3006

ESMT
晶豪科技股份有限公司

2024 ANNUAL REPORT

113年度年報

Annual Report is available at
http://mops.twse.com.tw
http://www.esmt.com.tw
Published on May 5, 2025

Spokesperson

Name: Hong-Gee Wu

Title: Corporate Governance Officer

Tel: 886-3-578-1970

Email: spokesman@esmt.com.tw

Deputy Spokesperson

Name: Shin-Chi Lee

Title: Special Assistant

Tel: 886-3-578-1970

Email: spokesman@esmt.com.tw

Address and telephone number of the Company

No. 23 Industrial East Fourth Road, Science Park, Hsinchu City

Tel: 886-3-578-1970

Website: http://www.esmt.com.tw

Stock Transfer Agency

Registrar Department, Capital Securities Corp.

B2, No. 97, Section 2, Dunhua South Road, Da’an District, Taipei City

Tel: 886-2-2702-3999

Address: http://www.capital.com.tw

Certified Public Accountant

Name of CPA firm: PricewaterhouseCoopers Taiwan

Names of the CPA: Bai Shu-Chian, Liu Chien-yu

5/F, No. 2 Industrial East Third Road, Science Park, Hsinchu City

Tel: 886-3-578-0205

Website: http://www.pwc.tw

The Company does not issue any overseas securities.

Contents

Table of Contents Page

Table of Contents — Page

Letter to Shareholders

Dear Shareholders,

I. 2024 Business Plan Implementation and Profit Results :

In 2024, the niche memory industry was impacted by global economic consumption fatigue, pressure from interest rate hikes, and geopolitical tensions resulting in a persistent economic downturn. Although the three major memory companies experienced a temporary price rebound due to production cuts, this was insufficient to counter weak demand. In the fourth quarter, the revenues of major niche memory companies were in a state of decline, and it is anticipated that 2025 will remain challenging. Benefiting from the temporary price recovery and effective cost control, our company achieved revenues of NT$13.485 billion in 2024, a 13.47% increase from the previous year's NT$11.884 billion. The gross margin reached 12.11%, a significant improvement from the 2.73% of the prior year. Net profit after tax was NT$505 million, a notable turnaround from the NT$1.209 billion loss in 2023, with earnings per share at NT$1.80.

At the beginning of 2023, OpenAI emerged, captivating the world and igniting global enthusiasm for AI. Many people believe AI development will transform future lifestyles, prompting substantial investments in manpower and resources to develop AI-related products and applications. Research and development in generative AI and large language models (LLMs) have become the most critical projects for major companies in the coming years. These efforts require extremely high computational power, necessitating not only high-speed main chips but also high-bandwidth memory (HBM) for efficient operation. HBM paired with AI main chips starts at a capacity of 64GB, with the highest exceeding 200GB. The generative AI boom is expected to drive significant memory demand growth in the coming years. However, the emergence of DeepSeek by the end of 2024 could dramatically alter the AI landscape. By utilizing highly streamlined manpower and resources, DeepSeek achieves results comparable to Open AI, significantly lowering the entry barriers to the AI field. This is expected to usher in an era of diverse AI development, further boosting memory demand and creating a prosperous outlook.

To achieve environmental sustainability, electric vehicles (EVs) will continue to experience strong growth, and the proportion of automotive semiconductors is expected to rise increasingly. Our company passed the ISO 26262 safety certification by the end of 2023, demonstrating our commitment to advancing automotive electronics. In the coming years, revenue from automotive semiconductors is anticipated to grow steadily.

As regards power IC and analog IC products, product lines are becoming more and more comprehensive after years of hard work and cultivation. The products have gained the recognition of large customers, and in particular, the market share of audio amplifiers in the TV market has been on the rise. In 2024, demand slowed down and prices fell due to the global economic downturn and consumption weakly which cause the shipment volume improved, but the revenue decline 4.25%. Looking ahead to 2025, audio amplifiers will thrive in the South Korean television market. However, the television market in mainland China is facing intense competition from domestic alternatives. It is estimated that operations in 2025 will experience a slight growth in shipment volume and revenue.

Looking ahead, Elite Semiconductor Microelectronics Technology Inc. (ESMT) will continue to uphold the philosophy of sustainable business operations, consistently focusing on the equity and expectations of stakeholders. We emphasize the impact of environmental, social, and governance factors on our operations, monitor international developments and climate change-related disasters, and remain committed to supporting the underprivileged while pursuing a harmonious society. In line with the sustainable development blueprint outlined by regulatory authorities, we aim to fulfill our sustainability commitments and corporate social responsibilities. Grounded in our core values, we will continue to develop new technologies and innovative products, aspiring to become a top global supplier and partner to achieve the goals of corporate sustainability and social well-being.

II. 2025 Business Plan :

1. Business Strategy
   (1) Expand the R&D team to enhance the potentials and increase relevant equipment expenditures to improve efficiency.
   (2) Expand 25nm/21nm low-density niche DRAM memory product lines such as DDR4, DDR3, LP DDR4, DDR3, DDR2, LP DDR2, etc.
   (3) Accelerate the R&D of 19nm DRAM and begin mass production.
   (4) Completed the mass production introduction of 19nm/40nm NAND products.
   (5) Accelerate the expansion of MCP, eMCP and eMMC production line.
   (6) Expand the 50nm NOR Flash product line and business in full force.
   (7) Expand the niche memory product line for automotive applications.
   (8) Accelerate the research and development of audio amplifier IC and power IC product lines.
   (9) Expand non-memory product lines, such as IoT/AIoT Wireless IC/Solutions, Motor Drive IC, and Sensor IC (Temperature/Photo).
   (10) Maintain a stable financial structure.

2. Sales Volume Forecast and Its Basis

In the past, the rapid growth of industries such as smartphones, tablets, and data centers drove demand. However, entering 2025, demand appears to be softening. While some market demand persists, the overall supply-demand relationship is beginning to adjust. As technology advances and market needs evolve, DDR4 is gradually being phased out by major memory manufacturers, with a shift toward high-profit, high-end products expected. At the same time, production of DRAM and NAND flash memory, particularly traditional types, may be reduced. It is projected that the memory industry will enter the trough of its business cycle in the coming quarters, with intensified competition in the HBM and standard memory markets. Memory manufacturers will face challenges from policy and economic environments, with changes in monetary policy and global economic recovery serving as key factors influencing the storage chip market. Additional concerns include inventory levels, tariffs, and overinvestment. Consequently, HBM vendors in 2025 will continue vying for market share, eventually entering a phase of inventory reduction and excess idle capacity. Due to the overcapacity of DRAM in China, the oversupply will become increasingly severe. The widespread price decline of NAND flash and DRAM in the first quarter of 2025 undoubtedly pressure related companies, presenting new challenges to our company. In this rapidly changing market environment, maintaining keen market insight and flexibility in responding to market shifts is essential.

The EV market in 2025 remains in a phase of strategic deployment and adjustment. Automakers are working diligently to lay the groundwork for the future. Still, a market boom may not occur until more factories commence production, technological breakthroughs are achieved, and the policy environment stabilizes. Our company is actively positioning itself in the EV memory market, and as the EV market takes off, it is expected to drive the company’s performance growth.

Additionally, our company is proactively expanding research and development in other IC design fields, such as Wireless SOC IC, Motor Driver IC, and Sensor IC (including temperature and image sensor IC), with expectations of yielding results within the next two to three years.

3. Policies on Production and Marketing
   (1) Strengthen the partnership with wafer suppliers and post-production outsourcers to maintain stable production capacity and supply.
   (2) Strengthen the promotion of SOC Memory, NOR Flash, NAND Flash and MCP/eMCP business.
   (3) Provide cost structure and quality superior to peers and expand the market share in domestic and foreign markets.
   (4) Strengthen the interactive relationship with customers and distributors and expand the application fields of new products to increase business sales.

III. Future Development Strategies of the Company and Impacts of the External Competition Environment, Regulatory Environment, and the Overall Business Environment :

After experiencing the semiconductor market boom driven by the stay-at-home economy triggered by the COVID-19 pandemic and shortages caused by international shipping bottlenecks, the memory market entered a downward cycle in the second half of 2022 due to an oversupply of consumer electronics. Although 2024 saw a temporary price rebound due to production cuts by major manufacturers, it was insufficient to offset weak demand. Entering 2025, rapid capacity expansion of China manufacturers has led to rising inventory and supply levels. If capacity adjustments are not well-managed, despite some sustained market demand, the overall industry inventory reduction will proceed more slowly. The continued weakness in consumer electronics demand will undoubtedly exert downward pressure on the price of NAND flash and DRAM. In this broader environment, only by strengthening technical capabilities, accelerating new product development, and continuously reducing costs can we effectively respond to future competition.

Our company specializes in low-density niche memory, which is increasingly expand application and become an indispensable electronic component in technological products. It is expected that global demand for niche memory in tech products will continue to grow in 2025. To support the market demand, our company will continue to enhance new product development, focusing on high-integration, high-speed, and low-power memory IC products, known good die (KGD), NOR and NAND flash, as well as MCP/eMCP/eMMC businesses. Additionally, we will accelerate R&D in analog IC and mixed-signal integrated circuits, including product lines such as audio amplifiers, power management, IoT/AIoT wireless communication, and temperature/image sensor IC, to enhance product competitiveness and meet diverse customer needs. Furthermore, our company aims to swiftly enter the global supply chain for advanced safety systems in automotive electronics, establishing a stronger foothold in future competition and maximizing income for the company.

The Company's current operations are in compliance with the relevant existing laws and regulations of domestic and foreign reinvestment countries. The management team will also continue to pay close attention to any changes in policies and laws that may affect the Company's finances and business, as a reference for operations. In addition, the Company also cooperates with professional organizations, pays close attention to the development of relevant laws and regulations, and adjusts strategies to meet the needs of operations in a timely manner. In other words, the Company is able to timely grasp and respond to important domestic and foreign policy and legal changes.

Chairman of the Board of Directors & President :
Ming-Chien Chang

Corporate Governance Report

I. Directors, President, Vice President, Assistant Vice Presidents and Managers of Departments and Divisions

(I) Information of Directors

1. Directors

Record date: April 12, 2025

Title	Name	Nationality/Place of Registration	Gender Age	Date Elected	Term (Years)	Date First Elected	Shares Held when Elected		Shares Currenly Held		Shares Held by Spouse and Minor Children		Shares Held in the Name of Other Person(s)		Primary Professional or Academic Experience	Position(s) Concurrently Held at the Company and Other Companies	Other Executives, Directors, or Supervisors who are spouses or within the second degree of kinship.			Remarks
							Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage			Title	Name	Relationship	
Chairman of the Board	Ming-Chien Chang	Republic of China	Male 68	2022.6.15	3 years	1998.5.20	5,523,825	1.93%	5,523,825	1.93%	1,618,785	0.57%	-	-	Master Degree from the Institute of Electronics, National Chiao Tung University	Note 3	Nil	Nil	Nil	Nil
Director	Hsing-Hai Chen	Republic of China	Male 72	2022.6.15	3 years	1999.7.06	8,411,629	2.94%	8,411,629	2.94%	1,195,927	0.42%	-	-	Master of Applied Physics, National Tsing Hua University	Note 3	Nil	Nil	Nil	Nil
Director	Chih-Hong Ho	Republic of China	Male 68	2022.6.15	3 years	2004.6.25	619,172	0.22%	619,172	0.22%	-	-	-	-	PhD in Mechanical Engineering, North Carolina State University, USA		Nil	Nil	Nil	Nil
Director	Yeong-Wen Daih	Republic of China	Male 65	2022.6.15	3 years	2016.6.15	581,205	0.20%	581,205	0.20%	75,970	0.03%	-	-	Master Degree from the Institute of Electronics, National Chiao Tung University	Note 3	Nil	Nil	Nil	Nil
Independent Director	William W.Shen	Republic of China	Male 64	2022.6.15	3 years	2022.6.15	-	-	-	-	-	-	-	-	PhD in Accounting, Purdue University, USA	Note 3	Nil	Nil	Nil	Nil
Independent Director	Bing-Yue Tsui	Republic of China	Male 61	2022.6.15	3 years	2022.6.15	-	-	-	-	-	-	-	-	Ph.D, Institute of Electronics, National Yang Ming Chiao Tung University	Note 3	Nil	Nil	Nil	Nil
Independent Director	Tai-Haur Kuo	Republic of China	Male 64	2022.6.15	3 years	2022.6.15	-	-	-	-	-	-	-	-	PhD in Electrical Engineering, University of Maryland	Note 3	Nil	Nil	Nil	Nil
Independent Director	Cheng-Yan Chien	Republic of China	Male 68	2022.6.15	3 years	2019.6.13	-	-	-	-	-	-	-	-	Emory University, USA Master of Business Management	Note 3	Nil	Nil	Nil	Nil

Note 1: Mr. Ming-Chien Chang was elected as the new Chairman by the company's Board of Directors on August 6, 2024.

Note 2: Mr. Hsing-Hai Chen resigned as the company's Chairman on August 6, 2024 (while retaining his position as a director) .

Note 3: Current positions in other companies

Ming-Chien Chang	Chairman of the Board, Elite Semiconductor Memory Technology Inc. Chairman of the Board, Charng Feng Investment Ltd. Chairman of the Board, Elite Memory Technology Inc. Director, Jie Yong Investment Ltd. Director, ESMT Educational Foundation Director, Elite Investment Services Ltd. Director, Eon Silicon Solutions, Inc.USA
Hsing-Hai Chen	Chairman of the Board, Jie Yong Investment Ltd. Chairman of the Board, ESMT Educational Foundation Director, Elite Investment Services Ltd.
William W.Shen	Professor, Department of Finance and Taxation, National Taichung University of Science and Technology Independent Director, Ennostar Inc. Independent Director, Episil-Precision Inc.
Yeong-Wen Daih	Director, Jie Yong Investment Ltd.
Bing-Yue Tsui	Professor, Institute of Electronics, National Yang Ming Chiao Tung University Consultant, Diodes Taiwan S.A R.L., Taiwan Branch (Luxembourg) Supervisor,The Electronics Devices and Materials Association Consultant, Rich Chip Microelectronics Corporation
Tai-Haur Kuo	Professor, Department of Electrical Engineering, National Cheng Kung University
Cheng-Yan Chien	Director, Energetic Enterprise Co., Ltd.

Note 4: If the Chairman and President or equivalent position (highest executive) are the same person, spouses, or first-degree relatives, the reasons, rationality, necessity, and countermeasures must be explained.

The Chairman of the Board also serves as the President to bolster Company management. The Chairman has extensive industry experience from many years with the Company and understands the business model of the industry, enhancing corporate governance and oversight functions, and facilitating vertical communication with the management team. In today's rapidly changing market environment, the Company's operations still rely on his experience to leverage its core competitiveness. However, to implement corporate governance, enhance the board's functions, and strengthen oversight, the Company's board includes four independent directors, exceeding the statutory requirement.

2. Major shareholders of the institutional shareholders :

(1) Major shareholders of the institutional shareholders : None.

(2) Major shareholders of institutional shareholders who are representative of institutional shareholders: None.

3. Disclosure of professional qualification of directors and the independence information of independent directors:

Qualification / Name	Professional background and experience	Independence status	Number of other public companies where the individual concurrently serves as an independent director
Chairman of the Board Ming-Chien, Chang	Holds a master's degree from the Institute of Electronics at National Chiao Tung University, previously served as Manager of the Device Department at Vanguard International Semiconductor Corporation. Possesses expertise in technological development, factory operations, organizational management, industry knowledge, and operational judgment required by listed companies, along with foundational capabilities for sustainable business operations.	1. Concurrently serves as President of this company, classified as an executive. 2. Concurrently serves as a director of a related enterprise of this company. 3. A natural person shareholder holding more than 1% of the company's issued shares. 4. All other aspects meet the independence criteria stipulated in Article 3, Paragraph 1 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission.	None
Director Hsing-Hai, Chen	Holds a master's degree from the Institute of Applied Physics at National Tsing Hua University, previously served as Chairman and CEO of Elite Semiconductor Microelectronics Technology Inc. and as Plant Manager/Product Development Associate at Vanguard International Semiconductor Corporation. Possesses expertise in technological development, factory operations, organizational management, industry knowledge, and operational judgment required by listed companies, along with foundational capabilities for sustainable business operations.	1. Concurrently serves as a director of a related enterprise of this company. 2. A natural person shareholder holding more than 1% of the company's issued shares. 3. All other aspects meet the independence criteria stipulated in Article 3, Paragraph 1 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission.	None
Director Yeong-Wen Daih	Holds a master's degree from the Institute of Electronics at National Chiao Tung University, previously served as Manager at Vanguard International Semiconductor Corporation. Possesses expertise in technological development, factory operations, organizational management, industry knowledge, and operational judgment required by listed companies, along with foundational capabilities for sustainable business operations.	1. Concurrently serves as President of this company, classified as an executive. 2. Concurrently serves as a director of a related enterprise of this company. 3. All other aspects meet the independence criteria stipulated in Article 3, Paragraph 1 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission.	None

<table>
<tr><th>Qualification / Name</th><th>Professional background and experience</th><th>Independence status</th><th>Number of other public companies where the individual concurrently serves as an independent director</th></tr>
<tr><td>Director
Chih-Hong Ho</td><td>Holds a Ph.D. in Mechanical Engineering from North Carolina State University, USA, previously served as Executive Vice President at Ultima Electronics Corporation and as Vice President of this company. Possesses capabilities in corporate governance, business, marketing, and industrial technology and is able to provide timely recommendations and strategies on corporate governance and operational management to the company’s Board of Directors.</td><td>Meets the independence criteria stipulated in Article 3, Paragraph 1 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” issued by the Financial Supervisory Commission.</td><td>None</td></tr>
<tr><td>Independent Director
William W.Shen</td><td>Holds a Ph.D. in Accounting from Purdue University, USA, currently serving as a Professor in the Department of Finance and Taxation at National Taichung University of Science and Technology, Independent Director of Ennostar Inc., and Independent Director of Episil-Precision Inc. Possesses expertise in corporate governance, accounting information, financial analysis, and insights into industry development and technological applications, which will enhance the quality of corporate governance of the board and the supervisory functions of the audit committee.</td><td rowspan="2">In accordance with the company’s Articles of Incorporation and the “Corporate Governance Best Practice Principles,” directors are elected through a candidate nomination system. During the nomination and selection of board members, the company has obtained written statements, work experience, current employment certificates, and family relationship disclosures from each director to verify their independence, as well as that of their spouses and relatives within the third degree of kinship, relative to the company. The company has further confirmed that the four independent directors listed on the left met the qualification requirements set forth in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” issued by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act for the two years prior to their election and during their tenure. Additionally, all independent directors have been granted full authority to participate in decision-making and express opinions under Article 14-3 of the Securities and Exchange Act, enabling them to independently exercise their duties.</td><td>2</td></tr>
<tr><td>Independent Director
Bing-Yue Tsui</td><td>Holds a Ph.D. from the Institute of Electronics at National Chiao Tung University, currently serving as a Professor at the Institute of Electronics at National Yang Ming Chiao Tung University, Consultant at the Taiwan Branch of Diodes Incorporated, Supervisor of The Electronics Devices and Material Association, and Consultant at Rich Chip Microelectronics Corporation. The company continues to leverage his cross-industry management service experience and perspectives from different sectors, enabling him to provide diverse opinions on operations and management in a timely manner. This enhances the diversity of perspectives in the company’s operational and management strategies, thereby improving the supervisory and management quality of the board and audit committee.</td><td>None</td></tr>
</table>

Qualification / Name	Professional background and experience	Independence status	Number of other public companies where the individual concurrently serves as an independent director
Independent Director Tai-Haur Kuo	Holds a Ph.D. in Electrical Engineering from the University of Maryland, USA, currently serving as a Professor in the Department of Electrical Engineering at National Cheng Kung University. Possesses expertise in operational management, offering capabilities in industry analysis and integration, risk management, and management decision-making. When exercising the duties of an independent director and audit committee member, his expertise in technology industry management can be utilized to enhance the quality of corporate governance of the board and the supervisory functions of the audit committee.		None
Independent Director Cheng-Yan Chien	Holda an MBA from Emory University, USA, previously served as Vice President of the Taipei Branch of JPMorgan Chase Bank, Associate Manager at Vate Technology Co., Ltd., President of Anfu Solutions, and Independent Director of Eon Silicon Solution Inc. Possesses analytical and management capabilities in corporate governance, financial accounting, business, marketing, and industrial technology, which will enhance the quality of corporate governance of the board and the supervisory functions of the audit committee. Currently serving as an independent director in the second term, not exceeding three terms.		None

Note: Upon review, none of the company's directors currently fall under any of the circumstances listed in Article 30 of the Company Act.

4.Board Diversity and Independence:

A. Board Diversity: State the Board's policy, goals and the status of achievement on diversity. The diversity policy includes but is not limited to the selection criteria of directors, the professional qualifications and experience, the composition and proportion in relation to the gender, age, nationality, culture required of the Board, as well as a statement of the specific goals and status of achievement according to the aforementioned policy.

On December 18, 2015, during the No.17 meeting of the 6th Board of Directors, the Company established the Corporate Governance Principles. In Chapter III, the Board's functions were strengthened, including the adoption of a diversity policy to ensure the diversity and independence of board members. The current Board of Directors consists of 8 directors, comprising 4 independent directors and 4 non-independent directors, all of whom are distinguished figures from academia and industry. We prioritize gender equality in the composition of the Board, aiming for at least one seat held by individuals with financial and accounting expertise and at least one seat held by each gender. Currently, 100% (a total of 8) of the board members are male, with no female directors appointed. Plans are underway to increase female representation in the upcoming board elections to achieve our objectives.

The current Board of Directors comprises 9 members, all of whom have practical experience in managing TWSE/TPEx listed companies. In addition to their leadership, decision-making, crisis management, and international market observation skills, the 4 independent directors have the following backgrounds: William W.Shen, an independent director, is a professor in the Department of Public Finance Taxation at the National Taichung University of Science and Technology; Bing-Yue Tsui, an independent director, is a professor in the Institute of Electronics at National Yang Ming Chiao Tung University; Tai-Haur Kuo, an independent director, is a professor in the Department of Electrical Engineering at National Cheng Kung University; and Cheng-Yan, Chien an independent director, previously served as Vice President at the Taipei Branch of JPMorgan, possessing expertise in legal practice, financial accounting, industry knowledge, and operational judgment. Among the 5 non-independent directors, Chairman Hsing-Hai Chen, Director Ming-Chien Chang, Director Yeong-Wen Daih, Director Chih-Hong Ho, and Director Chia-Neng Huang have all held important management positions such as chairman, general manager, and deputy general manager in TWSE/TPEx listed companies. They have expertise in technological development, factory operations, organizational management, product marketing, industry knowledge, and operational judgment, and also possess the foundational capabilities for sustainable business operations.

