No.	Risk Categories	Implementation Status in 2025
I	Financial Risks	1. Risks of interest rate fluctuations: Global inflation has begun to ease, and it is anticipated that major countries will enter a cycle of interest rate reductions in response: (1) Short term fund demand: Closely monitor changes in the Central Bank of the Republic of China's interbank interest rates and rates on central bank negotiable certificates of deposit (NCDs) of various tenors, adjust borrowing durations appropriately to effectively reduce costs, and prepare sufficient short-term funds for operational needs. (2) Medium to long-term funding requirements: Secure medium to long-term financing from financial institutions, with the intention of increasing the proportion of floating-rate loans to mitigate the risk associated with declining interest rates. Control borrowing limits according to needs and adjust the proportion of short-term/medium-to-long-term borrowings to maintain a short-term drawdown rate not exceeding 50%. This ensures a more robust overall financial structure, thereby reducing the risk stemming from interest rate fluctuations. 2. Risks of exchange rate fluctuations: The United States Federal Reserve initiated an interest rate cutting cycle. Considering the global political and geopolitical risks that may increase volatility in international currency markets, in principle, foreign exchange operations should adopt 100% of the Company's net position to avoid risks; However, when the trend of the exchange rate market is obviously favorable to the Company, the hedge ratio will be appropriately adjusted within the controllable risk range. 3. Risk of property loss: The Company has insured various properties based on its business and asset scale, using replacement cost as the basis, appropriately transferring risks to insurance companies. 4. Risks of endorsement and guarantee: The endorsed and guaranteed parties of the Company include its subsidiaries holding 60.1% of the shares. Providing endorsement and guarantee facilities helps reduce their funding costs and increases flexibility in fund allocation.

No.	Risk Categories	Implementation Status in 2025
		Align with the established business strategy and the assumed risks fall within the Company’s acceptable risk tolerance level. 5. Risks of accounts receivable: For overdue customers, we first suspend shipments and promptly visit the customer to clarify the reasons for the overdue payment. We inquire whether there are any abnormalities in their payment process. If necessary, we initiate precautionary measures such as withholding or sealing the customer’s assets. The Company holds periodic meeting to assess the customer’s operating status or analyze its financial report. If anything is found to have gone wrong with the customer, the Company will suggest suspending the shipment or reducing the line of credit.
II	Risk of Strategy and Operation	1. The operating units report strategic issues to the directors on a regular basis to reduce strategic risks through advice and supervision of the directors. 2. Hold weekly cross-factory video conferences to continuously review the operational status of each factory, 3. Hold weekly sales and R&D meetings to closely monitor and stay abreast of changes and trends in competitors, markets, industries, and customers. This information serves as a reference for production, technology, and product development directions.
III	Risk of Raw Material Prices and Supply Chains	1. Fluctuations in raw material prices: Given that the overall market remains stable, yet raw material prices show a slight upward trend, the procurement team should promptly monitor market conditions and in-house raw material requirements, and make dynamic adjustments based on price fluctuations to ensure optimal procurement efficiency and cost control. 2. Management of raw materials inventory and logistics: Through a rolling demand forecasting mechanism, the Company continuously confirms requirements with user units, plans material preparation and logistics in advance, ensures that raw material inventory levels remain appropriate, and enhances the efficiency and stability of supply chain operations. 3. Plan for production equipment spare part: The production unit should regularly review the spare parts requirements for major equipment and establish an annual spare parts plan. Procurement must proactively coordinate with suppliers according to the plan, grasp the supply capacity and delivery time of spare parts, and place orders in a timely manner to reduce the risk of equipment failure and ensure production continuity.