The 9th term of the Board members is experienced in leadership, business management, risk response, industrial knowledge, and global perspective. The detail is listed below.

1. Basic conditions and value: gender, age, nationality and culture.
2. Professional knowledge and skills: operational judgment capability, accounting and financial analysis capability,business management capability, risk management capability, industry knowledge, international market outlook, leadership capability, and decision-making capability.

The current Board of Directors of the Company consists of nine directors. The specific management objectives ofthe board diversity policy and their achievement status are as follows:

Diversity management objectives	Achievement status
The number of independent directors exceeds one third of the board seats	Done
It is advisable that the number of the directors who concurrently serve as the managers of the Company should not exceed one-third of the board seats.	Done
The independent directors shall not hold office for more than 3 terms.	Done
Adequate and diverse professional knowledge and skills	Done
The objective is to ensure the presence of at least one female director on the Board.	Don’t

The implementation status of the board diversity policy is as follows:

Core projects of diversity / Names of directors	Basic composition						Industry experience			Professional capabilities					
	Nationality	Gender	Also serve as an employee of the Company	Age	Term of office of Independent Director		Accounting	Finance	Industry	Operational judgment capability	Business management capability	Leadership and decision - making capability	Risk management capability	Industry knowledge	International market outlook
				61 to 72	1 to 9 years	More than 9 years									
Ming-Chien Chang	Taiwan	Male	V	V					V	V	V	V	V	V	V
Hsing-Hai Chen	Taiwan	Male		V					V	V	V	V	V	V	V
Chih-Hong Ho	Taiwan	Male		V					V	V	V	V	V	V	V
Yeong-Wen Daih	Taiwan	Male	V	V					V	V	V	V	V	V	V
William W.Shen	Taiwan	Male		V	V		V	V	V	V	V	V	V	V	V
Bing-Yue Tsui	Taiwan	Male		V	V				V	V	V	V	V	V	V
Tai-Haur Kuo	Taiwan	Male		V	V				V	V	V	V	V	V	V
Cheng-Yan Chien	Taiwan	Male		V	V		V	V	V	V	V	V	V	V	V

B. Board independence: State the number and ratio of independent directors, and explain that the Board is independent. Also, state with reasons whether circumstances set out in Paragraphs 3 and 4, Article 26-3 of the Securities and Exchange Act have occurred, including the existence of spousal relationship or second-degree of kinship in directors or supervisors or between directors and supervisors.

a. Number of Independent Directors and the ratio: There are 4 independent directors, composed of 50% of the Board. All independent directors fully comply with the regulations established by the Financial Supervisory Commission concerning independent directors. The specifics of their independence are as follows:

Name	Whether the individual, spouse, or relatives within the second degree of kinship serve as directors, supervisors, or employees of the company or its related enterprises	Number and percentage of company shares held by the individual, spouse, or relatives within the second degree of kinship (or under the name of others)	Whether serving as a director, supervisor, or employee of a company with a specific relationship to this company	Amount of remuneration received in the past two years for providing commercial, legal, financial, accounting, or other services to the company or its related enterprises
William W.Shen	No	None	No	None
Bing-Yue Tsui	No	None	No	None
Tai-Haur Kuo	No	None	No	None
Cheng-Yan Chien	No	None	No	None

b. The Board of Directors is independent of others. Reasons shall be provided explaining whether circumstances set out in Paragraphs 3 and 4, Article 26-3 of the Securities and Exchange Act have occurred, including the existence of spousal relationship or second-degree of kinship in directors or supervisors or between directors and supervisors: The Board of Directors are mainly composed of the professional managers in the Company. The independent directors are mainly held by external professionals. No circumstances set out in Paragraphs 3 and 4, Article 26-3 of the Securities and Exchange Act were found, nor did the spousal relationship or second-degree of kinship were found among the directors.

(II) Information of the Presidents, Vice Presidents, Assistant Vice Presidents, and the Heads of all the Company's Departments and Divisions

Record Date: April 12, 2025

Title	Name	Nationality	Gender	Date of Appointment	Shareholding		Shares Held by Spouse/Minor Children		Shares Held in the Name of Other Persons		Primary Professional or Academic Experience	Position(s) Concurrently Held at the Company or Other Companies	Managers who are spouses or within the second degree of kinship.			Remarks
					Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage			Title	Name	Relation	
President of Business Group	Ming-Chien Chang	Republic of China	Male	2018.11.03	5,523,825	1.93%	1,618,785	0.57%	-	-	Master Degree, Institute of Electronics, National Chiao Tung University	Note 2	Nil	Nil	Nil	Nil
Senior Vice President and Chief Technology Officer	Yeong-Wen Daih	Republic of China	Male	2018.11.03	581,205	0.20%	75,970	0.03%	-	-	Master Degree, Institute of Electronics, National Chiao Tung University	Note 2	Nil	Nil	Nil	Nil
Senior Vice President and Second Business Unit	Kuan-Chun Chang	Republic of China	Male	2018.11.03	685,341	0.24%	949	-	-	-	Master Degree, Institute of Electrical Engineering, National Cheng Kung University	Note 2	Nil	Nil	Nil	Nil
Vice President and Chief Sales Officer	Jackie Hao	Republic of China	Male	2022.07.29	-	-	-	-	-	-	Department of Electronic Engineering, Kun Shan University	Note 2	Nil	Nil	Nil	Nil
Vice President and Chief Operating Officer	Shu-Hui Feng	Republic of China	Female	2022.07.29	85,000	0.03%	-	-	-	-	Master Degree,Institute of Technology Management, National Tsing Hua University Masters, Graduate Institute of Human Resources Management, National Central University	Note 2	Nil	Nil	Nil	Nil
Vice President and Second Business Unit of Sales Officer	Lyle Tsai (Note1)	Republic of China	Male	2024.04.26	-	-	-	-	-	-	Holds an MBA from the City University of New York, USA		Nil	Nil	Nil	Nil
Corporate Governance Officer	Hong-Gee Wu	Republic of China	Male	2021.6.16	313,560	0.11%	554,373	0.19%	-	-	Department of Industrial Engineering and Management, National Chiao Tung University	Note 2	Nil	Nil	Nil	Nil
Finance & Accounting Officer	Hui-Wen Cheng	Republic of China	Female	2023.12.28	-	-	-	-	-	-	Master Degree, Institute of Accounting at National Chengchi University		Nil	Nil	Nil	Nil

Note 1: Mr. Lyle Tsai was appointed as Vice President of the company on April 26, 2024.

Note2: Position(s) concurrently held in other companies is as follows:

Ming-Chien Chang	Chairman of the Board, Elite Semiconductor Memory Technology Inc. Chairman of the Board, Charng Feng Investment Ltd. Chairman of the Board, Elite Memory Technology Inc. Director, Jie Yong Investment Ltd. Director, ESMT Educational Foundation Director, Elite Investment Services Ltd. Director, Eon Silicon Solutions, Inc.USA
Yeong-Wen Daih	Director, Jie Yong Investment Ltd.

Kuan-Chun Chang	Director, Jie Yong Investment Ltd.
Jackie Hao	Legal Representative & Executive Director, Elite Semiconductor Microelectronics Technology (Shenzhen) Inc. Legal Representative & Executive Director, Elite Semiconductor Microelectronics (Shanghai) Technology Inc. Legal Representative & Executive Director & President, Elite Semiconductor Microelectronics Technology (Xian) Inc.

Shu-Hui Feng	Director, Eon Silicon Solutions, Inc.USA Supervisor, Elite Semiconductor Microelectronics Technology (Shenzhen) Inc. Supervisor, Elite Semiconductor Microelectronics (Shanghai) Technology Inc. Supervisor, Elite Semiconductor Microelectronics Technology (Xian) Inc. Director, ESMT Educational Foundation
Hong-Gee Wu	Supervisor, Canyon Semiconductor Inc. Director, ESMT Educational Foundation

Note 3: If the Chairman and President or equivalent position (highest executive) are the same person, spouses, or first-degree relatives, the reasons, rationality, necessity, and countermeasures must be explained.

The Chairman of the Board also serves as the President to bolster Company management. The Chairman has extensive industry experience from many years with the Company and understands the business model of the industry, enhancing corporate governance and oversight functions, and facilitating vertical communication with the management team. In today's rapidly changing market environment, the Company's operations still rely on his experience to leverage its core competitiveness. However, to implement corporate governance, enhance the board's functions, and strengthen oversight, the Company's board includes four independent directors, exceeding the statutory requirement.

II.Remuneration Paid During in the Most Recent Financial Year to Directors, Supervisors, President, and Vice Presidents Under the Company and All Companies Listed in the Consolidated Statements

1. Remuneration of Directors (including Independent Directors)

As at December 31, 2024 Unit: NT$ 1,000/share

Title	Name	Directors Remuneration								Ratio of the total of 4 items A, B, C and D to net income after taxes		Relevant remuneration received by directors who are also employees								Proportion of the sum of A, B, C, D, E, and F to net profit after tax		Compensation paid to directors from an invested company other than the Company's subsidiaries or parent company
		Remuneration (A)		Severance pay and pension (B)		Remuneration of directors (C)		Business expense (D)				Salary, bonus and special allowance (E)		Pension (F)		Employee's compensation (G)						
																The Company		All companies listed in this Financial Report				
		The Company	All companies listed in this Financial Report	The Company	All companies listed in this Financial Report	The Company	All companies listed in this Financial Report	The Company	All companies listed in this Financial Report	The Company	All companies listed in this Financial Report	The Company	All companies listed in this Financial Report	The Company	All companies listed in this Financial Report	Cash	Stock	Cash	Stock	The Company	All companies listed in this Financial Report	
Chairman	Ming-Chien Chang (Note 1)	-	-	-	-	1,200	1,222	-	-	0.24%	0.24%	4,318	4,318	108	108	-	-	-	-	1.11%	1.12%	Nil
Directors	Hsing-Hai Chen (Note 2)	1,357	1,357	-	-	1,200	1,222	-	-	0.51%	0.51%	-	-	-	-	-	-	-	-	0.51%	0.51%	Nil
Directors	Chih-Hong Ho	-	-	-	-	1,000	1,000	-	-	0.20%	0.20%	-	-	-	-	-	-	-	-	0.20%	0.20%	Nil
Directors	Yeong-Wen Daih	-	-	-	-	951	973	-	-	0.19%	0.19%	4,067	4,067	108	108	-	-	-	-	1.02%	1.02%	Nil
Directors	Chia-Neng Huang (Note 3)	-	-	-	-	400	400	-	-	0.08%	0.08%	-	-	-	-	-	-	-	-	0.08%	0.08%	Nil
Independent Director	William W.Shen	1,120	1,120	-	-	160	160	25	25	0.26%	0.26%	-	-	-	-	-	-	-	-	0.26%	0.26%	Nil
Independent Director	Bing-Yue Tsui	1,000	1,000	-	-	160	160	30	30	0.24%	0.24%	-	-	-	-	-	-	-	-	0.24%	0.24%	Nil
Independent Director	Tai-Haur Kuo	1,000	1,000	-	-	160	160	15	15	0.23%	0.23%	-	-	-	-	-	-	-	-	0.23%	0.23%	Nil
Independent Director	Cheng-Yan Chien	1,060	1,060	-	-	160	160	25	25	0.25%	0.25%	-	-	-	-	-	-	-	-	0.25%	0.25%	Nil

1. Please illustrate the policies, systems, standards and structure of independent directors' remuneration, as well as the correlation between their remuneration and the responsibilities, risks, and time invested:
   1. In accordance with the company's Articles of Incorporation, the remuneration of the Chairman and directors is determined by the board of directors, taking into careful consideration their level of participation in the company's operations, the value of their contributions, and the average director remuneration of listed IC design companies on the TWSE/TPEx.
   2. The Articles of Incorporation also stipulate that director remuneration shall not exceed 1% of the annual profit.
   3. Directors who concurrently serve as employees are not eligible to participate in employee remuneration distribution.
   4. Independent directors receive a fixed monthly remuneration, and thus, their annual director remuneration does not exceed that of regular directors.
   5. The performance evaluation criteria for the Chairman are based on the company's annual operational indicators related to operations, corporate governance, and financial results. The performance evaluation

scope for the President includes operational safety management, oversight of financial plan execution, revenue management, enhancement of internal controls, implementation of quality assurance and management, and contributions to sustainable business performance.

2. Other than disclosure in the above table, Directors remuneration received by providing services (E.g. Non-employee consultant of the mother company/ companies stated in the financial statements/ reinvestment businesses) to the Company in the financial report: None.

Note 1: Mr. Ming-Chien Chang was elected as the new Chairman by the company's Board of Directors on August 6, 2024.

Note 2: Mr. Hsing-Hai Chen resigned as the company's Chairman on August 6, 2024 (while retaining his position as a director) .

Note 3: Mr. Chia-Neng Huang resigned as a director of the company on July 2, 2024.

2. Remunerations to President and Vice Presidents

As at December 31, 2024 Unit: NT$ 1,000/share

Title	Name	Salary (A)		Severance pay and pension (B) (Note 1)		Bonuses and allowances (C)		Employee's remuneration (D)				Proportion of net profit after tax to the sum of A, B, C, and D (%)		Compensation paid to directors from an invested company other than the Company's subsidiaries or parent company
								The Company		All companies listed in this Financial Report				
		The Company	All companies listed in this Financial Report	The Company	All companies listed in this Financial Report	The Company	All companies listed in this Financial Report	Cash	Stock	Cash	Stock	The Company	All companies listed in this Financial Report	
President	Ming-Chien Chang	17,238	17,238	614	614	3,543	3,543	-	-	-	-	4.24%	4.24%	Nil
Senior Vice President	Yeong-Wen Daih													
Senior Vice President	Kuan-Chun Chang													
Vice President	Jackie Hao													
Vice President	Shu-Hui Feng													
Vice President	Lyle Tsai (Note 2）													

Note 1: All are recognized contribution

Note 2: Mr. Lyle Tsai was appointed as Vice President of the company on April 26, 2024.

Range of Compensation	Name of presidents and vice presidents	
	ESMT	All Company in the Consolidated Financial Statements
Lower than NTD 2,000,000	Lyle Tsai	Lyle Tsai
NTD 2,000,000(inclusive）～ NTD 5,000,000 (exclusive)	Ming-Chien Chang、Yeong-Wen Daih、Kuan-Chun Chang、 Jackie Hao、Jennifer Feng	Ming-Chien Chang、Yeong-Wen Daih、Kuan-Chun Chang、Jackie Hao、Jennifer Feng
NTD 5,000,000（inclusive ）～ NTD 10,000,000(exclusive)	－	－
NTD 10,000,000（inclusive ）～ NTD 15,000,000(exclusive)	－	－
NTD 15,000,000（inclusive ）～ NTD 30,000,000(exclusive)	－	－
NTD 30,000,000（inclusive ）～ NTD 50,000,000(exclusive)	－	－
NTD 50,000,000（inclusive ）～ NTD 100,000,000(exclusive)	－	－
NTD 100,000,000 or More	－	－
Total	6	6

3. If a listed company has the following circumstances, it shall disclose the compensation of the first five top managementindividually:
   (1) Parent company only or individual financial statements in the last three years have shown after-tax losses: None
   (2)Listed companies whose results of the most recent corporate governance assessment are at lowest level 2: The result of the Company's corporate governance evaluation was Level 2 and thus not applicable.

4. Names of Managers for Distributing the Employees' Compensation and Distribution Status

Unit: NT$ 1,000

<table>
<tr><th></th><th>Title</th><th>Name</th><th>Shares Amount</th><th>Cash Amount</th><th>Total</th><th>Ratio of the Total Amount to Net Profit After Tax (%)</th></tr>
<tr><td rowspan="8">Manager</td><td>President</td><td>Ming-Chien Chang</td><td rowspan="8">–</td><td rowspan="8">–</td><td rowspan="8">–</td><td rowspan="8">–</td></tr>
<tr><td>Senior Vice President</td><td>Yeong-Wen Daih</td></tr>
<tr><td>Senior Vice President</td><td>Kuan-Chun Chang</td></tr>
<tr><td>Vice President</td><td>Jackie Hao</td></tr>
<tr><td>Vice President</td><td>Shu-Hui Feng</td></tr>
<tr><td>Vice President</td><td>Lyle Tsai (Note 1)</td></tr>
<tr><td>Corporate Governance Officer</td><td>Hong-Gee Wu</td></tr>
<tr><td>Finance & Accounting Officer</td><td>Hui-Wen Cheng</td></tr>
</table>

Note 1: Mr. Lyle Tsai was appointed as Vice President of the company on April 26, 2024.

5. The analysis of the ratio of the total remuneration paid to the Company’s Directors, Supervisors, President and Vice Presidents of the Company and all companies listed in the consolidated financial statements in the most recent two financial years to Net Profit After Tax, and the relevance of remuneration payment policies, standards and combination, procedures determining remuneration, business performance and future risk shall be compared and stated:

I. Analysis of the total remuneration paid to the directors, general managers, and deputy general managers of the Company in the past two fiscal years as a percentage of the after-tax net income.

Units: NTD 1,000; %

<table>
<tr><th rowspan="2">Item</th><th colspan="2">FY 2023</th><th colspan="2">FY 2024</th></tr>
<tr><th>The Company</th><th>Consolidated Financial Statements</th><th>The Company</th><th>Consolidated Financial Statements</th></tr>
<tr><td>Total Directors' Remuneration</td><td>7,605</td><td>7,605</td><td>11,023</td><td>11,089</td></tr>
<tr><td>Ratio of Total Directors' Remuneration to Net Profit After Tax (%)</td><td>（ 0.62%）</td><td>（ 0.63%）</td><td>2.18%</td><td>2.20%</td></tr>
<tr><td>Total Remuneration for the President and Vice Presidents</td><td>22,067</td><td>22,067</td><td>21,395</td><td>21,395</td></tr>
<tr><td>Ratio of Total Remuneration for President and Vice Presidents to Net Profit After Tax (%)</td><td>（ 1.80%）</td><td>（ 1.83%）</td><td>4.24%</td><td>4.24%</td></tr>
</table>

II. Policy, standards, and composition of remuneration, procedures for setting remuneration, and the correlation between remuneration and operational performance and future risks.

(I) Remuneration policy, standards, and composition:

1. The remuneration of the directors of the Company is the compensation

for the performance of directorial duties. It is determined by the Board of Directors based on the individual director's level of participation and contribution value, concerning the usual standards in the TWSE/TPEx listed companies in the IC design industry. Additionally, if the Company generates profits in the fiscal year, up to 1% of the profits will be allocated as director remuneration in accordance with Article 24-1 of the Company's Articles of Incorporation.

2. The Company regularly reviews the policies, systems, standards, and structures of directors' and managers' remuneration in accordance with the Board of Directors Performance Evaluation Measures. The individual director performance evaluation results are used as a reference for determining their remuneration, following the director and manager remuneration evaluation measures. The content and amount of individual remuneration are determined by considering industry norms. The Remuneration Committee and the Board of Directors regularly evaluate director remuneration and review the relevance of performance appraisal and remuneration.
   (1) Business performance: considering the year's growth rates in annual revenue, pre-tax net income, operating profit, and return on equity.
   (2) Industry benchmark: The Company considers the average director remuneration of TWSE/TPEx listed companies in the IC design industry for comprehensive analysis.

   Based on the above assessment, the business performance for this fiscal year has been good due to the increase in the growth rate of operating revenue and pre-tax net income. As a result, the allocation of the director's remuneration has been set at NT$ 5,391 thousand. Slightly reduce, the bonuses given to employees have decreased compared to the previous year, leading to a slightly decrease in the average salary of full-time employees without managerial positions and a increase in the remuneration of each director compared to the previous year.

3. The Company determines the composition of remuneration in accordance with the Organizational Regulations of the Remuneration Committee. This includes cash compensation, stock options, bonus shares, retirement benefits or severance pay, various allowances, and other measures with significant incentives. The scope of remuneration aligns with the guidelines for disclosing director and manager remuneration in the Regulations Governing Information to be Published in Annual Reports of Public Companies.

(II) Procedure for determining remuneration:

1. The remuneration of directors and managers is regularly evaluated based on the Board of Directors Performance Evaluation Measures' and the Performance Management Measures applicable to managers and employees. Additionally, the remuneration of the Chairman and the General Manager is tied to the Company's operational performance indicators and is presented to the Board of Directors for review. To effectively demonstrate the achievement of operational performance indicators, the performance measurement standards for the Chairman are derived from the Company's annual operational indicators related to operations, corporate governance, and financial results. The evaluation encompasses indicators such as pre-tax net profit, customer satisfaction, and corporate governance. The performance measurement evaluation for the General Manager includes overseeing operational safety management, financial plan execution, revenue management, internal control enhancement, quality assurance, and management implementation, contributions to the implementation of ESG, and other performance objectives related to key job responsibilities. The performance indicators for sustainable development are assessed based on the aforementioned evaluation scope: Sustainable development-related performance (15%), execution methods (weights): Green product design (5%), performance of sustainable action plans (5%), occupational health and safety (3%), other (2%).

   To motivate senior executives, outstanding key professionals, and all employees to value long-term comprehensive performance and achieve sustainable operations, a linkage between short-term and long-term incentive compensation for senior executives and responsible supervisors of business units was established since 2023. For senior executives, performance indicators include: Sustainable development execution performance (8%): green product innovation (3%), sustainable procurement responsibility (3%), and diversity and inclusion (2%).

2. The Remuneration Committee and the Board of Directors annually evaluate and review the performance appraisal and reasonableness of remuneration for the Company's directors and managers. The evaluation takes into account individual performance achievement rates, contributions to the Company, overall operational performance, future industry risks and development trends, as well as timely reviews of the remuneration system based on actual operating conditions and relevant regulations. Additionally, in line with the current trend of corporate

governance, we provide reasonable remuneration to achieve a balance between the Company's ESG and risk management. The Board of Directors determines the actual amount of remuneration for directors and executives in 2024 after deliberation by the Remuneration Committee.

(III) Relevance to business performance and future risks:

1. The review of the Company's remuneration policy, payment standards, and systems is primarily based on the overall operational status of the Company. Payment standards are determined based on performance achievement rates and contribution levels to enhance the overall organizational effectiveness of the Board of Directors and management departments. Additionally, industry salary standards are taken into consideration to ensure that the remuneration for our management level remains competitive in the industry to retain outstanding management talent.

2. The performance goals of the Company's managers are integrated with risk management to ensure the management and prevention of potential risks within their scope of responsibility. The assessment of these goals is based on actual performance, as well as the level of commitment and contribution to the Company's ESG, and is linked to relevant human resources and compensation policies. The important decisions made by the Company's management are carefully balanced after considering various risk factors. The performance of these decisions is reflected in the Company's profitability and is therefore related to the remuneration and risk management performance of the management team.

III. Implementation of Corporate Governance:

(I) Implementation of the Board of Directors

A total of 7 meetings were held by the Board of Directors in 2024, with the directors' attendance listed as follows:

Title	Name	Attendance Count	By Proxy	Attendance Count	Remarks
Chairman of the Board	Hsing-Hai Chen	7	–	100%	Mr. Ming-Chien Chang was elected as the new Chairman by the company's Board of Directors on August 6, 2024.
Director	Ming-Chien Chang	7	–	100%	Mr. Hsing-Hai Chen resigned as the company's Chairman on August 6, 2024 (while retaining his position as a director) .
Director	Chih-Hong Ho	6	1	86%	
Director	Yeong-Wen Daih	7	–	100%	
Director	Chia-Neng Huang	2	1	67%	Mr. Chia-Neng Huang resigned as a director of the company on July 2, 2024.
Independent Director	William W.Shen	7	–	100%	
Independent Director	Bing-Yue Tsui	6	1	86%	
Independent Director	Tai-Haur Kuo	6	1	86%	
Independent Director	Cheng-Yan Chien	7	–	100%	

Other Matters:

I. Where the proceedings of the meeting of the Board of Directors include one of the following circumstances, state the date, session, topic discussed, opinions of every Independent Director, and the Company's handling of the Independ Directors' opinions:

(I) Matters referred to in Article 14-3 of the Securities and Exchange Act.

Date and term of the Meeting	Proposals	Opinions of All Independent Directors and the Company's Handling of These Opinions
The 9th Board 19th Meeting 2024.10.29	1. Approved amendment to the Company's "Regulations on Financial Transactions between Related Parties". 2. Approved the Company's " Rules Governing the Preparation and Filing of Sustainability Reports ". 3. Approved the “Sustainable Information Management Operation Guidelines.” 4. Approved the amendments to the Company's "Audit Committee's Articles of Association". 5. Approved the amendments to the Company's " Procedural Rules of Board Meetings ".	Approved by all Independent Directors
The 9th Board 20th Meeting 2024.12.16	1. Approved the independence and competency of the CPAs and their appointment and remuneration proposal.	Approved by all Independent Directors

The 9th Board 22th Meeting 2025.02.26	1.Approved the amendment to the Company's "Articles of Incorporation."	Approved by all Independent Directors

(II) In addition to the aforementioned matters, other resolutions resolved by the Board of Directors that are objected to, or expressed reservations with record or declaration in writing by the Independent Directors: None.

II. When any Director recuse him/herself for being a stakeholder in certain proposals, the name of the Director(s), the content of the proposals, reasons for recusal and participation in voting shall be stated:

Board of Directors Date	Names of Directors	Proposals	Reason for Recusal	Voting
2024.4.26	Hsing-Hai Chen	Proposal on Company's salary adjustment and bonus distribution for Chairman Hsing-Hai Chen.	Stakeholder(s) with the Proposal	The persons recused themselves and did not participate in discussion and voting.
	Ming-Chien Chang, Yeong-Wen Daih	The adjustment of Company managers' salary for 2024.	Stakeholder(s) with the Proposal	The persons recused themselves and did not participate in discussion and voting.
	Ming-Chien Chang, Yeong-Wen Daih	The managers' and employees' salaries and bonus of the Company for FY2023.	Stakeholder(s) with the Proposal	The persons recused themselves and did not participate in discussion and voting.
	William W.Shen, Tai-Haur Kuo, Bing-Yue Tsui, Cheng-Yan Chien	The Company's Independent Directors bonus distribution for FY2023	Stakeholder(s) with the Proposal	The persons recused themselves and did not participate in discussion and voting.
2025.02.26	Ming-Chien Chang, Hsing-Hai Chen, Yeong-Wen Daih, Chia-Neng Huang, William W.Shen, Tai-Haur Kuo, Bing-Yue Tsui, Cheng-Yan Chien	Resolution of the Company's remuneration to Directors and managers' and employees' compensation for FY2024.	Stakeholder(s) with the Proposal	The persons recused themselves and did not participate in discussion and voting.
	William W.Shen, Tai-Haur Kuo, Bing-Yue Tsui, Cheng-Yan Chien	Nomination of the independent Director candidates of the 10th Board.	Stakeholder(s) with the Proposal	The persons recused themselves and did not participate in discussion and voting.
	Ming-Chien Chang, Hsing-Hai Chen, Yeong-Wen Daih	Nomination of the general Director candidates of the 10th Board.	Stakeholder(s) with the Proposal	The persons recused themselves and did not participate in discussion and voting.

III. TWSE/TPEx list companies shall disclose information on the evaluation cycle and period, scope, method and content of the self-evaluation by the Board of Directors (or peers), and evaluation completed by Board of Directors as belows.

1. External evaluation:

The "Rules for Performance Evaluation of Board of Directors" amended and approved by the Board of Directors on February 26, 2021, stipulates that the Company's Board of Directors shall conduct an external evaluation of the performance of the Board of Directors and its committees at least once every three years.

On February 2023, the Company commissioned the "Taiwan Institute of Ethical Business" to conduct an external evaluation of the performance of the Board of Directors and its committees (including the Audit Committee, Remuneration Committee, and Nomination Committee) for 2022 (the evaluation period was the entire year of 2022). The institute and its experts have no business transactions with the Company and are independent. They evaluated 4 major aspects, including professional competencies, effectiveness of decision-making, internal control, and sustainable development, and made questions such as how the Board of Directors grasps the company's operational status, how communicates with shareholders, how manages corporate risks and crises, verifies the implementation of the company's internal control and audit system, evaluates the management of the corporate sustainable business operation and observes the operational efficiency of the company's Board of Directors. They conduct evaluations through questionnaires and on-site visits. The Taiwan Institute of Ethical Business issued the performance evaluation report on March 13, 2023, and the recommendations and expected implementation measures mentioned were presented to the Board of Directors on March 23, 2023. The relevant content of the overall assessment and measures are as follows:

I. Overall Evaluation of the Evaluation Report:

The institute assesses the following aspects separately: professional competencies, effectiveness of decision-making, internal control, and sustainable development:

Organization being valuated	Evaluation scores
Board of Directors	All evaluated items received scores between 4 and 5.
Audit Committee	All evaluated items received scores between 4 and 5.
Remuneration Committee	All evaluated items received scores between 4 and 5.
Nominating Committee	All evaluated items received scores between 4 and 5.
Explanation of Rating Scale: 5 = Fully meets all criteria in all circumstances 4 = Meets most of the criteria/above average 3 = Sometimes meet/reach the average 2 = Occasionally meets/ below average 1 = Almost never met the criteria	

II. Suggestions for Improvements:

Suggested items for improvements	Descriptions	Expected implementation measures
Increase the diversity of Board composition	It is recommended that the Nomination Committee of the evaluated company consider incorporating age and gender into the evaluation of director candidates in the future to promote a more diverse composition of the board members and facilitate the introduction of different values and perspectives.	It will be included as a reference for planning the next director's elections.
Strengthen the recording of directors' statements in the Board of Directors meetings	To enable the Board of Directors to easily review past decision-making experiences, it is recommended to present essential points and record a summary of the directors' opinions and responses in the discussions during formal meetings to facilitate the application of past experiences to future decision-making.	If the essential points of the opinions and responses in the discussion among the directors are presented in the formal meeting, they should be summarized and recorded in a timely manner.

Survey the continuing education needs of the directors and continuously increase the diversity of the courses	To respond to industry trends and technological developments, the evaluated company may consider planning more continuing education courses related to the evaluated company's industry to increase the diversity of training courses for directors and continuously help the Board members to better understand the industry in which the evaluated company operates.	Conduct a survey of directors' needs as a reference for annual continuing education planning and scheduling.
Establish and strengthen risk assessment and control mechanisms and implement them	Evaluated companies may consider stipulating internal procedures for risk assessments, elevating risk assessment to the level of the Board of Directors, such as stipulating the role of the Audit Committee in supervising risk assessments and management, or establishing a Risk Management Committee to strengthen risk assessment and control mechanisms.	Incorporate the supervision and management of risk assessment as the competency of the Audit Committee.
Adjust the unit that accepts the reported cases and the regulations for handling the reports	It is recommended that the evaluated company stipulate the regulations for handling reported cases, taking into account the independence of the acceptance unit, and set up a dedicated email or hotline for whistleblowing and investigation and reporting procedures.	Strengthen the regulations for the acceptance and handling of reported cases and related procedures according to the recommendations.
Increase the discussion of sustainable development issues in the Board meetings	When planning sustainable policies related to corporates in the future, the evaluated company may also pay attention to the latest international development trends besides complying with the policies promoted by Taiwan's competent authorities. For example, the Task Force on Climate-Related Financial Disclosures (TCFD) which has been recently implemented internationally is an area that the evaluated companies should pay attention to in terms of sustainability. Consideration may also be given to bringing in external consultants to diversify the perspective on corporate social responsibility, facilitate innovative thinking, and achieve corporate social responsibility goals while pursuing business profitability.	The issues related to sustainable development shall be reported to the Board of Directors according to the recommendations

2. Self-evaluation:

The "Rules for Performance Evaluation of Board of Directors" amended and approved by the Board of Directors on February 26, 2021, stipulates that the Company's Board of Directors shall conduct a self-evaluation of the performance of the Board of Directors and its committees once a year.

1. Performance Evaluation of the Board of Directors:2025.02.26 approved the resolution by the Board of Directors

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Methods	Evaluation Content	Rating
Conducted Annually	From: Jan. 1, 2024 To: Dec. 31, 2024	Functional committees	Internal self-evaluation for the Board of Directors	1.Level of participation in corporate operations. 2.Improving Board of Directors decision-making. 3.Composition and structure of the Board of Directors. 4.Elections and continuous training	Superior

				of the directors. 5.Internal control.	

2. Performance evaluation (self and peer evaluation) of the board members: 2025.02.26 approved the resolution by the Board of Directors

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Methods	Evaluation Content	Rating
Conducted Annually	From: Jan. 1, 2024 To: Dec. 31, 2024	Functional committees	Internal self-assessment of board members	1.Knowledge of corporate objectives and mission. 2.Knowledge of the director's responsibilities. 3.Level of participation in corporate operations. 4.Internal relationships and communications. 5.Director of professionalism and continuous training. 6.Internal control.	Superior

IV. Targets for strengthening the functions of the Board of Directors and evaluation of the implementation:

(I) Establishment of functional committees: To enhance supervision and strengthen management functions, the Company has established the Audit Committee, Remuneration Committee, and Nomination Committee.

(II) Strengthening Corporate Governance: The Company has implemented corporate governance practices, risk management procedures, and methods for evaluating the performance of the Board of Directors. We also ensure compliance with legal requirements when disclosing corporate governance information.

(III) The self-assessment results of each functional committee within the Company are as follows:

1. Remuneration Committee: 2025.02.26 approved the resolution by the Board of Directors

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Methods	Evaluation Content	Rating
Conducted Annually	From: Jan. 1, 2024 To: Dec. 31, 2024	Functional committees	Internal self-evaluation of committee members	1.Participation in the Company's operation 2.Awareness of the duties of the functional committees 3.Improving the decision-making of the functional committees 4.Composition of the functional committees, and election and appointment of committee members	Superior

2. Audit Committee: 2025.02.26 approved the resolution by the Board of Directors

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Methods	Evaluation Content	Rating
Conducted Annually	From: Jan. 1, 2024 To: Dec. 31, 2024	Functional committees	Internal self-evaluation of committee members	1.Participation in the Company's operation 2.Awareness of the duties of the functional committees 3.Improving the decision-making of the functional committees	Superior

				4.Composition of the functional committees, and election and appointment of committee members 5.Internal control	

3. Nominating Committee: 2025.02.26 approved the resolution by the Board of Directors

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Methods	Evaluation Content	Rating
Conducted Annually	From: Jan. 1, 2024 To: Dec. 31, 2024	Functional committees	Internal self-evaluation of committee members	1.Participation in the Company's operation 2.Awareness of the duties of the functional committees 3.Improving the decision-making of the functional committees 4.Composition of the functional committees, and election and appointment of committee members	Excellent

(II) Implementation of the Audit Committee :

The Company established an Audit Committee after the shareholder's meeting on June 13, 2019, according to the "Audit Committee Charter" formulated and approved at the meeting. According to the organization regulations, the 2nd term of the Audit Committee (consisting of four independent directors) was approved, and they elected William W.Shen, an independent director, as the convener. The details of the list of members of the Committee and their relevant professional competencies, annual operation status, and other information as below mentioned.

I. Describe the qualifications and responsibilities of members appointed to the company's Audit Committee :

(I) The Committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise. The independent director members of the Committee shall serve a 3-year term and may be re-elected to further terms. When the number of independent director members on the Committee falls below that prescribed in the preceding paragraph or the articles of incorporation due to an independent director's dismissal for any reason, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of the occurrence to hold a by-election to fill the vacancies.

(II) The main function of the Audit Committee is to supervise the following matters:

1. Fair presentation of the financial reports of the Company.
2. The hiring (and dismissal), independence, and performance of certificated public accountants of the Company.
3. The effective implementation of the internal control system of the Company.
4. Compliance with relevant laws and regulations by the Company.
5. Management of the existing or potential risks of the Company.

II. The professional qualifications, experience and operation of the Audit Committee members are as follows:

(I) There are a total of 4 members in the Audit Committee.

(II) Audit Committee term: June 15, 2022 to June 14, 2025. A total of 5 meetings were held in 2023. Member qualifications, experience, attendance, and topics of discussion were as follows:

Title	Name	Professional background and experience	Attendance Count	By Proxy	Attendance Count	Remarks
Independent Director	William W.Shen	Holds a Ph.D. in Accounting from Purdue University, USA, currently serving as a Professor in the Department of Finance and Taxation at National Taichung University of Science and Technology, Independent Director of Ennostar Inc., and Independent Director of Episil-Precision Inc. Possesses expertise in corporate governance, accounting information, financial analysis, and insights into industry development and technological applications, which will enhance the quality of corporate governance of the board and the supervisory functions of the audit committee.	5	–	100%	
Independent Director	Tai-Haur Kuo	Holds a Ph.D. in Electrical Engineering from the University of Maryland, USA, currently serving as a Professor in the Department of Electrical Engineering at National Cheng Kung University. Possesses expertise in operational management, offering capabilities in industry analysis and integration, risk management, and management decision-making. When exercising the duties of an independent director and audit committee member, his expertise in technology industry management can be utilized to enhance the quality of corporate governance of the board and the supervisory functions of the audit committee.	4	1	80%	
Independent Director	Bing-Yue Tsui	Holds a Ph.D. from the Institute of Electronics at National Chiao Tung University, currently serving as a Professor at the Institute of Electronics at National Yang Ming Chiao Tung University, Consultant at the Taiwan Branch of Diodes Incorporated, Supervisor of The Electronics Devices and Material Association, and Consultant at Rich Chip Microelectronics Corporation. The company continues to leverage his cross-industry management service experience and perspectives from different sectors, enabling him to provide diverse opinions on operations and management in a timely manner. This enhances the diversity of perspectives in the company’s operational and management strategies, thereby improving the supervisory and management quality of the board and audit committee.	4	1	80%	
Independent Director	Cheng-Yan Chien	Holda an MBA from Emory University, USA, previously served as Vice President of the Taipei Branch of JPMorgan Chase Bank, Associate Manager at Vate Technology Co., Ltd.,	5	–	100%	

		President of Anfu Solutions, and Independent Director of Eon Silicon Solution Inc. Possesses analytical and management capabilities in corporate governance, financial accounting, business, marketing, and industrial technology, which will enhance the quality of corporate governance of the board and the supervisory functions of the audit committee. Currently serving as an independent director in the second term, not exceeding three terms.				

Other matters:

I.With regard to the implementation of the Audit Committee, if any of the following circumstances occurs, the dates, terms of the meetings, contents of motions, dissenting opinions from independent directors, reserved opinions, material contents, the resolutions of the Committee, and the Company's response to the Committee's opinions shall be specified:

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

Audit Committee Date	Proposals (Items listed in Article 14-5 of Securities and Exchange Act)	Resolutions not approved by the Audit Committee but approved by over two thirds of all directors
10th meeting of the 2st session 2024.02.27	1. Company's 2023 final Financial statements. 2. Distribution of the Company's 2023 earnings. 3. Self-assessment of the Company's internal control system. 4. The first domestic unsecured convertible corporate bonds issued by the Company was converted into common stock.	None
	Audit Committee Opinion: No objections or qualified opinion. The Company's actions in response to the opinions of the Audit Committee: Not applicable. Resolution: Approved by the Chairman upon consultation with all the Directors present.	
11th meeting of the 2st session 2024.04.26	1.The Company's 2024 Q1 financial report. 2.The first domestic unsecured convertible corporate bonds issued by the Company was converted into common stock.	None
	Audit Committee Opinion: No objections or qualified opinion. The Company's actions in response to the opinions of the Audit Committee: Not applicable. Resolution: Approved by the Chairman upon consultation with all the Directors present.	
12th meeting of the 2st session 2024.07.29	1. The Company's 2024 Q2 financial report. 2.The first domestic unsecured convertible corporate bonds issued by the Company was converted into common stock. 3.The Company's "2023 Environment Social Governance".	None
	Audit Committee Opinion: No objections or qualified opinion. The Company's actions in response to the opinions of the Audit Committee: Not applicable. Resolution: Approved by the Chairman upon consultation with all the Directors present.	
13th meeting of the 2st session 2024.10.29	1. The Company's 2024 Q3 financial report. 2.The first domestic unsecured convertible corporate bonds issued by the Company was converted into common stock. 3.The amendments of the Company's "Rules Governing Financial and Business Matters Between this Corporation and its Related Parties." 4.The Company's " Rules Governing the Preparation and Filing of Sustainability Reports ".F 5.The Company's "Sustainable Information Management Operation Guidelines."	None

	6. Donations to the ESMT Educational Foundation. Audit Committee Opinion: No objections or qualified opinion. The Company's actions in response to the opinions of the Audit Committee: Not applicable. Resolution: Approved by the Chairman upon consultation with all the Directors present.	
14th meeting of the 2st session 2024.12.16	1.Audit plan of the Company for 2025. 2.Evaluated and approved the independence and competency of the CPAs and their appointment and remuneration proposal. Audit Committee Opinion: No objections or qualified opinion. The Company's actions in response to the opinions of the Audit Committee: Not applicable. Resolution: Approved by the Chairman upon consultation with all the Directors present.	None
15th meeting of the 2st session 2025.01.15	The Company has applied for a syndicated loan in the amount of NT$2.5 billion and appointed Taishin International Bank Co., Ltd. and Taipei Fubon Commercial Bank Co., Ltd. as the mandated lead arrangers (hereinafter referred to as the “Mandated Lead Arrangers”) to organize the syndicate of lending banks. Audit Committee Opinion: No objections or qualified opinion. The Company's actions in response to the opinions of the Audit Committee: Not applicable. Resolution: Approved by the Chairman upon consultation with all the Directors present.	None
16th meeting of the 2st session 2025.02.26	1. Company's 2024 final Financial statements. 2. Distribution of the Company's 2024 earnings. 3. Self-assessment of the Company's internal control system. 4.The first domestic unsecured convertible corporate bonds issued by the Company was converted into common stock. Audit Committee Opinion: No objections or qualified opinion. The Company's actions in response to the opinions of the Audit Committee: Not applicable. Resolution: Approved by the Chairman upon consultation with all the Directors present.	None

(II) Except for the items in the preceding issues, other resolutions which was not approved by the Audit Committee but approved by at least two-thirds of all Board of Directors members: None.

II.In regards to the recusal of Independent Directors from voting due to conflict of interests, the name of the Independent Directors, the content of the proposals, reasons for recusal and participation in voting outcomes should be stated:

Board of Directors Date	Names of Directors	Proposals	Reason for Recusal	Voting
2024.04.26	William W.Shen, Tai-Haur Kuo, Bing-Yue Tsui, Cheng-Yan Chien	The Company's Independent Directors bonus distribution for FY2023	Stakeholder(s) with the Proposal	The persons recused themselves and did not participate in discussion and voting.
2025.02.26	William W.Shen, Tai-Haur Kuo, Bing-Yue Tsui, Cheng-Yan Chien	Resolution of the Company's remuneration to Directors and managers' and employees' compensation for FY2024	Stakeholder(s) with the Proposal	The persons recused themselves and did not participate in discussion and voting.
	William W.Shen, Tai-Haur Kuo, Bing-Yue Tsui, Cheng-Yan Chien	Nomination of candidates of the independent Director candidates of the 10th Board.	Stakeholder(s) with the Proposal	The persons recused themselves and did not participate in discussion and voting.

III.Communications between the Independent Directors and the Head of Internal Audit and Accountant (such as the matters, methods, and results of communication with respect to the Company's financial and business status):

1.The Head of Internal Audit reports the audit report to the individual independent directors for deficiencies and improvement suggestions found in the audit operation on a monthly basis. In addition, the Head of Internal Audit explains and discusses the Company's financial and business conditions from time to time. No material events have occurred. Relevant reporting matters are reported together in the Audit Committee and the Board of Directors. The period allows the corporate governance unit to fully understand the Company's risk assessment and control status. There are no major abnormalities in the 2024 audit results, and the independent directors have no objections. The previous communication situation is as follows:

Date of meeting	Nature and discussed issues	Independent Directors' Suggestion
2024.02.27	1.Report on the internal audit progress. 2.Company's Statement of Self-assessment of Internal Control System for 2023.	The Independent Directors have no opinions and suggestions.
2024.04.26	Report on the internal audit progress.	The Independent Directors have no opinions and suggestions.
2024.07.29	Report on the internal audit progress.	The Independent Directors have no opinions and suggestions.
2024.10.29	Report on the internal audit progress.	The Independent Directors have no opinions and suggestions.
2024.12.16	1.Report on the internal audit progress. 2.Discussion on the Company's 2025 audit plan.	The Independent Directors have no opinions and suggestions.