No.	Risk Categories	Implementation Status in 2025
IV	Occupational Safety Risk	1. As of the end of September 2025, with the efforts of all units, the Taoyuan Plant has maintained zero occupational accidents. 2. The accumulated number of days and hours without accidents is: The number of days without accidents is 1,499 days. The number of hours without accidents is 1,740,473 hours. 3. In order to improve the efficiency of occupational safety and health management, the Company introduced ISO 45001 occupational safety and health management system in April 2022 and was certified in December 2023. The management system has been continuously in operation throughout 2025, setting goals, identifying risks, and implementing relevant occupational safety and health measures to achieve the goal of zero occupational accidents, demonstrating the Company's social responsibility. 4. In coordination with the USI Group's Preventive Maintenance and Environmental Risk Control Division to regularly disseminate accidents in the Group and industrial safety and environmental protection related news at home and abroad for reference. 5. Contracted on-site health management personnel are employed to conduct employee health management, organize health activities, and conduct relevant health education operations to enhance employee health awareness and reduce occupational health risks. 6. To implement contractor management, a contractor face recognition system was established in September 2024, effectively managing the access control of contractors. By the end of September 2025, the number of controlled individuals exceeded 2,000.
V	Information Security Risk	1. Engage a professional information security consulting firm to conduct social engineering drills biannually. For employees who do not pass these tests, provide information security education, training, and assessments. The dedicated information security unit, in collaboration with the information business execution department, will conduct two professional information security training sessions and assessments each year to enhance the information security awareness of company employees. 2. Regularly dispatch personnel to conduct information security inspections and asset inventory of OT computers in the factory area, strengthen information security controls over OT computer equipment, and implement locking controls on USB ports to reduce information security risks arising from USB ports. 3. Each year, the Company engages ISO-certified information security consultants to assist the IT and business execution departments in conducting information security audits,

No.	Risk Categories	Implementation Status in 2025
		strengthening internal security controls, and reviewing operational security processes. Additionally, vulnerability scans of servers are performed twice annually, followed by the implementation of remediation measures. 4. The IT and business execution departments engage ISO-certified information security consultants to conduct security health checks of the information environment, including packet traffic collection and analysis for servers, client computers, and core network switches. 5. The IT and business execution departments annually engage a globally recognized certification body to conduct ISO 27001 audits and have successfully maintained ISO 27001 certification, achieving the ISO 27001:2022 upgrade certification in June 2025. The Group's internal audit department conducts information security audits twice a year. 6. Antivirus software is installed on publicly issued computers to prevent virus intrusions. Endpoint protection software is deployed on computers used for critical business functions and by high-risk personnel to detect abnormal behavior in real time and automatically block and isolate threats. 7. Continuously updating the system versions and information security protection suites of the network external firewall to ensure it has the latest anti-hacking capabilities; conducting regular disaster recovery and backup drills for the external firewall every year to enhance the resilience of the enterprise firewall to operate continuously. 8. Through next-generation firewall equipment, access control list (ACL) rules for network connections are established to block suspicious connections from specific IP addresses or ports. Additionally, its DDoS protection features are utilized to monitor and filter abnormal network traffic, thereby reducing the impact of external malicious attacks on the Company's services. 9. The Group's critical system servers regularly conduct disaster recovery drills to enhance system recovery speed and capability, ensuring multiple copies of data are maintained, including one offsite backup. This ensures that in the event of a disaster, the Group can swiftly restore to normal operations, ensuring continuity of business operations. 10. A multi-factor authentication (MFA) mechanism has been implemented for email access, with mandatory enforcement when accessing emails from outside the Company's internal network or office premises. This effectively reduces the risk of unauthorized access and strengthens the security of remote logins. 11. In accordance with the suggestions of the Financial Supervisory Commission (FSC), establish a dedicated information security unit comprising designated information security supervisors and personnel responsible for planning,

No.	Risk Categories	Implementation Status in 2025
		monitoring, and executing information security management and oversight operations. 12. For critical information assets, deploy two sets of heterogeneous endpoint detection and response (EDR) software as complementary measures for intrusion prevention solution. 13. Regarding the Company's official website, we are introducing third-party enterprise information security exposure services. This will involve non-intrusive collection of publicly available data, web trapping mechanisms, and integration of threat intelligence, along with the operation of vulnerability search engines. This approach aims to conduct information security risk analysis, continuous security monitoring, and vulnerability remediation from an external perspective.
VI	Legal Risk	1. Legal compliance risk: (1) This year, in response to legal inquiries from various departments, the Group Legal Affairs Department has promptly provided both written and verbal consultations and recommendations to ensure compliance with legal regulations in the Company's activities. (2) In response to domestic and international policies, regulations, and the dynamics of relevant authorities, we will compile and assess information and develop related proposals to provide timely references for the Company's personnel. (3) Consult with the appropriate authorities or external professionals as needed to verify the validity of relevant legal interpretations. (4) Operations have been conducted smoothly this year. 2. Transaction risk: (1) The Legal Affairs Department of the Group is responsible for drafting and reviewing various legal documents related to transactions. Through individual discussions and meetings, the Department gains a comprehensive understanding of the background facts of the transaction, our position, and the purpose of the contract. It provides appropriate and feasible recommendations to facilitate the completion of the transaction while safeguarding the company's interests and mitigating the risk of breach of contract and liability. (2) In accordance with the Company's regulations, the company seal shall be managed and affixed by designated personnel. The Group Legal Affairs Department is responsible for requesting clarifications or corrections concerning any legal or contractual documents that do not comply with regulations, thereby fulfilling its oversight duties. (3) Operations have been conducted smoothly this year.

<table>
<tr><th>No.</th><th>Risk Categories</th><th>Implementation Status in 2025</th></tr>
<tr><td></td><td></td><td>3. Dispute resolution:
(1) The principles for managing and handling litigation cases by the Group’s Legal Affairs Department are as follows:
A. Considering the overall resolution procedures for various litigation cases, including the required manpower, time, and cost, as well as the finality of the litigation outcomes and the feasibility of subsequent enforcement, we assess and formulate appropriate dispute resolution strategies.
B. Thoroughly understand the facts of the case, develop comprehensive offensive and defensive strategies or negotiation tactics, and present compelling and complete evidence along with witnesses.
C. Consult external professional opinions and engage appropriate professional agents to effectively manage expenditures.
(2) In 2025, the Group’s Legal Affairs Department has not managed any litigation cases involving Acme Electronics Corporation.
4. Awareness and behavior of legal compliance:
(1) Assist relevant units in conducting internal training sessions, participate in training organized by supervisory authorities or external organizations, and provide opportunities for legal assistance through individual discussions or meetings. This includes timely reminders and reinforcement of legal risk awareness among colleagues in various departments, internalizing this awareness into their daily work behaviors, thereby reducing company risk.
(2) Operations have been conducted smoothly this year.</td></tr>
<tr><td>VII</td><td>Human Resources Risks</td><td>In addition to managing risks identified in last year’s assessment, the Company continuously monitors relevant risk developments and adjusts control mechanisms as needed to ensure the effectiveness of risk management.
1. Talent supply risk (Talent shortage):
The Company adopts diverse recruitment strategies and engages in industry–academic collaborations to expand talent sources. Recruitment channels include campus and on-site hiring, job banks, ESG websites, headhunting firms, and the Company’s official website. The Company also establishes industry–academic partnerships with domestic and international universities. In 2025, the Company participated in two on-site recruitment events targeting overseas students and received over 20 submitted resumes.
2. Talent retention risk (Talent urnover)
(1) The design of diverse training programs enhances employee skills based on different “course types,”</td></tr>
</table>

No.	Risk Categories	Implementation Status in 2025
		“common scopes,” and “trainee targets.” The Group has designed various courses; the completion rate for both in-person and digital training for new employees is 100%. (2) Established a sound promotion system to strengthen the talent pipeline. The Group has implemented an annual promotion proposal system and a Talent Development Committee, which reviews the promotion plans for outstanding employees every July. In 2025, 20 employees were promoted, implementing a “right person, right fit, right position” development approach, thereby enhancing organizational vitality and competitiveness. (3) Implementation of the succession planning Designated successors are assigned when employees retire, and the Company continues to implement succession planning and related training. For plant-level successors, lateral rotations are promoted to ensure that key talents possess both professional expertise and production process experience, thereby improving flexibility in talent deployment. (4) Labor-management relations maintenance: In 2025, four labor-management meetings were convened. The Company also maintains ongoing communication with employees through ad hoc meetings to sustain harmonious labor–management relations. (5) Establishment of a competitive compensation system: The Company has established a market-competitive compensation system and participates annually in external salary surveys (e.g., GeT Management, 104 Job Bank, Jye-Baw Manufacturing). The Articles of Incorporation stipulate the annual allocation ratio for employee compensation, enabling employees to share in the Company’s operating results based on actual profitability, thereby encouraging long-term contributions and fostering mutual growth. (6) Implementation of an Employee Assistance Program (EAP) to enhance psychological support The Company has implemented an Employee Assistance Program (EAP) that provides professional and confidential counseling services. Employees may access one-on-one consultations with qualified psychologists via telephone, email, or LINE to help clarify issues, relieve stress, and enhance psychological resilience. In 2025, the total number of EAP consultation cases across the Group reached 63 (not further broken down by company due to confidentiality), reflecting strong employee trust in the program.