2. The Company's CPAs communicate with the governance unit after the quarterly audit or review. In addition, at least two decree announcements are held in the Company each year (obtained the Certificate of the Republic of China Securities and Futures Market Development Foundation). The independent directors and accountants of the Company maintain smooth communication. Communication in 2022 is as follows:

Date of meeting	Nature and discussion topics	Independent Directors' Suggestion
2024.02.27	Communicate with the governance unit after the review of 2023 consolidated financial report and individual financial report Respond and discuss questions raised by participants	The Independent Directors have no opinions and suggestions.
2024.04.26	Communicate with the governance unit after reviewing the consolidated financial report for the first quarter of 2024 Respond and discuss questions raised by participants	The Independent Directors have no opinions and suggestions.
2024.07.29	Communicate with the governance unit after reviewing the consolidated financial report for the second quarter of 2024 Respond and discuss questions raised by participants	The Independent Directors have no opinions and suggestions.
2024.10.29	Communicate with the governance unit after reviewing the consolidated financial report for the third quarter of 2024 Respond and discuss questions raised by participants	The Independent Directors have no opinions and suggestions.

(III) Implementation of Corporate Governance and the Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the Reasons Thereof

Evaluation Item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Descriptions	
I. Does the Company establish and disclose its Corporate Governance Best Practice Principles based on the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies?	V		The Company has established the "Code of Corporate Governance Practices", which has been disclosed in the Corporate Governance Section of the MOPS. The Board of Directors appointed a Corporate Governance Officer at the meeting held on June 16, 2021. The Officer's responsibility is listed below.	No material departure
II. Shareholding Structure & Shareholders' Rights (I) Did the Company establish an internal procedures for handling shareholder proposals, inquiries, disputes, and litigation? Are such matters handled according to the internal procedures?	V		1. The Company has set up e-mails and telephone lines for the relevant personnel to handle matters relating to shareholders' suggestions and disputes at any time.	No material departure
(II) Did the Company maintain a register of major shareholders with controlling stake as well as a register of persons with ultimate controls over those major shareholders?	V		2. The Company has set up a Shareholding Affairs Department and a stock service agency that can keep abreast of the major shareholders of the Company and the ultimate controlling persons of the major shareholders.	
(III) Did the Company establish and enforce risk controls and firewall systems with its affiliated companies?	V		3. The financial and accounting matters of all affiliated companies of the Company are carried out independently, and are handled in accordance with the "Guidelines for the Transaction between the Company and Specific Companies, the Group and Related Parties" and the "Guideline for Supervision of Subsidiaries", and the risk controls and firewall mechanisms have been implemented.	
(IV) Did the Company stipulate internal rules that prohibit company insiders from trading securities using information not disclosed to the market?	V		4. The Company has established insider trading guidelines and has told the insiders to strictly abide by the guidelines.The rules are disclosed on the company's website.	
III. Composition and Responsibilities of the Board of Directors (I) Whether the Board of Directors has established diversity policy, specific goals, and whether these measures have been implemented?	V		1. The Company adopted the "Corporate Governance Code" in the 17th meeting of the 6th Board of Directors on December 18, 2015, and strengthen the functions of the Directors in Chapter 3 by setting a diversity policy to ensure the diversity and independence of the Directors. The 8 Direcors of 9th term of the BOD have expertise in leadership, operational judgement, business management, risk handling, industry knowledge, and point of view in global market.(See P.9)	No material departure

Evaluation Item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Descriptions	
(II) In addition Remuneration Committee and Audit Committee established according to law, has the company voluntarily established other functional committees?	V		2. The 9rd meeting of the 8th Board on November 11, 2020, Approved the Company's "Organizational Rules of the Nomination Committee." And The 2rd meeting of the 9th Board on June 24, 2022, appointment of the second-term Nomination Committee members.	
(III) Has the Company established standards to measure the performance of the Board, and does it implement such standards annually? Does the Company report the results of the performance evaluation to the BOD and use them as a reference for each Director's remuneration and nomination of term renewal?	V		3. The Company's Remuneration Committee's organizational rules clearly define the responsibilities of the Remuneration Committee. The Remuneration Committee establishes the relevant policies and regularly evaluates the performance of the Board of Directors. Details of Implementation of the Board of Directors.	
(IV) Did the Company regularly implement assessments on the independence of the CPAs?	V		4. The Company independently evaluated the independence of its CPA every year, and submitted the evaluation results to the Board of Directors for review and approval on December 28, 2023 and December 16, 2024. After the evaluation, the Company's CPAs are in compliance with the Company's Independent Evaluation Standards (Please refer to Schedule II). Therefore, the independence of the CPAs should be undoubted, and the CPAs' accounting firm also issued a letter of declaration.	
IV. Did the listed company assign qualified and appropriate number of corporate governance personnel and designated a corporate governance supervisor to be responsible for corporate governance-related matters (including but not limited to furnishing information required for business execution by the Directors and Supervisors, and handling, in accordance with relevant laws, matters related to the meetings of the Board of Directors and Shareholders' Meetings, and for preparing minutes of the meetings of the Board of Directors and Shareholders' Meetings)?	V		The Corporate Governance Officer is responsible for handling governance related affairs, and the person in charge is responsible for furnishing information requested by the Directors, handling matters related to meetings of the Board of Directors and Shareholders' Meetings according to the laws, processing company 's registration and the amendments to the registration, and preparing minutes of the meetings of the Board of Directors and Shareholder's Meetings.	No material departure
V. Did the Company established a communication channel with stakeholders (including but not limited to the shareholders, employees, customers, and suppliers)? Has a stakeholders' area been established in the Company's website? Are major Corporate Social Responsibility (CSR) topics that the stakeholders are concerned with addressed appropriately by the company?	V		It is handled by relevant business personnel; interested parties can communicate with the Company at any time if necessary.Contact details of the company's website. For more information, please refer to the company's sustainability report.	No material departure
VI. Has the Company appointed a professional shareholder	V		The company commissioned Capital Securities Corp. to handle shareholders'	No material departure

Evaluation Item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Descriptions	
service agency to deal with shareholders' affairs?			affairs and Shareholders' Meetings.	
VII. Information Disclosure (I) Did the Company establish a website to disclose information regarding financial operations and corporate governance?	V		1. The Company has set up a Chinese website to disclose relevant information at any time, and in accordance with the regulations of the competent authority to announce and declare various information at MOPS, and set up automatic links for investors to query for relevant information.	No material departure
(II) Does the Company have other information disclosure channels (e.g. establishing an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences, etc.)?	V		2. The Company has appointed designated personnel to collect and disclose various information. The person in charge shall hold irregular corporate briefings from time to time, publicizes the Company's operation overview, and employed a spokesperson and an acting spokesperson.	
(III) Did the Company declare annual financial reports two months after the end of fiscal year, and declare Q1, Q2, and Q3 financial reports and monthly operational status before the prescribed deadline?	V		3. The Company announces and declares annual financial reports two months after the end of fiscal year, and timely announces and declares Q1, Q2, and Q3 financial reports and monthly operational status before the prescribed deadline.	
VIII. Is there any other important information to facilitate a better understanding of the Company’s corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, stakeholder rights, Directors’ and Supervisors’ training records, implementation of risk management policies and risk evaluation measures, implementation of customer policies, and participation in liability insurance by the Directors and Supervisors)?	V		1. Employees' rights and wellness: the Company upholds the belief of taking good care of its employees, manages employees in a humane manner, and cooperates with various welfare measures to establish good relationships with the employees. 2. Investor relations, supplier relations, and stakeholder rights: the Company maintains good relationships with all related parties, and the Company's relevant business personnel communicates with each related party to deal with each related party's problems and suggestions. 3. The Independent Directors currently selected by the Company are all professionals who are finance professionals or in the fields related to the Company's business. During the meetings of the Board of Directors, the Independent Directors can present their opinions and understand the Company's operations situation. 4. Continuing education of the Directors is attached in Schedule I. 5. Implementation of risk management policies and risk evaluation measures : The internal control system and various measures have been established in accordance with the law, various risk management and	No material departure

Evaluation Item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Descriptions	
			evaluations have been carried out, and the Internal Audit Department reviews the implementation of the internal control system regularly and irregularly. Detailed risk assessment and policy description of Fulfillment of Corporate Social Responsibility. (See P.52) 6. Implementation of customer policies: The Company maintains good relationships with its customers, and provides various services to its customers in accordance with internal management methods, and takes customer satisfaction as the highest guiding principle. 7. The Company has purchased liability insurance for its Directors and key employees and reported to the Board of Directors.	

IX. Describe improvements made according to the corporate governance assessment made in the recent financial year by the Corporate Governance Center of the Taiwan Stock Exchange Corporation (TWSE), and provide prioritized improvements and measures to be taken for improvements that have yet to be carried out.

According to the results of the 11th Corporate Governance Review, the Company's scoreless items priority strengthening and improvement matters are as follows：

Improving measures and description (Note 2)	Item
It was added in the 2023 annual report	1.2、1.18、1.19、3.9、4.19、4.20、4.21、4.22
It was added in the 2024 annual report	2.30、3.13、4.18、4.23、4.24、4.25、4.26

Note 1: Describe briefly in implementation status column whether the result of implementation is "Yes" or "No".

Note 2: The Company's self-evaluation report is conducted in accordance with the Corporate Governance Self-Assessment Program, which is evaluated and explained by the Company, and reported on each evaluation program of the current operation and implementation of the Company.

Schedule I: Continuing education of the Directors in FY2024 is as follows:

Title	Name	Organizer	Training Courses	Hours of Courses	Compliance with "Directions for the Implementation of Continuing Education for Directors of TWSE Listed and TPEx Listed Companies"
Chairman of the Board	Ming-Chien Chang	Securities and Futures Institute	1. Sharing and recommendations on how enterprises can conduct tax governance and digital solutions 2. Discussion on corporate employee reward strategies and tool utilization 3. Impact of the latest tax law changes on corporate operations and corresponding measures	9H(1, 2, 3)	Yes
Director	Hsing-Hai Chen			9H(1, 2, 3)	Yes
Director	Chih-Hong Ho			9H(1, 2, 3)	Yes
Director	Yeong-Wen Daih			9H(1, 2, 3)	Yes
Independent Director	William W.Shen			9H(1, 2, 3)	Yes
Independent Director	Tai-Haur Kuo			9H(1, 2, 3)	Yes
Independent Director	Bing-Yue Tsui			9H(1, 2, 3)	Yes
Independent Director	Cheng-Yan Chien			9H(1, 2, 3)	Yes

Schedule II: Evaluation Criteria for the Independence of CPAs is as follows:

The company's audit committee annually evaluates the independence and suitability of its appointed CPAs. In addition to requiring the accountants to provide an "Independence Declaration," the evaluation is conducted based on the independence assessment criteria in Attachment 1 and the "Audit Quality Indicators (AQIs)" (13 indicators). It has been confirmed that, apart from fees related to audit and tax services, the accountants have no other financial interests or business relationships with the company. The CPAs' family members also do not violate independence requirements. Referencing AQI indicator information, it is confirmed that the accountants and their firm exceed the industry average in audit experience, while their training hours are slightly below the industry average.

Note 1: Standards for Assessing CPA Independence

Item No.	Evaluation Items	Evaluation Results	Remarks
1	The appointed CPA has no direct or significant indirect financial interest in the company. (Whether there are no stakeholders?)	☑Yes □ No	
2	The appointed CPA has no financing or guarantee arrangements with the company or its directors. (Whether there are no inappropriate conflicts of interest?)	☑Yes □ No	
3	The appointed CPA and audit service team members have not, currently or in the past two years, served as directors, supervisors, managers, or in positions with significant influence over audit cases at the company. (Whether there are none?)	☑Yes □ No	
4	The appointed CPA does not serve as a defender of the company or represent the company in coordinating conflicts with third parties. (Whether there are none?)	☑Yes □ No	
5	The tenures of the primary and secondary appointed CPAs do not exceed seven years. (Whether they do not exceed?)	☑Yes □ No	
6	The appointed CPA has no close business relationship with the company. (Whether there are none?)	☑Yes □ No	
7	The appointed CPA has no potential employment relationship with the company. (Whether there are none?)	☑Yes □ No	
8	The appointed CPA has no contingent fees related to the audit case with the company. (Whether there are none?)	☑Yes □ No	

9	Whether the audit service team members, other co-practicing accountants, shareholders of the accounting firm, the accounting firm itself, its related enterprises, and affiliated firms maintain independence from the company. (Whether there are none?)	☑Yes	□ No	
10	The non-audit services provided by the appointed CPA to the company do not directly affect significant items of the audit case. (Whether there are none?)	☑Yes	□ No	
11	The appointed CPA does not promote or broker the company’s issued stocks or other securities. (Whether there are none?)	☑Yes	□ No	
12	The appointed CPA does not represent the company in legal cases or other disputes with third parties. (Whether there are none?)	☑Yes	□ No	
13	The appointed CPA and audit service team members have no familial relationships with the company’s directors, supervisors, managers, or personnel in positions with significant influence over the audit case. (Whether there are none?)	☑Yes	□ No	
14	The appointed CPA has not, within one year of resignation, served as a director, supervisor, manager, or in a position with significant influence over the audit case at the company. (Whether there are none?)	☑Yes	□ No	

(IV) If the company has established a remuneration committee or nomination committee, their composition and operations shall be disclosed.

(I)Composition, duties, and implementation of the Remuneration Committee:

I. Information regarding the members of the Remuneration Committee:

December 31,2024

<table>
<tr><th>Title</th><th>Qualification Name</th><th>Professional background and experience</th><th>Independence status</th><th>Number of other public companies where the individual concurrently serves as an independent director</th></tr>
<tr><td>Convener and Independent Director</td><td>Cheng-Yan Chien</td><td>Holds an MBA from Emory University, USA, previously served as Vice President of the Taipei Branch of JPMorgan Chase Bank, Associate Manager at Vate Technology Co., Ltd., President of Anfu Solutions, and Independent Director of Eon Silicon Solution Inc. Possesses analytical and management capabilities in corporate governance, financial accounting, business, marketing, and industrial technology, which will enhance the quality of corporate governance of the board and the supervisory functions of the audit committee.</td><td rowspan="3">In accordance with the provisions of the Company's Articles of Incorporation and the Corporate Governance Best Practice Principles, directors are elected through a candidate nomination system. During the nomination and selection of board members, the Company has obtained written statements, work experience, current employment certificates, and family relationship charts from each director to verify and confirm their independence, as well as that of their spouses and relatives within the third degree of kinship, with respect to the Company. The Company has further verified that the four independent directors listed below, both in the two years prior to their election and during their tenure, comply with the qualification requirements stipulated in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies issued by the Financial Supervisory Commission, as well as Article 14-2 of the Securities and Exchange Act. Moreover, all independent directors have been granted full authority to participate in decision-making and express opinions pursuant to Article 14-3 of the Securities and Exchange Act, enabling them to independently</td><td>-</td></tr>
<tr><td>Independent Director Member</td><td>William W.Shen</td><td>Holds a Ph.D. in Accounting from Purdue University, USA, currently serving as a Professor in the Department of Finance and Taxation at National Taichung University of Science and Technology, Independent Director of Ennostar Inc., and Independent Director of Episil-Precision Inc. Possesses expertise in corporate governance, accounting information, financial analysis, and insights into industry development and technological applications, which will enhance the quality of corporate governance of the board and the supervisory functions of the audit committee.</td><td>2</td></tr>
<tr><td>Independent Director Member</td><td>Tai-Haur Kuo</td><td>Holds a Ph.D. in Electrical Engineering from the University of Maryland, USA, currently serving as a Professor in the Department of Electrical Engineering at National Cheng Kung University. Possesses expertise in operational management, offering capabilities in industry analysis and integration, risk management, and management decision-making. When exercising the duties of an independent director and audit committee member, his expertise in technology industry management can be utilized to enhance the quality</td><td>-</td></tr>
</table>

		of corporate governance of the board and the supervisory functions of the audit committee.	exercise their relevant duties.	
Independent Director Member	Bing-Yue Tsui	Holds a Ph.D. from the Institute of Electronics at National Chiao Tung University, currently serving as a Professor at the Institute of Electronics at National Yang Ming Chiao Tung University, Consultant at the Taiwan Branch of Diodes Incorporated, Supervisor of The Electronics Devices and Material Association, and Consultant at Rich Chip Microelectronics Corporation. The company continues to leverage his cross-industry management service experience and perspectives from different sectors, enabling him to provide diverse opinions on operations and management in a timely manner. This enhances the diversity of perspectives in the company's operational and management strategies, thereby improving the supervisory and management quality of the board and audit committee.		-

II. Scope of Responsibilities of the Remuneration Committee:

1. Periodically review this Charter and make recommendations for amendments.
2. Establish and regularly review the annual and long-term performance targets and remuneration policies, systems, standards, and structures of the Directors, and managers.
3. Regularly evaluate the performance targets of the Directors, and managers of the Company, and establish the content and amount of their remuneration.

III. Attendance of Members at Remuneration Committee Meetings

(1) The Remuneration Committee of the Company is consist of four members.

(2) Term of office: June 24, 2022 to June 14, 2025. A total of 2 meetings (A) were conducted by the Remuneration Committee in the most recent financial year, where the qualifications and attendance of the members are as follows:

Title	Name	Attendance Count (B)	By Proxy	Rate of Actual Attendance (%) (B/A)	Remarks
Convener	Cheng-Yan Chien	2	-	100%	
Member	William W.Shen	2	-	100%	
Member	Tai-Haur Kuo	2	-	100%	
Member	Bing-Yue Tsui	2	-	100%	

Other matters:

I. If the Board of Directors does not adopt or wishes to amend the proposals of the Remuneration Committee, please state the date and session of the meeting of the Board of Directors, proposals, resolutions from the Board of Directors, and handling of the Remuneration Committee's opinions (such as the difference between the salary and remuneration approved by the Board of Directors and those proposed by the Remuneration Committee and the reason therefore): None.

II. If the resolutions to which the members of the Remuneration Committee have an objection or reservation are recorded or written, please state the date and session of the meeting of the Remuneration Committee, proposals, opinions of the members, and handling of the opinions: None.

III. Remuneration Committee meeting and resolution results and the Company's handling of members' opinions in the most recent year:

Date and term of the Meeting	Resolution content and results
6th meeting of the 5th session 2024.02.27	Report on the Performance Evaluation of the Board of Directors and its Subsidiary Committees for 2023.
	Remuneration Committee Opinion: No objections or qualified opinion. Resolution results: Approved without objection by the Chairman upon consultation with all the Directors present. The Company's actions in response to the opinions of the Remuneration Committee: Submitted to the Board of Directors for approval by all the directors in attendance.
7th meeting of the 5th session 2024.4.26	1.Proposed Compensation Proposal for the Appointment of a manager by the Company. 2.Proposal on Company's salary adjustment and bonus distribution for Chairman Hsing-Hai Chen. 3.The adjustment of Company managers' salary for 2024. 4.Distribution of 2023 employees' compensation and bonus paid to managerial officers. 5.The Company's Independent Directors bonus distribution for FY2023
	Remuneration Committee Opinion: No objections or qualified opinion. Resolution results: The case (1,2,3,4) was Approved without objection by the Chairman upon consultation with all the Directors present. In the case (5),except for the members: Cheng-Yan Chien, William W.Shen, Bing-Yue Tsui and Tai-Haur Kuo who did not participate in the discussion and recused themselves from voting for the interested parties, Among them, regarding Chairman Cheng-Yan Chien, upon his recusal, Tai-Haur Kuo was appointed as the acting chairman to preside over the meeting. After the relevant individual members had been recused, the Chairman consulted with the members present, who voted in favor of the resolution without any dissenting opinions. The Company's actions in response to the opinions of the Remuneration Committee: Submitted to the Board of Directors for approval by all the directors in attendance.
8th meeting of the 5th session 2025.02.06	1.Proposal of the annual plan of the Company's Remuneration Committee for 2025. 2.Resolution of the Company's remuneration to Directors and managers' and employees' compensation for FY2024.
	Remuneration Committee Opinion: No objections or qualified opinion. Resolution results: Approved without objection by the Chairman upon consultation with all the Directors present. The Company's actions in response to the opinions of the Remuneration Committee: Submitted to the Board of Directors for approval by all the directors in attendance.

(II) Nominating Committee member information and the Committee operation

I. State the qualification and duties of committee members

1. The Committee shall comprise at least 3 directors appointed by the Board of Directors, and half of the members shall be independent directors.
   The term of the Committee members shall end at the same time as that of the Board of Directors that appointed the members.
2. The Nominating Committee shall exercise the care of a prudent administrator to faithfully perform the following duties and present its recommendations to the Board of Directors for discussion:

a. Formulate and review the election criteria and succession plan for the Directors and the Manager, including their composition and qualification criteria.
b. Select and review the potential candidates, assess the independence of independent directors and propose a list of candidates to the BOD.
c. Develop and review the establishment, duties and operation of each committee under the BOD, and review the qualifications and potential conflicts of interests of each committee member.
d. Formulate and implement the continuing education program for Directors.
e. Other matters to be conducted by the Committee according to the Board of Directors‘ resolution.

II. The professional qualifications, experience and operation of the Nominating Committee members are as follows:
(I) The Nominating Committee of the Company is consist of four members.
(II) Term of office:: June 24, 2022 to June 14, 2025. A total of 2 meetings (A) were conducted by the Nominating Committee in the most recent financial year, where the qualifications , experience, and attendance of the members are as follows:

Title	Name	Professional background and experience	Attendance Count	By Proxy	Attendance Count	Remarks
Convenor and independent Director	William W.Shen	Holds a Ph.D. in Accounting from Purdue University, USA, currently serving as a Professor in the Department of Finance and Taxation at National Taichung University of Science and Technology, Independent Director of Ennostar Inc., and Independent Director of Episil-Precision Inc. Possesses expertise in corporate governance, accounting information, financial analysis, and insights into industry development and technological applications, which will enhance the quality of corporate governance of the board and the supervisory functions of the audit committee.	2	-	100%	
Member and independent Director	Bing-Yue Tsui	Holds a Ph.D. from the Institute of Electronics at National Chiao Tung University, currently serving as a Professor at the Institute of Electronics at National Yang Ming Chiao Tung University, Consultant at the Taiwan Branch of Diodes Incorporated, Supervisor of The Electronics Devices and Material Association, and Consultant at Rich Chip Microelectronics Corporation. The company continues to leverage his cross-industry management service experience and perspectives from different sectors, enabling him to provide diverse opinions on operations and management in a timely manner. This enhances the diversity of perspectives in the company’s operational and management strategies, thereby improving the supervisory and management quality of the board and audit committee.	2	-	100%	

Member	Ming-Chien, Chang	Holds a master's degree from the Institute of Electronics at National Chiao Tung University, previously served as Manager of the Device Department at Vanguard International Semiconductor Corporation. Possesses expertise in technological development, factory operations, organizational management, industry knowledge, and operational judgment required by listed companies, along with foundational capabilities for sustainable business operations.	2	–	100%	
Member	Hsing-Hai, Chen	Holds a master's degree from the Institute of Applied Physics at National Tsing Hua University, previously served as Chairman and CEO of Elite Semiconductor Microelectronics Technology Inc. and as Plant Manager/Product Development Associate at Vanguard International Semiconductor Corporation. Possesses expertise in technological development, factory operations, organizational management, industry knowledge, and operational judgment required by listed companies, along with foundational capabilities for sustainable business operations.	2	–	100%	

Other Matters:

Specify the Nominating Committee's major motions of the meeting date, term, meeting content, member suggestions, dissenting opinions, resolution, and the Company's response toward the member opinions.

Date and term of the Meeting	Resolution content and results
5th meeting of the 2nd term 2024.02.27	Reported Matters 1.The Execution Report of the Director and Manager Training Program for FY 2023. Discussion Items 1.The 2024 Annual Director and Manager Continuing Education Plan for the Company.
	Nominating Committee Opinion: No objections or qualified opinion. Resolution: Approved without objection by the Chairman upon consultation with all the Directors present. The Company's response toward the opinions of the Nominating Committee: Submitted to the Board of Directors for approval by all the directors in attendance.
6th meeting of the 2nd term 2024.04.26	1.Appointment of managers of the Company.
	Nominating Committee Opinion: No objections or qualified opinion. Resolution: Approved without objection by the Chairman upon consultation with all the Directors present. The Company's response toward the opinions of the Nominating Committee: Submitted to the Board of Directors for approval by all the directors in attendance.

(V)Implementation of sustainable development and the deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof:

Actions implemented	Implementation (Note 1)			deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary	
I. Has the Company established sustainable development structure, and formulated a dedicated (or concurrent) unit responsible for sustainable development? Has the BOD authorized the management team to handle such affairs and monitored the whole process?	V		1.The company and its subsidiaries established the "Corporate Sustainability Committee" on October 7, 2020 to be responsible for the planning and implementation of affairs related to CSR. Charity activities held by ESMT Educational Foundation will help promote corporate sustainability. (See P.45 and ESG and the Company website for more details). 2. The Board of Directors is responsible for overseeing the development of sustainability, including the management policies and goals for important issues (refer to ESG and the Company website for more details).	No material departure
II. Does the company follow the principle of materiality to conducte risk assessment on environmental, social and corporate governance issues related to the company's operations, anddetermine relevant risk management policies or strategies?	V		The Company has set out Corporate Social Responsibility (CSR) policies and disclosed them in the corporate governance section on MOPS and on the Company's official website. The Company has also appointed a corporate governance officer. The Company has long had a concern for special education groups and cultural and educational activities, cooperating with and support the operation of the ESMT Educational Foundation. By combining the strength of relevant groups, the Company supports children who have lost family and sponsors cultural, artistic, and education-related philanthropic activities. The Company also reviews their effectiveness according to the annual plan. (See p.52 and ESG and the Company website for more details)	No material departure
III. Environmental Issues (1) Does the Company establish proper environmental management systems based on the characteristics of its industry?	V		1. The Company is committed to green product design and has obtained Green Partner certifications from multiple customers. At present, the Company's products are in compliance with international standards, such as RoHS, REACH, etc.	No material departure

Actions implemented	Implementation (Note 1)			deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary	
(2) Does the Company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	V		2. To conduct environmental management, the Company established an environmental management system in 2007 and obtained ISO 14001 certification through verification in January 2008, and has continued to promote programs relating to environmental improvement ever since. (See P.98 for more detail)	No material departure
(3) Does the Company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to address climate change issues?	V		3. To tackle global climate change, reduce and manage greenhouse gas emissions, deliver environmental justice, and fulfill its responsibility to protect the global environment, the Company conducts air conditioning and temperature control in summer to achieve efficient energy use and the goal of energy saving and carbon reduction. The Company continues to improve its performance in energy saving and carbon reduction in accordance with the ISO 14001 management system. (See P.47-52 for more detail)	No material departure
(4) Has the Company taken inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and formulated policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management ?	V		4. The Company and its subsidiaries actively responds to the Carbon Disclosure Project (CDP) and voluntarily discloses greenhouse gas emissions, water consumption and waste according to the "Greenhouse Gas Protocol" (GHG Protocol) published by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI). (See P. 50&101 for more detail)	No material departure
IV. Social Issues (1) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	V		1. Employee selection, training, appointment, retention, benefits and retirement of the Work Rules established by the Company are in compliance with domestic labor regulations and the International Bill of Human Rights.	No material departure
(2) Has the Company established and offered proper employee benefits (including compensation, leave, and other benefits) and reflected the business performance or results in employee compensation appropriately?	V		2. The Company has established employee performance assessment procedures to evaluate employees' performance. The salary and remuneration are adjusted according to the evaluation results. Rewards and penalties are stipulated in the "Work Rules" with reference to the requirement of the corporate social responsibility policies.	No material departure

Actions implemented	Implementation (Note 1)			deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary	
(3) Does the Company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	V		3. The Company established the Labor Safety and Health Committee in October 2009 to continuously strengthen the hardware and software facilities of work environment safety and personnel protection, in compliance with the relevant domestic laws and regulations, and successively promote and implement the related improvement programs. No occupational accidents or fires occurred in the Company in 2024.（See P. 105 for more detail）	No material departure
(4) Does the Company provide its employees with effective career development and training sessions?	V		4. The Company enrolls employees in various seminars and courses related to career planning according to their career plans. The Company links the growth and development of the Company with the career development of its employees for the employer and the employees to grow together. The Company encourages employees to engage in educational and training opportunities relevant to their careers.	No material departure
(5) Does the Company comply with relevant laws, regulations and international standards regarding customer health and safety, customer privacy, marketing and labeling of products and services etc~~,~~. Does the Company comply with the relevant laws and regulations, international standards, and has a policy and complaint procedure for protecting consumer or customer rights?	V		5. The marketing and labeling of the Company's products and services are in compliance with relevant laws and regulations and international standards, such as the labeling of RoHS compliance on product packaging, The Company values customer feedback and has a dedicated unit that executes and handles complaint-related issues in accordance with the "Code of Practice for Handling Customer Complaints."	No material departure
(6) Has the Company formulated supplier management policies requiring suppliers to comply with relevant laws and regulations related to environmental protection, occupational safety and health or labor rights and supervised the implementation?	V		6.When the Company signs a contract with a major supplier, the content of the contract should include the terms of compliance with the CSR policy of both parties, and both parties should each try the best to fully understand whether the other party has violated its CSR and incorporate the circumstance into the commercial contract accordingly.	No material departure
V. Does the Company refer to internationally-used standards or guidelines for the preparation of reports, such as CSR reports, to disclose non-financial information? Have the foregoing reports been verified or guaranteed by a third-party certification body?	V		The Company has disclosed the fulfillment of social responsibilities on its website and in the report of the Annual Shareholders' Meeting. The Company has prepared a Sustainability Report related to detailed instructions to see P.62.	No material departure
VI.If the Company has established the sustainable development best practice principles based on the " Sustainable development Best Practice Principles for TWSE/TPEx Listed Companies", please describe any discrepancy between the Principles and their implementation: To practice corporate social responsibility and achieve sustainable development goals, the Company established "Corporate Social Responsibility Practice Code" with reference to the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEx				

Actions implemented	Implementation (Note 1)			deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary	
Listed Companies" and the internal and external environment of the Company, to manage the Company's economic, environmental and social risks and impacts. The Company also assumes corporate citizenship responsibility, enhances national economic contributions, improves the quality of life of its employees, the communities, and society, and promotes competitive advantages based on corporate responsibility.				

VII. Other important information to facilitate better understanding of the Company's sustainable developmen practices:

1. Corporate Social Responsibility Promotion Unit
   The Corporate Sustainability Committee of the Company is responsible for the planning, implementation and promotion of corporate social responsibility related matters. It integrates corporate social responsibility into the Company's business strategy in a purposeful, systematic and organized long-term manner, and fulfills corporate social responsibility. The Company established the Corporate Sustainability Committee on October 7, 2020.and related to the relevant instructions.
2. Our Company is committed to social welfare and has been consistently providing human resources to support the ESMT Education Foundation in promoting diverse lifelong learning initiatives. The Foundation’s primary missions include donating to or organizing various charitable activities related to lifelong learning, talent development, vocational training, life education, correctional education, and inspirational growth education, as well as supporting high-technology education and talent cultivation.

The「ESMT Education Foundation」continuously innovates its approach, implementing programming education, special education therapy, sports for those with disabilities, aesthetic promotion, food education, and sustainable campus initiatives over many years. Through collaboration with professional organizations via the "ESMT Learning Growth Train" project model, the foundation has established a long-term presence in schools, introducing alternative perspectives on life, art, and environmental education to teachers and students in Taiwan’s elementary and high schools. The Foundation invests significant effort in each project train’s content, designing diverse learning experiences for students with the fundamental aim of developing their empathy and strengthening their self-worth.

The 「ESMT Education Foundation」 promotes scientific education and cultivates technological talent by providing long-term financial support for National Tsing Hua University doctoral students through scholarships. This assistance alleviates students’ economic burdens, allowing them to focus on their research and studies, thereby enhancing the quality of scientific education. Additionally, the Foundation leads our Company’s employees in participating in various charitable activities, including donations of supplies and books, purchasing handmade products from disadvantaged groups, and donating festive gift boxes to orphanages, elderly individuals living alone, and youth shelters across different regions.

The main projects undertaken by the 「ESMT Education Foundation」 for 2024 were as follows:

Project Item	Content
Elite Semiconductor Microelectronics Technology Inc. (ESMT) Learning Growth Train	National Elementary School Programming Education (Miaoli County)
	Therapy Dog Special Education Class Teaching Project (Yilan County)
	Excellence Development Plan for Friends with Rare Diseases
	Sports for the Disabled Campus Life Education
	Ballet Arts Campus Promotion (Hsinchu City and County)

Actions implemented	Implementation (Note 1)			deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary	

Equipment Improvement/Club Subsidies for Remote Schools	10 Schools in Nantou and Yunlin Counties
University Graduate and Doctoral Scholarships/Education Promotion Plan Subsidies	National Tsing Hua University Physics/Astronomy Institute Doctoral Student Scholarships
Learning/Reading Project Plan Subsidies	Chengzhi Education Foundation Cross-School Teacher Empowerment System Project for Natural Sciences
Fengquan Education Association	Operational Funding Sponsorship
Hsinchu Symphony Wind Orchestra	Operational Funding Sponsorship
Vox Nativa Association, Taiwan	Operational Funding Sponsorship

For the related content, please refer to the website of 「ESMT Educational Foundation」: http://www.esmtfoundation.org.tw/zh-tw

Note 1: Describe briefly in implementation status column whether the result of implementation is "Yes" or "No".

(VII) Information on Climate-related Implementation Status

Item	Execution Status
1. Outline how the Board of Directors and management supervise and manage climate-related risks and opportunities.	Corporate Sustainability Committee: the Chairman and the President serve as the chair and deputy chair, respectively. The secretariat promotes the "TCFD Risk and Opportunity Identification," which integrates the resources of each subordinate task force and business unit, for the identification of risk and opportunities from climate change, short-, medium- and long-term strategic planning, implementation of risk assessment, and performance evaluation and tracking. The implementation status is reported by the executive secretary to the Board of Directors on a quarterly basis. Board of Directors: urges the management to promote climate change- related issues, supervises the risk response strategies and performance evaluations of climate-related issues, and strengthens the resilience of the Company's sustainable development. 
2. Outline how identified climate risks and opportunities affect the Company's operations, strategies, and finances (short-term, medium-term, long-term).	Using 2019 as our baseline, our Company has established per capita reduction targets for 2025 regarding water resource usage, greenhouse gas emissions, and waste processing, and continues to implement relevant improvement plans. Short-term goals set for 2025: 1. Maintain awareness of relevant regulatory requirements and the latest changes. 2. Internal capability frameworks (ISO 14064-1, 45001) and other standards. 3. Link environmental issues with financial chains and revise risks and opportunities. 4.Plan mid-to-long-term net-zero initiatives, develop pathway maps, and make declarations. Mid-term goals set for 2030, including climate change and additional environmental improvement guidelines review (such as recycling rates). Monitor environment-related risks/opportunities and implement rolling adjustments, optimize resource allocation, and conduct comprehensive environmental impact assessments. 1. Maintaining awareness of relevant regulatory requirements and the latest legislative information. 2. Review 2025 results and improvement directions. Long-term goal planning for net-zero emissions by 2050. Establish long-term climate change response strategies, develop

	financial and environmental impact correspondence mechanisms, and implement continuous improvements. 1. Monitoring relevant regulations and the latest information to adjust strategies. 2. Conduct comprehensive impact assessments for mid- and long-term environmental issues.
3. Outline the financial impact of extreme weather events and transition actions.	Through internal discussions within each Corporate Sustainability Committee group and evaluation of internal and external environmental issues, transition risks have been identified, including unstable power supply, stricter environmental regulations, and carbon fees. Physical risks include extreme weather, heavy rainfall, drought, and long-term temperature increases, which increase operational costs and require evaluation of the financial impact of facility equipment improvements. Future plans include establishing impact level scales to correspond with climate events and quantifying the financial impact of transition actions.
4. Outline how the identification, assessment, and management processes relating to climate risks are integrated into the overall risk management system.	Each task force is responsible for identifying climate-related risks across business units and departments. Based on risk management and assessment results, these risks are incorporated into the key agenda of corporate sustainability development, and effective and continuous (PDCA) actions are taken to respond to emerging climate-related challenges and opportunities. In 2023, the Company will strengthen the feedback information from internal and external stakeholders, identify climate-related risks and opportunities, and quantitatively assess them to update or develop new strategies and goals. 
5. If utilizing scenario analysis to evaluate resilience to climate change risks, it is crucial to provide a clear explanation of the scenario, parameters, assumptions, analysis factors, and significant financial impacts employed.	According to the IPCC AR6 assessment report, scenario analysis is set for reaching GWL (Global Warming Level) of 1.5-2°C before 2040, with corresponding potential impact types and severity levels. Focus areas include high temperatures and extreme precipitation (heavy rainfall, extended dry periods). Based on assessment results, environmental risks/opportunities do not directly or indirectly cause operational disruptions to the company, and the substantive impact on finances is low. As we advance, impact scales will be used to quantify impact levels for more definitive determinations and feedback . Regarding physical risks of climate change, assessment results using the World Resources Institute (WRI) water risk assessment tool (Aqueduct Water Risk Atlas) indicate that the Company's location has a baseline water resource usage pressure classified as medium-low risk. Further examination of long-term (2050) water resource pressure and drought (water scarcity) risks maintains the medium-low risk status.

6. If a transformation plan is in place to mitigate climate-related risks, please provide a detailed description of the plan's content. Additionally, include the indicators and objectives that are utilized to identify and manage both physical and transformational risks.	Currently, a low-carbon transition plan is being evaluated and formulated, targeting indirect emissions (Scope 2) from energy use, which is a carbon emission hotspot in operational activities, by promoting energy-saving and carbon-reduction initiatives, including: 1. Promoting Energy Conservation in Facility Equipment: (1) Continue to implement LED lighting replacement through office renovation plans, standardize fixture specifications, and utilize LED lighting throughout. (2) Conduct energy equipment usage inventory within the company to identify energy consumption hotspots—particularly chiller units—and progressively replace aging chiller units (air conditioning) across all offices. 2. Adopt renewable energy as a carbon reduction measure: Since purchasing a small quantity of T-RECs (Renewable Energy Certificates) in 2023, we have gradually familiarized ourselves with renewable energy operational mechanisms and further assessed targets for renewable energy usage. Prior to the expiration of our 2025 mid-term goal for greenhouse gas reduction per capita (4%), our Company continues to plan mid-term (2030) and long-term (2050) greenhouse gas emission reduction targets.
7. If internal carbon pricing is used as a planning tool, it is important to provide an explanation for the basis of price determination.	Referencing the initial carbon fee amount of NT$300 per ton of carbon dioxide set by the Environmental Protection Administration in 2020 based on commissioned foreign research, our Company has adopted a higher rate of NT$500 per ton of carbon dioxide. Using the actual case of Building B’s chiller unit replacement as a pilot project, we have monetized greenhouse gas emissions. By incorporating the benefits from reduced greenhouse effects into the payback period assessment, we determined that when carbon is monetized, the carbon reduction benefits from introducing new chiller units further reduce the payback period to 2.75 years. Moving forward, we will continue to analyze carbon pricing cases and extend carbon pricing tool applications from specific equipment to specific departments and eventually to all major non-production equipment purchases. This will deepen employees’ understanding of carbon emission valuation and implement energy conservation and carbon reduction actions.
8. If climate-related goals have been set, it is important to provide an explanation of the activities covered, greenhouse gas emission scope, planning schedule, and annual progress. If carbon offsetting or renewable energy certificates (RECs) are utilized to meet these goals, it is necessary to specify the source and quantity of carbon offset or the quantity of RECs.	Since purchasing 7,000 kWh of renewable energy certificates in 2023, our Company has initiated an assessment plan for renewable energy as a means of carbon reduction and new energy usage. At the current stage, we are inventorying available space at all operational sites for installing renewable energy generation equipment and planning long-term renewable energy strategies.
9. Greenhouse gas inventory and verification, reduction targets, strategies, and specific action plans (to be completed in sections 1-1 and 1-2).	Beginning in August 2024, our Company has implemented organizational greenhouse gas inventory verification, with the greenhouse gas inventory report and inventory list expected to be completed by March 2025. We obtained third-party verification statements by the end of April 2025. The results of the greenhouse gas inventory and verification for 2023 and 2024 are shown in Tables 1-1 and 1-2.

1-1 Company Greenhouse Gas Inventory and Verification in the Last Two Years

1-1-1 Greenhouse Gas Inventory Information

Please provide the emissions (in metric tons of CO_2e), intensity (in metric tons of CO_2e per million dollars), and data coverage for the greenhouse gases over the past two years.

In response to global climate change impacts and greenhouse gas emission management, to implement environmental justice and fulfill our responsibility to protect the Earth's environment, our Company actively participates in the Carbon Disclosure Project (CDP). We conduct self-inventory and calculate greenhouse gas emissions from Company operations. In 2024, we implemented third-party verification of ISO14064-1 organizational greenhouse gas inventory and voluntarily disclosed greenhouse gas emission inventory results, as shown in the table below.

Greenhouse Gas Annual Emissions for the Past Two Years Unit (metric tons CO_2e)

Year	2023	2024
Scope 1 (metric tons CO_2e)	55.81	198.1539
Scope 2 (metric tons CO_2e)	3,896.60	4,205.5581
Subtotal (Metric Tons CO_2e)	3,952.411	4,403.712
Intensity (Metric tons of CO_2e/employee)	6.97	7.36
Intensity (Metric tons of CO_2e/revenue in NT$ million)	0.3326	0.3265

(Inventory scope: All Company offices—Taipei/Hsinchu Science Park/Tainan offices)

1-1-2 Verified Greenhouse Gas Emission Data

Describe the verification status for the two most recent fiscal years up to the printing date of the annual report, including the scope of verification, the verification provider, verification criteria, and verification opinion.
The implementation status of greenhouse gas inventory verification for our Company in the past two years is as follows:

Year	Scope of Verification	Verification Provider	Verification Criteria	Verification Opinion
2023	Not verified			
2024	Categories 1 to 4	LRQA Taiwan Branch	ISO14064-3:2019	Reasonable assurance verification for Categories 1 and 2, and limited assurance verification for Categories 3 and 4 of the greenhouse gas inventory report prepared in accordance with ISO 14064-1:2018 (Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals)

Data scope includes all facilities (offices) in Taiwan.

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

Please provide an overview of the baseline year and data related to greenhouse gas reduction, reduction targets, strategies, specific action plans, and the progress made towards achieving these targets.

ESMT's total greenhouse gas emissions (Categories 1-4) for 2024 were 5,685.787 metric tons CO_2e; total emissions for Categories 1+2 were 4,403.712 metric tons CO_2e, an increase of approximately 451 metric tons CO_2e compared to 2023; and per capita emissions were 7.36 metric tons CO_2e per person. Since 2022, the Company's quantitative management targets for greenhouse gas reduction have been achieved for three consecutive years: to reduce greenhouse gas emissions per capita by 4% in 2025 from 2019.

Regarding data collection scope, we implemented company-wide greenhouse gas inventory operations in 2024 and completed third-party verification plans in March 2025. We have expanded to include Categories 3-4 (other indirect emission sources) to more comprehensively review greenhouse gas emissions generated during company operations in order to invite supplier partners and colleagues to participate in these initiatives.

According to the results of GHG inventory in 2024, the main source of emissions still comes from scope 2 - power consumption and its extended category 4, accounting for 88.53% of the whole. Under the impact of climate change, the average summer temperature of each operating site in Taiwan continues to hit new highs, making it even more challenging to curb overall energy use.

Implementation Status of Corporate Sustainability Development:

1. Corporate social responsibility policy

As a member of enterprises and the society, ESMT pursues operational performance and creates economic value while wishing to using its power to “better the society”, a corporate social responsibility goal it has set for itself. During our daily operations, we commit to obeying business ethics, uphold the virtue of integrity, abide by laws, oppose to corruption, reject bribing and bribes, and never forge any political relation.