No.	Risk Categories	Implementation Status in 2025
		3. Legal compliance risk: (1) Strengthening ethical management and code of conduct implementation: The Company has established the “Ethical Corporate Management Best Practice Principles” and the “Procedures for Ethical Management and Guidelines for Conduct.” In addition, the Group has formulated the “Code of Ethical Conduct for Directors and Managers” and the “Employee Policy on Concurrent Employment.” In 2025, the employee code of conduct assessment achieved a 100% pass rate, and no violations of laws or regulations occurred within the Group. (2) Compliance supervision mechanism The Company engages an external legal team specializing in labor law as legal counsel to provide compliance advisory services. Dedicated personnel are assigned to regularly review the implementation of SOPs and HR regulations, benchmark against newly enacted laws and regulations, and update them in a timely manner. (3) Whistleblowing and grievance mechanism: The Company has established the “Procedures for Handling Reports of Illegal, Unethical, or Dishonest Conduct.” Multiple reporting channels are provided to encourage employees and external stakeholders to report misconduct via the Company’s website or the audit unit’s hotline. The Group upholds a zero-tolerance policy toward unlawful conduct and has set up dedicated complaint mailboxes, email addresses, and hotlines for sexual harassment prevention and misconduct reporting. All cases are assigned to designated personnel and handled in accordance with confidentiality principles to protect the rights of complainants. There were no violations or reported illegal incidents in 2025.
VIII	Research and Development Risk	1. Based on the promotion of industrial status and maintenance of existing technical achievements, the Company submitted to the Board of Directors on August 11, 2020 the Intellectual Property Management Plan to implement the Company’s intellectual property management policy. 2. On November 4 of this year, the Company submitted the Implementation Status of the Company’s Intellectual Property Management Plan in 2025 and the Development Plan in 2026 to the Board of Directors. 3. Hold weekly sales and R&D meetings to closely monitor and stay abreast of changes and trends in competitors, markets, industries, and customers. This information serves as a reference for production, technology, and product development directions.

No.	Risk Categories	Implementation Status in 2025
		4. Every year, we participate in conferences and exhibitions on power technology and silicon carbide materials to fully grasp market dynamics and development directions. 5. The Company requires employees to sign non-disclosure agreements to protect trade secrets and intellectual property rights.
IX	Risk of Climate Change and the Environment	1. The environmental impact of carbon emissions during operations: (1) Through the TCFD and international research reports, the Company analyzes the potential risks of climate change, identifies possible opportunities and countermeasures, conducts financial impact analysis, and specifies the countermeasures. (2) Establish an ISO 50001 energy management system to enhance energy efficiency by implementing energy-saving measures and monitoring energy performance indicators. Conduct voluntary investigations and monitoring of greenhouse gas emissions to comply with reduction commitments and regulatory requirements. Analyze the risks and opportunities associated with climate change to mitigate financial losses resulting from extreme weather conditions in production operations. (3) The Group's routine Energy Saving and Carbon Reduction factory visit is scheduled for October 21, 2026, to conduct an exchange meeting. A series of auditing activities and training courses will continue to promote Energy Saving and Carbon Reduction. (4) The Group has scheduled to hold the 2025 Annual Group Plant Technical Exchange Conference on October 28. Through case presentations and selection, outstanding performance will be recognized and awarded, encouraging continuous implementation and improvement of occupational safety, environmental protection, equipment maintenance, energy conservation, and carbon reduction efforts across the factories. (5) The emissions of the Taoyuan Plant in 2024 were assured by Ernst & Young, with total Scope 1 and Scope 2 emissions for the entire plant amounting to 11,583 metric tons of CO_2e per year. Scope 3 greenhouse gas emissions, as inventoried in accordance with ISO 14064-1, amounted to 664 metric tons of CO_2e per year. (6) Continuously monitor changes in energy and carbon management-related policies and regulations, and actively participate in public hearings for the discussion of new or revised regulations. 2. The operational processes cause pollution to the environment: (1) The Company performs USI Group's safety and environmental inspection to check and improve the