ESMT values governance, aiming to strike a balance between the interests of shareholders, employees, the society, and all stakeholders. With the vision of jointly creating sustainable development and promoting work- life balance, we offer quality work opportunities and environment and share the business development fruit with employees; in doing so, we also create jobs and make the society more friendly for work and living.

We also encourage employees to practice society engagement in their spare time. Together with ESMT Educational Foundation which promotes education and culture, ESMT has been caring for the underprivileged groups, enthusiastically participating in the promotion of charitable events, and making its humble contribution to the society.

To care for the Earth and in response to climate change, ESMT values and maintain its environmental protection measures; aside from promoting energy conservation and carbon reduction on its own initiative, ESMT has also exerted its influence in that it worked with suppliers to promote green production and improve the environmental management effectiveness.

Moving forward, we will uphold our pursuit of a fair and beautiful society by dedicating to the sustainable development of enterprises and the society, so as to create a win-win situation among stakeholders, thereby driving the society forward.

2. Risk Assessment and Policy

To facilitate risk management and the promotion of the strategy of corporate sustainable operations, the Company established the Corporate Sustainability Committee on October 7, 2020. The chairperson and deputy chairperson of the committee were the Chairman of the Board and the President, respectively, who further assembled the top management into various task forces under the committee, namely “Governance Task Force”, “Partnership Task Force”, “Environmental Sustainability Task Force”, and “Friendly Workplace and Charitable Events Task Force”, in the hope to control the business risks on the ESG front using the principles for sustainable operations, thereby providing a basis for the formulation of strategy and policy and the advancement of management by the top management and the Board of Directors.

To ensure the smooth operation and enhance corporate governance of the Company and its subsidiaries, and to effectively implement the Board of Directors' supervisory role in risk management, sustainable operation is established as the primary objective of business operations. On December 28, 2023, the "Risk Management Procedure and Related Operation Regulations" were established. These regulations were approved during the 9th meeting of the 2nd Audit Committee and the 13th meeting of the 9th Board of Directors on the same day, and serve as the overarching guiding principles for risk management across all units.

The objective of our Company's risk management is to effectively manage the various risks that could impact the achievement of our goals. To accomplish this, we have implemented a comprehensive risk management framework. Our goal is to seamlessly integrate risk management into our operational activities and daily management processes in order to achieve the following objectives:

I. Achieving Operational Goals

II. Improving Management Efficiency

III. Providing Reliable Information

IV. Allocating Resources Efficiently

The Company's Corporate Sustainability Committee has submitted risk management-related matters discussed with the related parties to the 12th meeting of the 2nd Audit Committee on July 29, 2024 and the 17th meeting of the 9th Board of Directors.

The Company assessed the risks inherent to material issues based on the corporate social responsibility materiality principles, and formulated corresponding risk management policy or strategy based on the assessed risks, including the follows:

Major Issues	Assessment Item of Risk	Risk management policy or strategy
Environmental Sustainability	Environmental Protection	As a member of the global semiconductor product supply chain, The Company is obligated to take responsibility for the sustainable development of the environment. Through friendly environment, energy-saving and carbon reduction, and the formulation of safety and health policies, all business activities that affect the environment, safety and health should comply with legal requirements, reduce the negative impact on the environment, safety and health, and aim at increasing resource recycling. In addition, in line with international environmental protection laws and customers' requirements for environmental protection, The Company has also established a green product management system, making continuous improvement through the institutionalized PDCA management cycle, and obtained Green Partner certification from major international manufacturers. The products also comply with RoHS, REACH and other regulatory requirements. In the future, The Company's main goal of environmental sustainability will continue to work hard and improve on green product design, launch more energy-saving and low environmental load products, and contribute to the sustainable development of the environment.
Social Responsibility	Workplace Safety	To prevent occupational disasters and protect the safety and health of employees, The Company has established an occupational safety and health committee. Through internal and external safety inspections and regular committee meetings, labor safety and health related issues are discussed, various labor safety and health related policies are also implemented. Through education and training, the Company conveys the Company's commitment and relevant policy requirements, enabling employees and contractors to gain an understanding of the safety and health regulations and policies. The Company continues to improve through the institutionalized PDCA management cycle and implements the emergency response plan to ensure the achievement of safety and health goals and workplace safety.
	Social Care	The Company has long-term care for special education groups and cultural and educational activities, providing resources and manpower, cooperating with the operation of the "ESMT Educational Foundation", combining the strength of related groups, helping children who have lost their families, and sponsoring or organizing culture, art and education, related public welfare activities, and reviewing the effectiveness according to the annual plan, to achieve the goal of caring for the society and giving back to the society.
Corporate Governance	Social-economy Legal Compliance	The Company ensures the achievement of the Company's operating efficiency by establishing a governance organization that meets the requirements and implements internal control mechanisms, thereby rewards shareholders, employees, and society. At the same time, through the establishment and promotion of relevant systems, the Company ensures that all personnel and operations shall strictly comply with relevant laws and regulations.

3. Energy Conservation and Environmental Sustainability Investment Implementation Status and Concrete Benefits

Our Company has implemented multiple reduction plans targeting energy consumption hotspots based on the analysis of energy (electricity) usage within our facilities. In addition to the 2023 HVAC equipment replacement at the Hsinchu headquarters Building B, which achieved electricity savings of 100,000 kWh in 2024 with carbon reduction benefits of approximately 50 metric tons of carbon dioxide equivalent, we have also approved the introduction of a new magnetic levitation chiller system for Building A in 2024. This system is scheduled to begin operation in the first quarter of 2025, with a total project investment exceeding NT$16 million. Beyond creating a more comfortable working environment for colleagues, this high-efficiency air conditioning equipment effectively reduces electricity consumption per unit of air conditioning, achieving energy conservation, carbon reduction, and sustainable development.

Additionally, we have implemented LED lighting renovation projects across our facilities. In 2024, we completed the replacement of over 1,000 light fixtures across five floors at the Hsinchu headquarters, with a total project investment exceeding NT$2 million. This is expected to reduce electricity consumption by approximately 61,000 kWh, with overall greenhouse gas reduction benefits reaching 30 metric tons.

2023-2024 ESMT Equipment Energy Conservation and Environmental Protection Investments

	2023	2024
Investment Projects	- Energy Management 1. Chiller replacement (Building B) - Acquisition of Renewable Energy Certificates 2. Purchase of Renewable Energy Certificates (T-REC)	- Energy Management 1. Update 1,000 Office Lighting (LED) Fixtures 2. Chiller replacement
Investment Amount Annual Expenditure Amount	1. $7.2 million 2. $20,000	1. $2 million 2. $5 million
Electricity Saving Effect	100,000 kWh/year	1. 61,000 kWh/year 2. 120,000 kWh/year
Carbon Reduction Benefits	50 metric tons CO_2/year	1. 30 metric tons CO_2/year 2. 60 metric tons CO2/year

In 2024, to actively respond to government renewable energy policies, in addition to participating in the Renewable Energy Certificate Trading System and continuing to purchase renewable energy (certificates), we continue to plan and evaluate solar power self-build and self-use projects. Through the establishment of annual targets, we are gradually expanding renewable energy (certificate) establishment, procurement, and utilization to achieve our Company’s planned 2050 low-carbon roadmap.

ESMT will continue to promote electricity inventory and upgrade plans across all office locations. By monitoring electricity consumption hotspots and improving low-efficiency equipment, we will progressively update and upgrade machinery/equipment, as well as engage in renewable energy (certificate) trading and installation, to meet stakeholder expectations and corporate sustainability development goals.

4. Operational and Financial Impacts of Climate Change

Each task force of the Corporate Sustainability Committee, in response to identified climate change risks and opportunities, incorporates the quantitative assessment of substantial impacts and climate scenario analysis tools in the process for planning climate adaptation strategies. Short-term (3-5 years), medium-term (within 10 years), and long-term (over 10 years) issues and corresponding measures are prioritized based on their likelihood and magnitude of impact. This approach aims to identify the risks and opportunities and prepare the contingency in advance.

Risk item	Period	Impact Description	Potential financial risks	Response measures
Transition risks				
Unstable power supply	Short-term	The demand for power has increased significantly, and the stability of green energy supply and raw material transportation have been affected by political and climate issues.	Rising electricity prices	1.Promote energy conservation and carbon reduction measures at workplace 2.Set an annual electricity conservation goal 3.In-house power consumption survey
Stricter environmental regulations	Mid-term	Stricter emission regulations	Increased waste disposal costs Additional or enhanced process equipment	1.Exchange information among members of industry associations and participate in regulatory courses organized by the government 2.Enhance legal awareness and education and training
Carbon fee/carbon tax	Short- and mid-terms	1.Incorporation of the carbon fee into laws and regulations 2.Implementation of carbon tariffs (carbon border adjustment mechanism) by various countries	Increased operating and manufacturing costs, and related penalties generated	1.Continuously monitor and identify the impact of regulatory trends 2.Evaluate the implementation of the internal carbon pricing mechanism, and grasp the tangible cost of carbon emissions.
Physical risk				
Increased frequency of extreme weather	Short-term	Increased extreme events such as typhoons and heavy rainfall	Operations are affected or interrupted	1.Shorten the time required for restoration of operational systems, as well as of operations. 2.Implement the mechanism that deals with material anomalies 3.Continue to supervise suppliers holding climate event contingency plans and drills 4.Assess and set up backup equipment
Rising average temperature	Short- and mid-terms	Continuous high temperatures and prolonged summer hours	Elevated building energy consumption	1.Continuously improve the energy efficiency through the energy management system assessments.
Drought	Long-term	Increase in consecutive days without rainfall during the rain season	Externally purchased water trucks or additional water tanks are required to maintain normal operations.	1.Continuously monitor the water consumption in the plant area 2.Set up the emergency water-saving plan
Opportunity items	**Period**	**Challenge description**	**Potential financial impacts**	**Response measures**
Market transformation /technology development	Mid-and long-term	Increased technical requirements for low-carbon product development (low-carbon production)	Increase the investment in R&D personnel and funds for low-carbon products.	1.Encourage existing suppliers to deploy the low and zero carbon technology (LZC), and preferentially work with them if they do so 2.Assess and develop low-carbon products and markets

(V) Compliance with ethical corporate management, and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof:

Evaluation Item	Implementation Status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the reasons thereof
	Yes	No	Descriptions	
I.Establishment of Ethical Corporate Management Policies and Programs (I) Has the Company formulated the ethical corporate management policies approved by the Board of Directors and specified in its rules and external documents the ethical corporate management policies and practices and the commitment of the Board of Directors and senior management to rigorous and thorough implementation of such policies?	V		1. The Company and the Group of Companies clearly specified in their rules and external documents the ethical corporate management policies and the commitment by the Board of Directors and the management for rigorous and thorough implementation of such policies, and carried out the policies in internal management and in commercial activities. Compliance with ethical corporate management to see P.63	No material departure
(II) Has the Company established a risk assessment mechanism against unethical conduct to analyze and assess on a regular basis business activities within its business scope which are at a higher risk of being involved in unethical conduct, and formulated a prevention program accordingly, which shall at least include those specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies"?	V		2. The Directors, managers, and employees of the Company shall not, directly or indirectly, provide, promise, demand or accept any improper benefits or engage in other unethical or illegal acts or breach their fiduciary duties during the course of commercial activities in order to acquire or maintain their personal interest.See P.120	
(III) Has the Company defined operational procedures, conduct guidelines, and disciplinary and grievance systems for non-compliance in its prevention program against unethical conduct and implemented them, and does the Company regularly review and revise the foregoing program?	V		3. When establishing the prevention program, the Company shall analyze business activities within the business scope which may be at a higher risk of being involved in an unethical conduct, and strengthen the preventive measures.	
II.Implementation of Ethical Corporate Management (I) Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	V		1. Prior to any commercial transactions, the Company shall take into consideration the legality of their agents, suppliers, clients, or other trading counterparties and whether any of them are involved in unethical conduct, and shall avoid any dealings with persons so involved. When entering into contracts with its agents, suppliers, clients, or other trading counterparties, the Company shall include in such contracts terms requiring compliance with the integrity management policy.	No material departure

Evaluation Item	Implementation Status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the reasons thereof
	Yes	No	Descriptions	
(II) Has the Company set up a dedicated unit under the Board of Directors to promote ethical corporate management and regularly (at least once every year) report to the Board of Directors the implementation of the ethical corporate management policies and prevention programs against unethical conduct?	V		2. The Corporate Sustainability Committee of the Company is responsible for the formulation and supervision of the corporate integrity management policy and the implementation of the plan, and reports to the Board of Directors on a regular basis. See P.63	
(III) Has the Company established policies to prevent conflicts of interests, provided proper channels of appeal, and enforced these policies and channels accordingly?	V		3. The Company shall adopt policies for preventing conflicts of interest to identify, monitor, and manage risks potentially resulting from unethical conducts, and shall also offer appropriate means for the Directors, managers, and other stakeholders attending or be present at the meetings of the Board of Directors to voluntarily explain whether their interests would potentially be conflicted with those of the Company.	
(IV) Has the Company established an effective accounting system and internal control system for the implementation of ethical corporate management, and has the internal audit unit prepared an audit plan based on the assessment results of the risk of unethical conduct and checked the compliance of the prevention program against unethical conduct accordingly, or entrusted a CPA to perform the audit?	V		4. The Company shall establish effective accounting systems and internal control systems for business activities that are potentially at a higher risk of being involved in unethical conducts to prevent from having under-the-table accounts or keeping secret accounts, and conduct reviews regularly to ensure that the design and enforcement of the systems are effective. The Internal Audit Department regularly reviews the compliance of various systems and reports to the Board of Directors.	
(V) Does the Company regularly hold internal and external educational trainings on ethical corporate management?	V		5. The Company promotes the concept of integrity management at all levels of management meetings and communication meetings. In addition, there are a variety of communication channels that can be communicated at any time.Detailed information on relevant education and training to see P.63。	
III.Status of Enforcing Whistle-blowing Systems in the Company (I) Has the company established a concrete whistleblowing and rewarding system, and set up accessible methods for whistleblowers, and designate appropriate and dedicated personnel to investigate the accused?	V		1. The Company has strengthened the promotion of ethical concepts to employees and established a dedicated hotline and e-mail, where employees can report to the management if they suspected or identified violations of laws and regulations or ethical standards. In addition, a reward and punishment system is stipulated in the "Work Rules" and announced to all employees of the Company.	No material departure

Evaluation Item	Implementation Status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the reasons thereof
	Yes	No	Descriptions	
(II) Has the Company established an SOP for investigation and relevant confidentiality mechanism for all whistleblowing cases?	V		2. The Company has a dedicated complaint hotline and e-mail to provide employees with timely response and opinion. Complaints are handled according to the Company's relevant measures. To protect whistleblowers, confidentiality terms are stipulated in the procedures. The Company will take appropriate measures depending on the seriousness of the circumstances. The contact information was disclosed on the Company's official website	
(III) Does the Company take any measures to protect whistleblowers so that they are safe from mishandling?	V		3. The measures of the Company stipulated protection measures for the whistleblowers to ensure the quality and fairness of the investigation and avoid unfair treatment. See P.120	
IV.Enhanced Disclosure of Corporate Social Responsibility Information Has the Company disclosed the content of its integrity operation principles and its result of implementation on its website and MOPS?	V		The Company has established the "Code of Integrity Management", which has been disclosed in the Corporate Governance section on MOPS and the Company website’s corporate governance area to see P.63.	No material departure
V.If the Company has established the Corporate Social Responsibility best practice principles based on the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies", please describe any discrepancy between the Principles and their implementation: To establish a corporate culture and sound development of integrity management, the Company refers to the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies", and the internal and external environment of the Company, and formulate the "Code of Integrity Management" to comply with.				
VI.Other important information to facilitate a better understanding of the Company's ethical corporate management policies (e.g. reviews and amendments to its policies). The Company should operate its business in a fair and transparent manner based on the principle of good faith management. Designated people are in place as regular communication channels with the customers to keep up with the customer dynamics at any time through a good mechanism to ensure the integrity of both parties. The Company also pays attention to the relevant laws and regulations on integrity management at any time, based on which it reviews and improves the relevant operation standards of the Company and enhances the effectiveness of the Company's integrity management. The Company has prepared a Sustainability Report related to detailed instructions to see P.63.				

Note 1: Describe briefly in implementation status column whether the result of implementation is "Yes" or "No".

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

I. Responsibilities of the Corporate Governance Officer:

The company resolved in the 1st term, 3rd nomination meeting on June 16, 2021 and the 8th term,13th Board meeting on the same day to appoint Mr. Hong-Gee Wu as the corporate governance officer to protect shareholder interests and strengthen the functions of the Board of Directors.

The main responsibilities of the Corporate Governance Officer shall include:

1.Handle matters in relation to the Board meetings and shareholders' meetings according to law.

2.Keep minutes at the Board meetings and shareholders' meetings.

3.Assist Directors in taking office and carrying out continuing education.

4.Provide information required for the Directors to conduct business.

5.Assisting Directors in complying with the laws and regulations.

6.Report to the Board of Directors on the review of the qualifications of Independent Directors in accordance with relevant laws and regulations during the nomination, election, and tenure.

7. Handle matters related to change of Directors.

8.Other matters as stipulated by laws and regulations, articles of incorporation, or contracts.

Before being designated as the corporate governance officer, Mr. Hong-Gee Wu has equipped similar experience as an internal audit supervisor in public listed companies for three years.

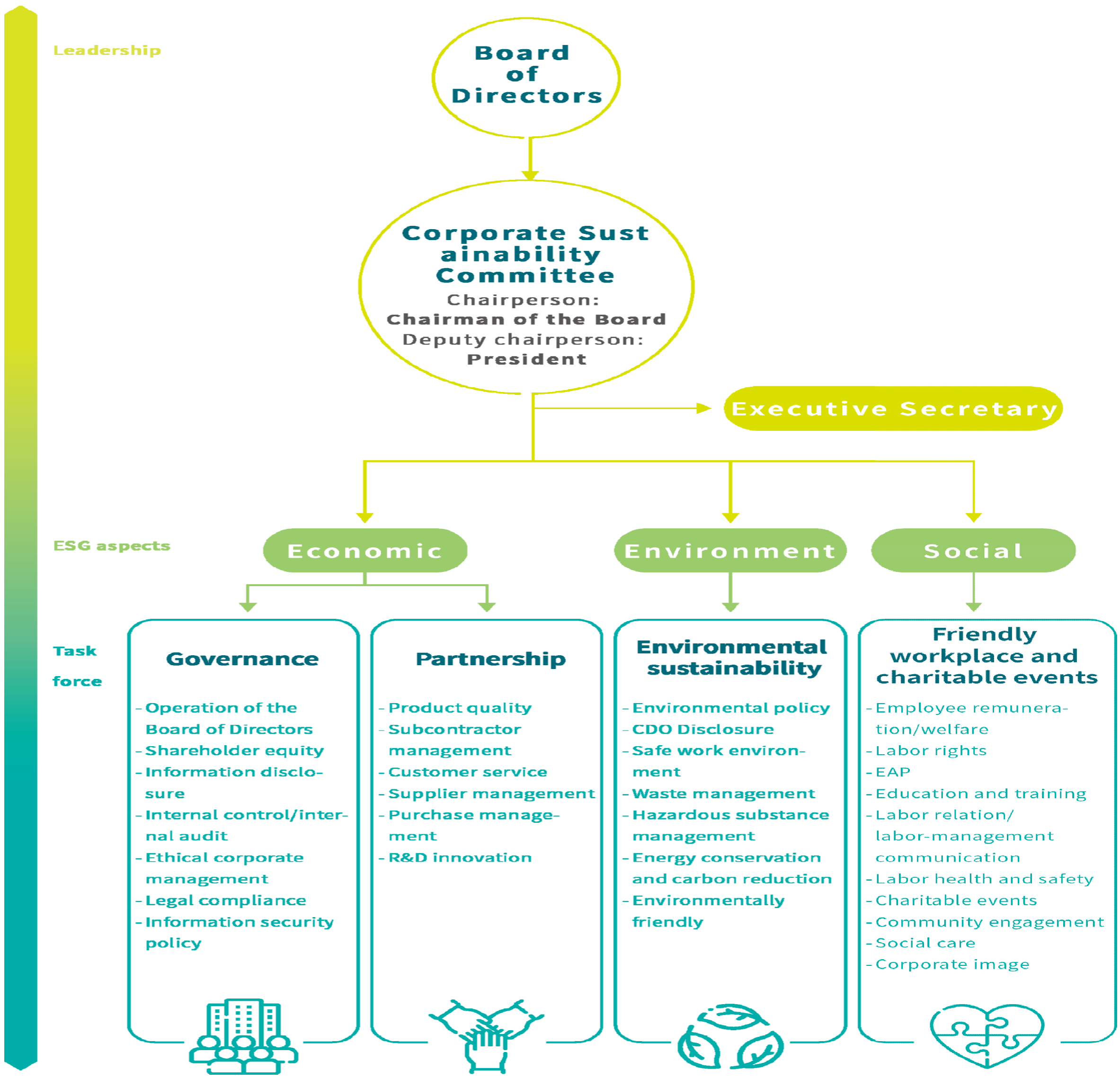
II.Corporate Sustainability Committee

In response to risk management and corporate sustainability strategies, the company established the ESG Committee on October 7, 2020. The Chairman serves as the convener (chief committee member), gathering senior executives (the General Manager and Deputy General Manager) to form the committee. The committee also includes two current board members to oversee and guide its operations; which consists of working groups on "Corporate Governance," "Partnership," "Environmental Sustainability," and "Friendly Workplace and Public Interests of the Society." The aim is to manage business risks in the economic, environmental and social aspects based on the principle of sustainable management, and provide a reference for the senior managers and the Board of Directors to formulate strategic policies and improve management. The ESG Committee has appointed an ESG Committee Executive Secretary to coordinate each team in promoting sustainability-related issues, convening ESG Committee meetings, and compiling the ESG Report. Details of the Committee's organization and annual operation are shown in the attached chart.

ESG Committee Responsibilities

- Formulate the direction, strategy and goals for the sustainable development of the Company
- Define the severity of the impact of various issues on the Company
- Confirm the Company's major issues and the priority of their implementation
- Assign the executive secretary and group leaders
- Review the short-, mid- and long-term goals and implementation proposals of major issues prepared by each working group
- Supervise the working groups implementing plans and programs
- Track and review the achievement status of each goal and implementation plan
- Report to the Board of Directors on the effectiveness of implementation and future plans

ESMT Corporate Sustainability Committee Organizational Structure



Working Group Meeting

（1）2024/03/11 Review of Corporate Governance Evaluation

（2）2024/04/01 Explanation and Discussion of Corporate Governance Evaluation Indicators for 2024

（3）2024/07/08 2023 Annual Sustainability Report Finalization Meeting (Chinese Version)

（4）2024/08/15 Review of CDP Indicators

（5）2024/09/12 Explanation of Internal Control System for Sustainable Information under IFRS S1/S2

（6）2024/09/13 2023 Annual Sustainability Report Finalization Meeting (English Version)

（7）2024/09/19 Discussion on the CDP/ECOVADIS Questionnaire and Work Plan

（8）2024/10/09 Discussion on Sustainable Internal Control Establishment

（9）2024/11/01 Discussion on Greenhouse Gas Inventory

Committee Meeting

（1）2024/05/08 Explanation and Review of ISO 14064 and ISO 45001 Certification Plan

（2)2024/07/24 Review of ESG Working Group Report and 2023 Annual Sustainability Report

III. Sustainability Report

About this report

This Sustainability Report for 2023 is published by Elite Semiconductor Microelectronics Technology Inc., ESMT (“ESMT” hereinafter). This report makes ESMT’s efforts and achievements regarding the Environment, Social, and Governance (ESG) aspects, and presents it to the stakeholders who pay close attention to ESMT.

Scope

This report discloses the data on ESMT’s actions and accomplishment on the ESG fronts such as governance, partnership, environmental sustainability, friendly workplace, and charitable events carried out by ESMT’s Hsinchu Operations Headquarters in Taiwan in 2023 (January 1, 2023 ~ December 31, 2023).

Compilation principles

The report collects ESMT’s ESG (Environment, Social, Governance) related issues, and analyze such based on the materiality analysis to understand the issues concerned by the stakeholders, while following the core options of the GRI Standards (Global Reporting Initiative), referring to the Semiconductor Industry Disclosure Standard of the Sustainability Accounting Standards Board (SASB), and incorporating the analytical framework of the Task Force on

Climate-related Financial Disclosures (TCFD) for climate-related financial disclosures, to prepare the Report and write the disclosures.

The statistics in this report are the summary statistics provided by each responsible unit of ESMT; the financial performance statistics are open information which has been attested by CPAs, and are consistent with those in ESMT's annual report.

Report verification

The content of this report was collected and compiled by each task force and the executive secretary of ESMT's Corporate Sustainability Committee, verified by the supervisor of each responsible unit, confirmed by the Corporate Sustainability Committee, submitted to the Audit Committee for discussion on July 29, 2024 and the approved by the Board of Directors before publishing.

Report publication

ESMT independently issues the Corporate Sustainability Report each year, and provides both Chinese and English versions for download from the official website.

First publication date : September 2021

Current publication date: July 2024

IV. Ethical Management Unit and Operation Status

A corporate governance team is set up under the Company's Corporate Sustainability Committee. It is composed of the corporate governance officer, legal, financial, share affairs, and information security units to initiate relevant tasks of corporate governance and operation integrity (refer to 2023 CSR Report). The convenor is Mr. Hong-Gee Wu. Based on different functions of the units, the team assists Sustainability Committee and supervisors to establish and monitor operation integrity policies, ensuring the guidelines have been adopted thoroughly and the results being reported to the Board of Directors. The team, along with the Sustainability Committee and the Audit Committee, made a report to the Board of Directors on July. 29, 2024.

Results and Goals

Issue	Result in 2023	Future Goals
Legal compliance and anti-corruption	No violation was found Relevant training on employees: 96.84%	Maintain the operation of corporate governance and ethical management Relevant training on employees > 90%

The Company completed the educational training featuring the prevention of insider trading through online learning in December 2024. A total of 559 people completed the training, with the achievement rate reaching 93.95%. For employees who haven't completed the training, they will be tracked closely in the education program in the following year.

V. Identity of Stakeholders, Issues of Concern, Communication Channels, and Response Methods Investigate engagement level (issue of concern and communication channel)

ESMT incorporated the 34 collected sustainability issues into a questionnaire and distribute it to the five stakeholders to survey the issues of their concern. A total of 157 questionnaires were distributed and 144 retrieved, with a recycling rate of 91.72%, and hence the issues of concern t stakeholders are as follows:

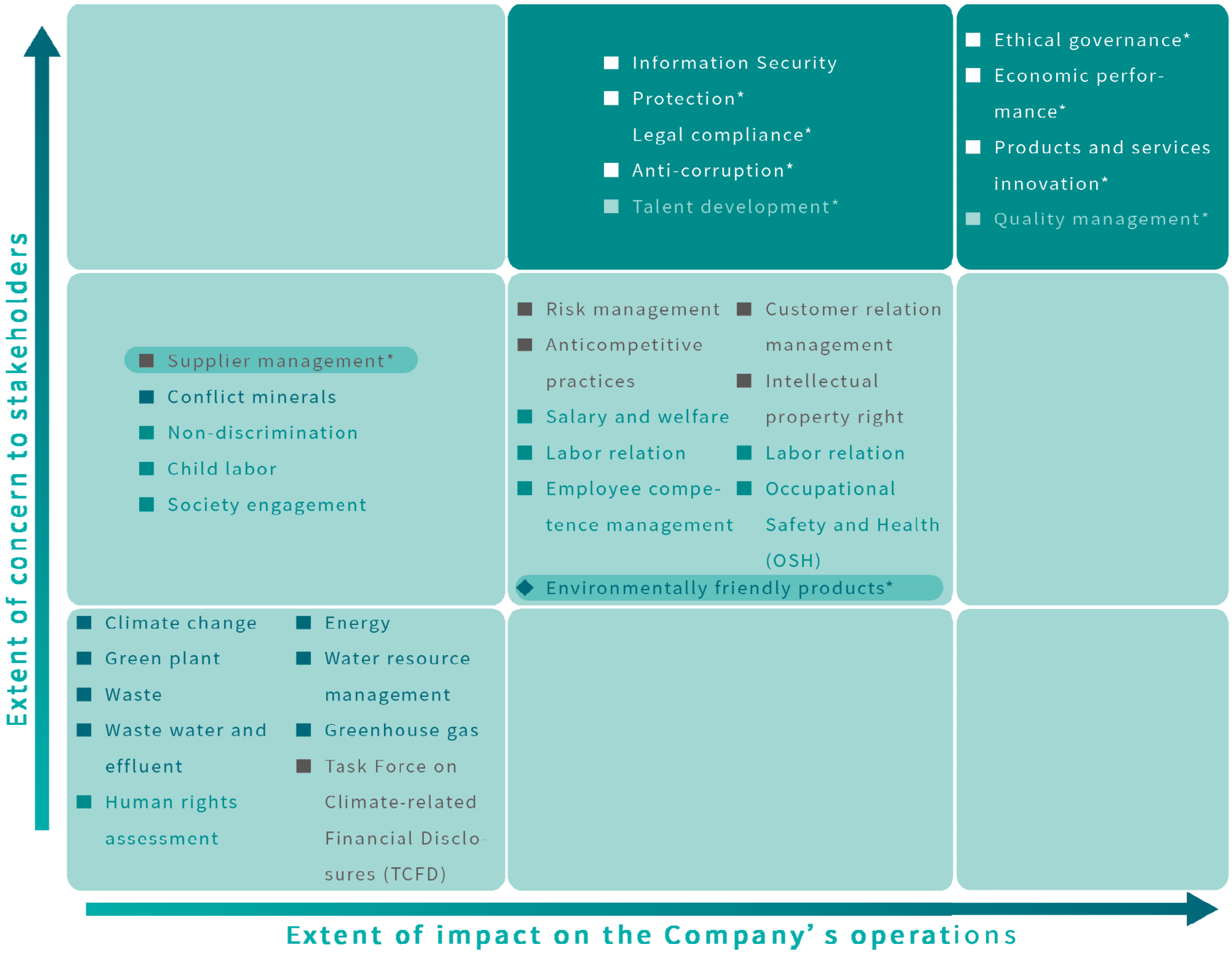
Stakeholder	Association	Communication method	Issues of concern
Customer	Customers are long-term partners and the key to the Company's growth.	· Customer satisfaction survey (annually) · Sustainability Report (Annually) · Dedicated window (irregularly) · Customer audit (irregularly) · Business meeting (irregularly) · Company website (irregularly)	1. Quality management 2. Information security personal data protection / customer privacy 3. Ethical governance 4. Products and services innovation 5. Anti-corruption
Employee	Employees are importance assets of the Company. Sustainable development maybe achieved by improving employee welfare and career development and enhancing their cohesion.	· Labor-management meeting; Employee Welfare Committee meeting (quarterly) · Employee inbox/hotline · Internal website, bulletin board · Chairman / President speech; dinner party (periodically)	1.Salary and benefit 2.Employee competence management 3.Talent development 4.Products and services innovation 5.Labor relation
Supplier	Long-term partners with which the Company works to achieve stable development and sustainable operations.	· Supplier evaluation (quarterly) · Sustainability Report (Annually) · Dedicated window (irregularly) · Supplier meeting (irregularly) · Company website (irregularly)	1.Information security personal data protection / customer privacy 2.Occupational Safety and Health (OSH) 3.Ethical governance 4.Economic performance 5.Environmentally friendly product
Shareholder	Important source of fund for the Company; excellent operational performance may show the Company's value and facilitate the pursuit of sustainable operations.	· Company financial statements (quarterly) · Institutional shareholder conference (twice a year) · Company annual report (annually) · Annual Shareholders' Meeting (annually) · Market Observation Post System (as prescribed) · Sustainability Report (Annually) · Company website (irregularly) · Spokesperson's inbox and hotline (irregularly)	1.Ethical governance 2.Economic performance 3.Products and services innovation 4.Environmentally friendly products 5.Salary and benefit
Government agency	Communication channel with the government to access the most up-to-date legal information	· Market Observation Post System (periodically) · Pollution control filing (periodically) · Sustainability Report (Annually) · Government agency inspection (irregularly) · Official letter, e-mail, and meeting (irregularly) · Company website (irregularly)	1.Legal compliance 2.Information security personal data protection / customer privacy 3.Ethical governance 4.Economic performance 5.Intellectual property right

Analyze operational impacts

Considering the ESG impact as well as the risks and opportunities in all operational respects, ESMT's Corporate Sustainability Committee identified, assessed, and analyzed the extent of impact of the 34 issues on the Company's internal sustainable operations.

Creating materiality matrix

ESMT's Materiality Matrix was created by referring to the extent of concern being surveyed and results of the operational impact analysis.



Decide disclosure boundary / review disclosure content (Material issues management approach)

After discussing about the results, ESMT's Corporate Sustainability Committee deemed the eight issues which highly impacted company operations and concern stakeholders, in addition to the other two issues, namely, environmentally friendly products and ESMT supplier management, to be material. Hence, a total of 10 material issues were identified. This report discloses management approach and effectiveness in relevant chapters based on the GRI standards, sets management goals for each material issue, and periodically reviews the effectiveness. Relevant content detailed Sustainability Report.

The Company's Corporate Sustainability Committee has submitted the report on matters discussed with the related parties to the 12th meeting of the 2nd Audit Committee on July 29, 2024 and the 17th meeting of the 9th Board of Directors.

（VIII）Status of Internal Control System:

1. Statement of Internal Control:

Elite Semiconductor Microelectronics Technology Inc

Date: February 26, 2025

This Statement of Internal Control System is issued based on the self-assessment of the Company for the Financial Year 2024.

I. The Company acknowledges that the establishment, implementation, and maintenance of an internal control system is the responsibility of the Board of Directors and managers, and the Company has established an internal control system. The internal control system is designed to provide reasonable assurance for the effectiveness and efficiency of the operations (including profitability, performance and protection of assets), reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations.

II. The internal control system has innate limitations. No matter how robust and effective the internal control system, it can only provide reasonable assurance of the achievement of the three aforementioned goals. In addition, the effectiveness of the internal control system may vary due to changes in the environment and conditions. However, the internal control system of the Company has self-monitoring mechanisms in place, and the Company will take corrective action against any defects identified.

III. The Company uses the assessment items specified in the Guidelines Governing Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Guidelines") to determine whether the design and implementation of the internal control system are effective. Based on the process of control, the assessment items specified in the Guidelines divide the internal control system into five constituent elements: 1. control environment; 2. risks assessment; 3. control activities; 4. information and communications; and 5. monitoring activities. Each constituent element includes a certain number of items. For more information on such items, refer to the Guidelines.

IV. The Company has already adopted the aforementioned Guidelines to evaluate the effectiveness of its internal control system design and operating effectiveness.

V. Based on the findings of such evaluation, the Company believes that, on December 31, 2024, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of its subsidiaries), to provide reasonable assurance over the Company's operational effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws, and regulations.

VI. This statement will constitute the main content of the Company's Annual Report and the Prospectus, which will be disclosed to the public. Any falsehood or concealment with regard to the above contents will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. This statement has been approved by the Company's Board of Directors on February 26, 2025, and out of the 8 members of the Board of Directors in attendance, none had objected to it and all consented to the contents expressed in this statement.

Elite Semiconductor Microelectronics Technology Inc

Chairman of the Board : Ming-Chien Chang Signature and Seal

President : Ming-Chien Chang Signature and Seal

2. Any CPA commissioned to conduct an audit on the Internal Control System shall disclose the CPA's audit report: None.

(IX) Important resolutions of the Shareholders' Meetings and the meetings of the Board of directors from the most recent financial year up to the date of publication of the Annual Report.

Board of Directors:

Date	Content of Proposals and Follow-up Actions	Issues specified in Article 14-3 of the Securities and Exchange Act	Objections or Qualified Opinion of the Independent Directors
14th meeting of the 9nd term 2024.02.27	(1)Approved the Company's 2023 final accounting books and statements.		
	(2) Approved the distribution of the Company's 2023 earnings.		
	(3) Approved the self-assessment of the Company's internal control system for 2023.		
	(4) Approved the application for the credit line with various financial institutions in response to the Company's capital needs.		
	(5)Approved the establishment of the operating plan and budget for fiscal year 2024.		
	(6) Approved the convening of the Company's 2024 Annual General Shareholders' Meeting.		
	(7) Approved the designated period and venue for accepting proposals from the shareholders.		
	(8)Approved the issuance of the Company's first unsecured convertible corporate bonds for domestic conversion into common stock.		
	(9) Approved the change of deputy spokesperson.		
	Opinions of Independent Directors: None.		
	The Company's actions in response to the opinions of the Independent Directors: None.		
	Resolution results: All the directors present voted in favor of the resolution without any objection.		
15th meeting of the 9nd term 2024.04.26	(1) Approved the Company's 2024 Q1 financial report.		
	(2) Approved the issuance of the Company's first unsecured convertible corporate bonds for domestic conversion into common stock.		
	(3) Approved the appointment and promotion of the Corporate's managers.		
	(4)Approved the proposal on Company's salary adjustment and bonus distribution for Chairman Hsing-Hai Chen.	V	
	(5)Approved the resolution of the managers' remuneration ajustment for FY2024 of the Company.		
	(6) Approved the resolution of managers' bonus for FY2023 of the Company.		
	(7)Approved the resolution of the Company's bonus to Independent Directors for FY2023.	V	

Date	Content of Proposals and Follow-up Actions	Issues specified in Article 14-3 of the Securities and Exchange Act	Objections or Qualified Opinion of the Independent Directors
	Opinions of the Independent Directors: None.		
	The Company's actions in response to the opinions of the Independent Directors: None.		
	Resolution: In the case (1 and 3) was Approved without objection by the Chairman upon consultation with all the Directors present. In the case (4) except for the members: Chairman Hsing-Hai Chen, who did not participate in the discussion and recused themselves from voting for the interested parties. During his recusal, Director Ming-Chien Chang was designated as Acting Chairman to preside over the proceedings. In the case (5) except for the members:Ming-Chien Chang, and Yeong-Wen Daih, who did not participate in the discussion and recused themselves from voting for the interested parties, the remaining members passed the case without any disagreement. In the case (6) except for the members: Ming-Chien Chang, and Yeong-Wen Daih, who did not participate in the discussion and recused themselves from voting for the interested parties, the remaining members passed the case without any disagreement. In the case (7) except for the members William W.Shen, Tai-Haur Kuo, Bing-Yue Tsui, and Jeng-Yang, Jian, who did not participate in the discussion and recused themselves from voting for the interested parties, the remaining members passed the case without any disagreement.		
16th meeting of the 9nd term 2024.05.30	Report of the ex-dividend record date of and issue date of the Company and related items.		
	(1) Approved the adjustment of the conversion price of the first unsecured convertible corporate bonds.		
	Opinions of the Independent Directors: None.		
	The Company's actions in response to the opinions of the Independent Directors: None.		
	Resolution results: All the directors present voted in favor of the resolution without any objection.		
17th meeting of the 9nd term 2024.07.29	(1) Approved the Company's 2024 Q2 financial report.		
	(2) Approved the issuance of the Company's inaugural first unsecured convertible corporate bonds for domestic conversion into common stock.		
	(3) Approved the application for the credit line with various financial institutions in response to the Company's capital needs.		
	(4) Approved the Company's "2023 Environment Social Governance".		
	Extemporary Motion Chairman Chen proposed a retirement plan during the meeting, requesting to resign from the position of Chairman (while retaining the role of director), effective August 6, 2024. Pursuant to Article 208 of the Company Act, the directors shall elect a new Chairman from among themselves.		
	Opinions of Independent Directors: None.		
	The Company's actions in response to the Opinions of the Independent Directors: None.		
	Resolution results: All the directors present voted in favor of the resolution without any objection. Extemporary Motion Resolution results: A separate board meeting will be convened to elect the new Chairman.		
18th meeting of the 9nd term 2024.08.06	(1) Approved the election of chairman.		
	Opinions of the Independent Directors: None.		
	The Company's actions in response to the opinions of the Independent Directors: None.		
	Resolution results : All attending directors unanimously elected Director Ming-Chien Chang to serve as Chairman.		
19th meeting of the 9nd term 2024.10.29	(1)Approved the Company's 2024 Q3 financial report.		
	(2) Approved the issuance of the Company's first unsecured convertible corporate bonds for domestic conversion into common stock.		
	(3) Approved the amendments to the Company's " Operating Standards Related to Financial Business Between Related Parties ".	V	
	(4) Approved the Company's " Rules Governing the Preparation and Filing of Sustainability Reports ".	V	
	(5) Approved the “Sustainable Information Management Operation Guidelines.”	V	

Date	Content of Proposals and Follow-up Actions	Issues specified in Article 14-3 of the Securities and Exchange Act	Objections or Qualified Opinion of the Independent Directors
	(6) Approved donation by the ESMT Educational Foundation.		
	(7) Approved the amendments to the Company's "Audit Committee's Articles of Association".	V	
	(8) Approved the amendments to the Company's " Procedural Rules of Board Meetings ".	V	
	Opinions of the Independent Directors: None.		
	The Company's actions in response to the opinions of the Independent Directors: None.		
	Resolution results: All the directors present voted in favor of the resolution without any objection.		
20th meeting of the 9nd term 2024.12.16	(1) Approved the audit plan of the Company for 2025.		
	(2) Approved the independence and competency of the CPAs and their appointment and remuneration proposal.	V	
	Opinions of the Independent Directors: None.		
	The Company's actions in response to the opinions of the Independent Directors: None.		
	Resolution results: All the directors present voted in favor of the resolution without any objection.		
21th meeting of the 9nd term 2025.01.15	Adopted the company's application for a syndicated loan of NT$2.5 billion, with Taishin International Bank Co., Ltd. and Taipei Fubon Commercial Bank Co., Ltd. appointed as lead arrangers (hereinafter referred to as "Lead Arrangers") to organize a syndicated banking group.		
	Opinions of the Independent Directors: None.		
	The Company's actions in response to the opinions of the Independent Directors: None.		
	Resolution results: All the directors present voted in favor of the resolution without any objection.		
22th meeting of the 9nd term 2025.02.26	(1)Approved the 2024 remuneration distribution for employees and directors.		
	(2)Approved the resolution of the Company's remuneration to Directors and managers' and employees' compensation for FY2024.		
	(3)Approved the Company's 2024 final accounting books and statements.		
	(4) Approved the distribution of the Company's 2024 earnings.		
	(5) Approved the issuance of the Company's first unsecured convertible corporate bonds for domestic conversion into common stock.		
	(6) Approved the application for the credit line with various financial institutions in response to the Company's capital needs.		
	(7) Approved the self-assessment of the Company's internal control system .		
	(8) Approved the amendment to the Company's "Articles of Incorporation."		
	(9)Approved the establishment of the operating plan and budget for fiscal year 2025.		
	(10)Approved the motion for re-election is submitted upon the expiration of the term of office of the Company's directors.		
	(11) Approved the convening of the Company's 2025 Annual General Shareholders' Meeting.		
	(12) Approved the designated period and venue for accepting proposals from the shareholders.		
	(13)Approved the designated period and venue for accepting proposals from the shareholders nomination of directors (independent directors).		
	(14) Approved the nomination of the independent Director candidates of the 10th Board.		
	(15) Approved the nomination of the general Director candidates of the 10th Board.		
	(16)Approved the proposal to release of restriction on competitive of activities for Directors.		
	Opinions of the Independent Directors: None.		
	The Company's actions in response to the opinions of the Independent Directors: None.		
	Resolution results: Resolution: In the case (1 and 3~13 and16) was Approved without objection by the Chairman upon consultation with all the Directors present. In the case (2) except for the members: Chairman Ming-Chien Chang, Hsing-Hai Chen, Chih-Hong Ho,		

Date	Content of Proposals and Follow-up Actions	Issues specified in Article 14-3 of the Securities and Exchange Act	Objections or Qualified Opinion of the Independent Directors
	Yeong-Wen Daih, Jeng-Yang, Jian, William W.Shen, Bing-Yue Tsui, and Tai-Haur Kuo, who did not participate in the discussion and recused themselves from voting for the interested parties. In the case of Chairman Ming-Chien Chang 's related portion of the agenda, Director Jeng-Yang, Jian was designated as the acting chairman to preside over the discussion and voting during his recusal. After consulting with other attending directors and discussing the matter, the decision was unanimously passed without objection. In the case (14) except for the members: William W.Shen, Tai-Haur Kuo, Bing-Yue Tsui, and Jeng-Yang, Jian, who did not participate in the discussion and recused themselves from voting for the interested parties, the remaining members passed the case without any disagreement. In the case (15) except for the members: Ming-Chien Chang, Hsing-Hai Chen, Chih-Hong Ho, Yeong-Wen Daih, Chia-Neng Huang, William W.Shen, Tai-Haur Kuo, Bing-Yue Tsui, and Jeng-Yang, Jian, who did not participate in the discussion and recused themselves from voting for the interested parties. In the case of Chairman Ming-Chien Chang's related portion of the agenda, Director William W.Shen was designated as the acting chairman to preside over the discussion and voting during his recusal. After consulting with other attending directors and discussing the matter, the decision was unanimously passed without objection.		