No.	Risk Categories	Implementation Status in 2025
		compliance with regulations concerning work safety, environmental protection, and fire prevention. (2) The Company holds annual education and training programs on industrial safety and environmental protection to enhance the skills of work safety and environmental protection personnel in each plant and teach them new knowledge of safety and environmental regulations. (3) Continuously monitor changes in domestic and international environmental regulations, and actively participate in public hearings on the revision of environmental regulations through industry associations. (4) The USI Group's Preventive Maintenance and Environmental Risk Control Division non-periodically produced one-page advocacy materials on accidents in the Group and industrial safety and environmental protection related news at home and abroad for reference.
X	Risk of Disasters and Accidents	1. As of September 2025, there have been no occupational accidents at the Taoyuan Plant. 2. As of September 2025, a total of 314 maintenance, repair, and replacement activities for machinery and equipment have been completed, accounting for 100% of the total planned. Additionally, a total of 3,489 inspections have been carried out, achieving 100% completion.
XI	Technology Risk	1. An annual inventory of SSLVPN user accounts is conducted in accordance with the principle of "maintaining minimal access", which serves as a guideline for information security management. 2. We continually monitor various information security issues (such as security alerts from the National Communications and Information Security Center) and conduct checks and vulnerability remediation referencing in the Group's information and communications environment. 3. We continuously conduct information security management according to the three-stage defense system (prevention, detection, and response) principle established based on the Group's operational practices. 4. The government-issued laptops will implement an SSL VPN connection management mechanism to ensure information security controls for employees during remote usage. 5. In response to changing market demands and outdated production technology: (1) Implementing Six Sigma and TRIZ methodologies, we establish a systematic and scientific approach to innovation and problem-solving. This enables rationalization, automation, and intelligence in our production processes, enhancing overall quality and cost competitiveness.

No.	Risk Categories	Implementation Status in 2025
		(2) The Company has introduced ISO 50001 energy management system, and plans to introduce the intelligent factory management system to collect the production data systematically for analysis, and collect the production equipment energy consumption data, so as to keep promoting energy saving and carbon reduction. (3) The Company optimizes the process conditions of existing equipment to increase production capacity, and by the opportunity of eliminating aging equipment, works with suppliers to develop equipment with lower energy consumption and higher production efficiency to meet customer capacity requirements and reduce carbon emissions.

(2) Intellectual Property Management

On August 11, 2020, the Company submitted the "Intellectual Property Management Plan" to the Board of Directors. The execution status of the 2025 Intellectual Property Management Plan, including patent management, trademark management, trade secret protection, and the implementation status of R&D projects, as well as the 2026 R&D plan, were presented to the Board of Directors on November 4, 2025. Details are as follows:

Intellectual Property Management Plan

To enhance the Company's industry position and safeguard existing technological achievements, the Company is committed to protecting its intellectual property rights, including patents, trademarks, and trade secrets. By aligning IP management with the Company's operational objectives and R&D resources, the Company aims to establish a comprehensive intellectual property management system to strengthen its competitive advantage and generate greater returns through high-value products and services.

To implement the management objectives, the R&D department, together with relevant responsible units, will review and consolidate the status of intellectual property under their respective purviews and report to the President for assessment of the adequacy of related policies and the need for revisions. Such policies will be duly implemented, and an execution report along with the plan for the following year will be submitted in the fourth quarter:

1. Patents

    1) Number of valid patents and necessity of maintenance in support of operations: The Company currently holds 47 valid patents related to powder materials. Certain proprietary processes are either patented or protected as trade secrets, forming a key competitive advantage. Patents that contribute to the Company's operations are subject to internal review, and their continued maintenance will be assessed and recommended as necessary.

    2) Existence of standard procedures for application, maintenance, and incentive mechanisms, and need for revision: The Company has established a formal document, "Patent Ownership and Application Procedures" (Document No. AR04-70200), which comprehensively covers relevant requirements. No revisions are currently deemed necessary.

2. Trademark

    1) Number of valid trademarks and necessity of maintenance in support of operations: The Company's trademarks have been in use for nearly 30 years and have established a positive industry reputation. Continued maintenance is recommended.

    2) Existence of standard procedures for application and maintenance, and need for revision: Given the long-standing use of the Company's trademarks and the absence of any anticipated changes, no formal standard procedures for application and maintenance have been established, and none are currently deemed necessary.

3. Copyrights

    Whether the Company holds any copyright assets or requires relevant policies: None.

4. Trade Secrets

    1) Adequacy of existing policies and need for adjustment: With respect to trade secrets relating to ferrite products and silicon carbide powder materials, ACME enters into non-disclosure agreements (NDAs) with customers prior to transactions upon establishment of business relationships, to safeguard the confidential information of both parties.

    2) Status of implementation and any deficiencies: Employees comply

with trade secret protection requirements, and no irregularities have occurred over the years. No adjustments are currently required.

Implementation Status

I. Implementation Status for 2025

1. Patent Management

1.1. Patent Ownership and Application Procedures (established on April 13, 2005): The Procedures were formulated to protect the Company's R&D achievements and to encourage employees to engage in innovative activities. The procedures are established in accordance with the Patent Act of the Republic of China, with reference to domestic and international patent application practices, and tailored to the Company's operational characteristics.

1.2. Number of Patents

1.2.1. A total of 11 patent applications were filed in 2025, including: 1 Taiwan invention patent application filed by TY; 3 invention patent applications filed by GZ on behalf of TY; 3 utility model patent applications filed by KS; and 4 utility model patent applications filed by GZ.

1.2.2. As of October 2025, the Company held a total of 37 valid patents, comprising 7 invention patents, 26 utility model patents, and 4 software copyrights.

2. Trademark Management

The Company registered the "ACME" word mark in Taiwan on September 16, 2008, with an exclusive right valid through September 15, 2028.

Trademark Name	Registration Number	Registration Date	Expiration Date	Mark	Designated Goods
ACME	01328312	2008/9/16	2028/9/15	ACME	Hard ferrite cores; soft ferrite cores; electromagnetic coils; sapphire wafers; soft ferrite powders.

3. Trade Secret Management

   The Company has established the Employee Work Rules, comprising 15 chapters and 82 articles. Employees are required to execute confidentiality agreements to ensure the protection of trade secrets in the course of performing their duties. Such confidentiality obligations remain in effect after termination of employment.

4. Status of R&D Plan Implementation

   As of 2025, a total of 116 R&D projects had been completed (statistical period: January to September), with a cumulative achievement rate of 99%.

II. 2026 Product R&D Plan

A total of 11 product R&D projects are planned for 2026. Key factors that may affect the success of R&D include raw materials, process conditions, and equipment development.

14. Other significant risks and response measures:

    As of the publication date of this annual report, there has been no other risk issues in the Company.

VII. Other Important Matters: The Company's Key Performance Indicators

(I) Accident-free working hours: The Taoyuan Plant operates in a high-temperature and high-dust production environment, with a particular emphasis on workplace safety and environmental protection. As of December 31, 2025, the cumulative accident-free working hours totaled 1,868,537 hours.

(II) Equipment utilization rate: Due to factors such as involution from manufacturers in China, market demand falling short of expectations, oversupply, and global supply chain restructuring, the Taoyuan Plant did not operate at full capacity. The equipment utilization rate for 2025 was 64.0%.

CHAPTER 6 SPECIAL DISCLOSURE

I. Information related to the company's affiliates:

The 2025 consolidated business report of affiliated enterprises has been announced and filed on the Market Observation Post System. Please refer to the 'Basic Information/E-Books/Affiliated Enterprises Reports Section' on the Market Observation Post System.

https://doc.twse.com.tw/server-java/t57sb01?step=1&colorchg=1&co_id=8121&year=&mtype=K&isnew=true

II. Private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

III. Other necessary supplementary explanations: None

IV. Any event which has a material impact on shareholders' rights and interests or the Company's securities as prescribed in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act, that have occurred in the most recent fiscal year up to the publication date of this annual report shall be indicated individually: None.

Acme Electronics Corporation

Chairman of the Board: Wu, Yi-Gui