Shareholders' Meeting:

Date	Review of Key Resolutions and Implementation
May 30,2024	Adoption Item 1: Adoption of the Business Report and Financial Statements for FY2023. Resolution: The proposal is voted and resolved as it is.. Voting Results:

Number of Votes by Attending Shareholders	Approved Votes	Disapproved votes	Abstained Votes/No Votes
165,982,196 rights	156,584,322 rights	97,565 rights	9,300,309 rights
100%	94.33%	0.05%	5.60%

Adoption Item 2: Adoption of the Earnings Distribution for FY2023.
Resolution: The proposal is voted and resolved as it is.
Voting Results:

Number of Votes by Attending Shareholders	Approved Votes	Disapproved votes	Abstained Votes/No Votes
165,982,196 rights	156,578,381 rights	122,803 rights	9,281,012 rights
100%	94.33%	0.07%	5.59%

Implementation review: The cash ex-dividend date of this Earnings Distribution was July 10, 2024, and the dividend was distributed by remittance and postal cheque on July 31, 2024.

（X）Major Issues of Record or Written Statements Made by Any Director Objecting to Important Resolutions Passed by the Board of Directors in the most recent financial year and up to the date of publication of the Annual Report: None.

IV. Information of Audit Fee

(I) Information of Audit Fee:

Unit:Thousand NTD

CPA Accounting Firm	Name of CPAs	Audit Period	Audit Fee	Non-audit Fee	Total	Remarks
Pricewaterhouse Coopers Taiwan	Bai Shu-Chian	2024.1.1~ 2024.12.31	5,320	594	5,914	

	Liu Chien-yu	2024.1.1~ 2024.12.31				

(II) If the Company is in any one of the following conditions, the following information shall be disclosed:

(1) Where the CPA firm was replaced, and the audit fees in the financial year when the replacement was made were less than that in the previous financial year before the replacement, the amount of the audit fees paid before the replacement and reasons for paying said amount shall be disclosed: Not applicable.

(2) Where accounting fee paid has decreased for more than 10% than that of the previous year, the amount, proportion, and reason of the reduction shall be disclosed: In 2024, the audit fees decreased by NT$1,100,000 compared to 2023, a reduction of 17%. This was due to a decrease in the Company's transaction volume, leading to negotiated lower audit fees with the accounting firm.

V. Changes of CPAs: None.

VI. Company Chairperson, President, or Managerial Officer in Charge of Finance or Accounting Matters in the Most Recent Fiscal Year Held a Position at the Company's CPA Accounting Firm or at an Affiliated Enterprise of Such Accounting Firm: None.

VII. Equity Transfer or Changes to Equity Pledge of Directors, Supervisors, Managerial Officers, or Shareholders Holding More Than 10% of Shares, for the Most Recent Fiscal Year and as of the Date of publication of the Annual Report:

(I) Shares changes by Directors, managers, and major shareholders

Title	Name	FY2024		As at April 12, 2025	
		Shareholding (Number of Shares) Amount Increased (Decreased)	Shares Pledged Amount Increased (Decreased)	Shareholding (Number of Shares) Amount Increased (Decreased)	Shares Pledged Amount Increased (Decreased)
Chairman of the Board President	Ming-Chien Chang (Note 1)	-	-	-	-
Director	Hsing-Hai Chen (Note 2)	-	-	-	-
Director	Chih-Hong Ho	-	-	-	-
Director Senior Vice President	Yeong-Wen Daih	-	-	-	-
Director	Chia-Neng Huang (Note 3)	-	-	-	-
Independent Director	William W.Shen	-	-	-	-
Independent Director	Bing-Yue Tsui	-	-	-	-
Independent Director	Tai-Haur Kuo	-	-	-	-
Independent Director	Cheng-Yan Chien	-	-	-	-
Senior Vice President	Kuan-Chun Chang	-	-	-	-
Vice President	Jackie Hao	-	-	-	-

Title	Name	FY2024		As at April 12, 2025	
		Shareholding (Number of Shares) Amount Increased (Decreased)	Shares Pledged Amount Increased (Decreased)	Shareholding (Number of Shares) Amount Increased (Decreased)	Shares Pledged Amount Increased (Decreased)
Vice President	Shu-Hui Feng	-	-	-	-
Vice President	Lyle Tsai (Note 4)	-	-	-	-
Corporate Governance Officer	Hong-Gee Wu	-	-	-	-
Finance & Accounting Officer	Hui-Wen Cheng	-	-	-	-

Note 1: Mr. Ming-Chien Chang was elected as the new Chairman by the company's Board of Directors on August 6, 2024.
Note 2: Mr. Hsing-Hai Chen resigned as the company's Chairman on August 6, 2024 (while retaining his position as a director) .
Note 3: Mr. Chia-Neng Huang resigned as a director of the company on July 2, 2024.
Note 4: Mr. Lyle Tsai was appointed as Vice President of the company on April 26, 2024.

(II) Equity transfer information: None.

(III) Shares pledged: None.

VIII. Relationship Information Between the 10 Largest Shareholders

Record date: April 12, 2025

Name	Current Shareholding		Spouse & Minor Children Children's Shareholding		Shareholding by Nominees		The name and relationship with any one who is a related party or a relative within the second degree of kinship among the ten largest shareholders,		Remarks
	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Name (or Name)	Relationship	
Jie Yong Investment Ltd.	13,020,000	4.55%	-	-	-	-	Hsing-Hai Chen	Chairman of the Board of this company	
							Ming-Chien Chang	Director of this company	
Representative of Jie Yong Investment Ltd.: Hsing-Hai Chen	8,411,629	2.94%	1,195,927	0.42%	-	-	Jie Yong Investment Ltd.	Chairman of the Board of this company	
Hsing-Hai Chen	8,411,629	2.94%	1,195,927	0.42%	-	-	Jie Yong Investment Ltd.	Chairman of the Board of this company	
Ming-Chien Chang	5,523,825	1.93%	1,618,785	0.57%	-	-	Jie Yong Investment Ltd.	Director of this company	
British Virgin Islands merchant KAHOW LTD.	4,292,985	1.50%	-	-	-	-	Shun Cheng Investment Co., Ltd.	Subsidiary	
Representative of British Virgin Islands merchant KAHOW LTD.: ML Chiou	949	-	-	-	-	-	-	-	
Shun Cheng	3,797,941	1.33%	-	-	-	-	British Virgin	Parent	

Name	Current Shareholding		Spouse & Minor Children Children's Shareholding		Shareholding by Nominees		The name and relationship with any one who is a related party or a relative within the second degree of kinship among the ten largest shareholders,		Remarks
Investment Co., Ltd.							Islands merchant KAHOW LTD.	company	
Representative of Shun Cheng Investment Co., Ltd.: Ming-Hui Chen	–	–	–	–	–	–	–	–	
Standard Chartered International Commercial Bank's Business Department is entrusted with the custody of the Vanguard Emerging Markets Stock Index Fund investment account, a series Vanguard International Equity Index Funds.	3,426,717	1.20%	-	-	-	-	-	-	
Shanyi Investment Co.,Ltd.	3,355,000	1.17%	-	-	-	-	-	-	
JP Morgan as custodian for Vanguard Group Emerging Markets Fund Investment Account	2,959,000	1.03%	-	-	-	-	-	-	
Deutsche Bank Taipei Branch is entrusted with the custody of the iShares Core MSCI Emerging Markets ETF investment account.	2,281,000	0.80%	-	-	-	-	-	-	
Citibank Taiwan in custody for Norges bank	2,270,819	0.79%	-	-	-	-	-	-	

IX. The Number of Shares Held by the Company, its Directors, Supervisors, Managerial Officers, and Businesses Either Directly or Indirectly Controlled by the Company as a Result of the Investment, and the Consolidated Percentage of Shareholding:

Unit: Shares; %

Spinoff Company	Investment by the Company		Investment by Directors/Supervisors/managers and by companies directly or indirectly controlled by the Company		Total Investment	
	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage
Elite Semiconductor Memory Technology Inc.	100,000	100.00%	–	–	100,000	100.00%
Charng Feng Investment Ltd.	50,000,000	100.00%	–	–	50,000,000	100.00%
Elite Memory Technology Inc.	–	–	10,000,000	100.00%	10,000,000	100.00%
Jie Yong Investment Ltd.	3,600,000	41.86%	2,900,000	33.72%	6,500,000	75.58%
Elite Investment Services Ltd.	1	100.00%	–	–	1	100.00%
Elite Innovation Japan Ltd.	–	–	200	100.00%	200	100.00%
Eon Silicon Solutions, Inc.USA	200,000	100.00%	–	–	200,000	100.00%
Elite Semiconductor Microelectronics Technology (Shenzhen) Inc.	–	–	–	100.00%	–	100.00%
Elite Semiconductor Microelectronics (Shanghai) Technology Inc.	–	–	–	100.00%	–	100.00%
CHI Microelectronics Limited.	–	–	20,000	100.00%	20,000	100.00%
Elite Semiconductor Microelectronics Technology (Xian) Inc.	–	–	–	100.00%	–	100.00%

Note: This document is dated March 31, 2025.

Funding Overview

I. Capital & Shares

(I) Sources of Capital

Year and Month	Price at Issuance	Authorized Capital		Paid-in Capital		Remarks		
		Number of Shares (Thousand Shares)	Value (NT$ 1,000)	Number of Shares (Thousand Shares)	Value (NT$ 1,000)	Sources of Capital	Increase of Capital by Assets Other Than Cash	Others
1998.5	10	30,000	300,000	10,540	105,400	Capital Shares at Founding	Technical Value NT$ 10,540 thousand	Note 1
1999.4	10	30,000	300,000	28,571	285,715	Increase of Capital in Cash NT$ 162,284 thousand	Technical value NT$ 18,031 thousand	Note 2
1999.7	10	30,000	300,000	30,000	300,000	Recapitalization of Retained Earnings NT$ 14,285 thousand	Nil	Note 3
2000.9	10	100,000	1,000,000	55,453	554,530	Recapitalization of Retained Earnings NT$ 254,530 thousand	Nil	Note 4
2001.9	10	100,000	1,000,000	100,000	1,000,000	Recapitalization of Retained Earnings NT$ 445,470 thousand	Nil	Note 5
2002.9	10	150,000	1,500,000	137,500	1,375,000	Recapitalization of Retained Earnings NT$ 375,000 thousand	Nil	Note 6
2003.9	10	180,000	1,800,000	158,125	1,581,250	Recapitalization of Retained Earnings NT$ 206,250 thousand	Nil	Note 7
2004.9	10	210,000	2,100,000	177,891	1,778,906	Recapitalization of Retained Earnings NT$ 197,656 thousand	Nil	Note 8
2005.9	10	260,000	2,600,000	204,574	2,045,742	Recapitalization of Retained Earnings NT$ 266,836 thousand	Nil	Note 9
2006.2	10	260,000	2,600,000	207,833	2,078,325	Increase of Capital by Merger NT$32,583 thousand	Nil	Note 10
2006.9	10	260,000	2,600,000	216,665	2,166,654	Recapitalization of Retained Earnings NT$ 88,329 thousand	Nil	Note 11
2007.9	10	260,000	2,600,000	227,365	2,273,654	Recapitalization of Retained Earnings NT$ 107,000 thousand	Nil	Note 12
2008.9	10	260,000	2,600,000	239,007	2,390,071	Recapitalization of Retained Earnings NT$ 116,417 thousand	Nil	Note 13
2008.11	17.65	260,000	2,600,000	241,532	2,415,321	Exercising of Employee Stock Options of NT$ 25,250 thousand	Nil	Note 14
2009.4	17.65	260,000	2,600,000	241,995	2,419,951	Exercising of Employee Stock Options of NT$ 4,630 thousand	Nil	Note 15

Year and Month	Price at Issuance	Authorized Capital		Paid-in Capital		Remarks		
		Number of Shares (Thousand Shares)	Value (NT$ 1,000)	Number of Shares (Thousand Shares)	Value (NT$ 1,000)	Sources of Capital	Increase of Capital by Assets Other Than Cash	Others
2009.5	17.65	260,000	2,600,000	242,251	2,422,519	Exercising of employee stock options NT$ 2,568 thousand	Nil	Note 16
2009.9	17.65	260,000	2,600,000	242,340	2,423,404	Exercising of Employee Stock Options of NT$ 885 thousand	Nil	Note 17
2010.1	16.65	260,000	2,600,000	244,310	2,443,101	Exercising of Employee Stock Options of NT$ 19,697 thousand	Nil	Note 18
2010.4	16.65	260,000	2,600,000	244,683	2,446,834	Exercising of Employee Stock Options of NT$ 3,733 thousand	Nil	Note 19
2010.5	16.65	300,000	3,000,000	245,422	2,454,221	Exercising of Employee Stock Options of NT$ 7,387 thousand	Nil	Note 20
2010.7	16.65	300,000	3,000,000	245,874	2,458,749	Exercising of Employee Stock Options of NT$ 4,528 thousand	Nil	Note 21
2011.1	15.65	300,000	3,000,000	246,035	2,460,351	Exercising of Employee Stock Options of NT$ 1,602 thousand	Nil	Note 22
2011.4	15.65	300,000	3,000,000	246,224	2,462,246	Exercising of Employee Stock Options of NT$ 1,895 thousand	Nil	Note 23
2011.7	15.65	300,000	3,000,000	246,291	2,462,911	Exercising of Employee Stock Options of NT$ 665 thousand	Nil	Note 24
2011.11	14.7 10	350,000	3,500,000	259,777	2,597,774	Exercising of Employee Stock Options of NT$ 1,638 thousand and stock swap of NT$ 133,225 thousand	Nil	Note 25
2012.4	14.7	350,000	3,500,000	260,522	2,605,229	Exercising of Employee Stock Options of NT$7,455 thousand	Nil	Note 26
2012.7	14.7	350,000	3,500,000	260,741	2,607,414	Exercising of Employee Stock Options of NT$ 2,185 thousand	Nil	Note 27
2012.7	-	350,000	3,500,000	266,741	2,667,414	Issuance of New Restricted Employee Shares Amounted NT$ 60,000 thousand	Nil	Note 28
2013.1	14.2	350,000	3,500,000	267,175	2,671,749	Exercising of Employee Stock Options of NT$ 5,285 thousand Cancellation of restricted employee shares of NT$ 950 thousand	Nil	Note 29
2013.6	-	350,000	3,500,000	266,980	2,669,799	Cancellation of Restricted Employee Shares NT$ 1,950 thousand	Nil	Note 30
2013.11	-	350,000	3,500,000	266,873	2,668,729	Cancellation of Restricted Employee Shares NT$ 1,070 thousand	Nil	Note 31

Year and Month	Price at Issuance	Authorized Capital		Paid-in Capital		Remarks		
		Number of Shares (Thousand Shares)	Value (NT$ 1,000)	Number of Shares (Thousand Shares)	Value (NT$ 1,000)	Sources of Capital	Increase of Capital by Assets Other Than Cash	Others
2014.5	-	350,000	3,500,000	266,782	2,667,819	Cancellation of Restricted Employee Shares NT$ 910 thousand	Nil	Note 32
2014.11	24.3	350,000	3,500,000	271,454	2,714,544	Cancellation of Restricted Employee Shares NT$ 600 thousand Exercising of Employee Stock Options of NT$ 47,325 thousand	Nil	Note 33
2015.4	24.3	350,000	3,500,000	272,424	2,724,241	Cancellation of Restricted Employee Shares NT$ 140 thousand Exercising of Employee Stock Options of NT$ 9,837 thousand	Nil	Note 34
2015.10	22.8	350,000	3,500,000	272,514	2,725,144	Exercising of Employee Stock Options of NT$ 903 thousand	Nil	Note 35
2016.1	22.8	350,000	3,500,000	272,834	2,728,344	Exercising of Employee Stock Options of NT$ 3,200 thousand	Nil	Note 36
2016.4	22.8	350,000	3,500,000	273,103	2,731,026	Exercising of Employee Stock Options of NT$ 2,682 thousand	Nil	Note 37
2016.8	22.8	350,000	3,500,000	281,518	2,815,177	Exercising of Employee Stock Options of NT$ 1,415 thousand Stock Issued Pursuant to Acquisitions NT$ 82,736 thousand	Nil	Note 38
2016.10	21.8	350,000	3,500,000	281,924	2,819,239	Exercising of Employee Stock Options of NT$ 4,062 thousand	Nil	Note 39
2017.1	21.8	350,000	3,500,000	282,574	2,825,737	Exercising of Employee Stock Options of NT$ 6,498 thousand	Nil	Note 40
2017.4	21.8	350,000	3,500,000	283,281	2,832,814	Exercising of Employee Stock Options of NT$ 7,077 thousand	Nil	Note 41
2017.7	20.9	350,000	3,500,000	284,025	2,840,252	Exercising of Employee Stock Options of NT$ 7,438 thousand	Nil	Note 42
2017.10	20.9	350,000	3,500,000	284,699	2,846,992	Exercising of Employee Stock Options of NT$ 6,740 thousand	Nil	Note 43
2018.1	20.9	350,000	3,500,000	285,759	2,857,589	Exercising of Employee Stock Options of NT$ 10,597 thousand	Nil	Note 44
2021.4	57.6	350,000	3,500,000	286,099	2,860,999	Exercising of Employee Stock Options of NT$ 3,409 thousand	Nil	Note 45
2021.7	57.6	350,000	3,500,000	286,150	2,861,503	Exercising of Employee Stock Options of NT$ 504 thousand	Nil	Note 46

Year and Month	Price at Issuance	Authorized Capital		Paid-in Capital		Remarks		
		Number of Shares (Thousand Shares)	Value (NT$ 1,000)	Number of Shares (Thousand Shares)	Value (NT$ 1,000)	Sources of Capital	Increase of Capital by Assets Other Than Cash	Others
2021.10	57.6	350,000	3,500,000	286,157	2,861,570	Exercising of Employee Stock Options of NT$ 67 thousand	Nil	Note 47
2023.7	53.3	350,000	3,500,000	286,171	2,861,711	Exercising of Employee Stock Options of NT$ 141 thousand	Nil	Note 48
2024.4	85.6	350,000	3,500,000	286,172	2,861,722	Exercising of Convertible Corporate Bonds of NT$ 11 thousand	Nil	Note 49

		Approval Date and Number by FSC Securities and Futures Bureau	Approval Date and Number by Science Park Bureau
Note 1	Established in May 1998	—	(1998) Park Commercial No. 013135 on June 2, 1998
Note 2	Increase of Capital in April 1999	—	(1999) Park Commercial No. 007633 on April 19, 1999
Note 3	Increase of Capital in July 1999	—	(1999) Park Commercial No. 014586 on July 6, 1999
Note 4	Increase of Capital in September 2000	(2000) Taiwan Financial Securities (1) No. 31221 on April 21, 2000	Park Commercial No. 019842 on September 15, 2000
Note 5	Increase of Capital in September 2001	(2001) Taiwan Financial Securities (1) No. 144603 on July 10, 2001	(2001)Park Commercial No. 023715 on September 20, 2001
Note 6	Increase of Capital in September 2002	Taiwan Financial Securities (1) No. 0910139350 on July 16, 2002	Park Commercial No. 0910022134 on September 18, 2002
Note 7	Increase of Capital in September 2003	Taiwan Financial Securities (1) No. 0920129883 on July 4, 2003	Park Commercial No. 0920025611 on September 10, 2003
Note 8	Increase of Capital in September 2004	Financial Supervisory Securities (1) No. 0930132757 on July 22, 2004	Park Commercial No. 0930025291 on September 20, 2004
Note 9	Increase of Capital in September 2005	Financial Supervisory Securities (1) No. 0940129095 on July 20, 2005	Park Commercial No. 0940024896 on September 19, 2005
Note 10	Increase of Capital in Februrary 2006	Financial Supervisory Securities (1) No. 0940147723 on November 1, 2005	Park Commercial No. 0950002485 on February 3, 2006
Note 11	Increase of Capital in September 2006	Financial Supervisory Securities (1) No. 0950131360 on July 19, 2006	Park Commercial No. 0950024568 on September 21, 2006
Note 12	Increase of Capital in September 2007	Financial Supervisory Securities (1) No. 0960036695 on July 16, 2007	Park Commercial No. 0960024944 on September 19, 2007
Note 13	Increase of Capital in September 2008	Financial Supervisory Securities (1) No. 0970035546 on July 15, 2008	Park Commercial No. 0970026074 on September 22, 2008

		Approval Date and Number by FSC Securities and Futures Bureau	Approval Date and Number by Science Park Bureau
Note 14	Increase of Capital in November 2008	Financial Supervisory Securities (1) No. 0950128713 on July 6, 2006	Park Commercial No. 0970032595 on November 21, 2008
Note 15	Increase of Capital in April 2009	Financial Supervisory Securities (1) No. 0950128713 on July 6, 2006	Park Commercial No. 0980009444 on April 14, 2009
Note 16	Increase of Capital in May 2009	Financial Supervisory Securities (1) No. 0950128713 on July 6, 2006	Park Commercial No. 0980012992 on May 13, 2009
Note 17	Increase of Capital in September 2009	Financial Supervisory Securities (1) No. 0950128713 on July 6, 2006	Park Commercial No. 0980025248 on September 10, 2009
Note 18	Increase of Capital in January 2010	Financial Supervisory Securities (1) No. 0950128713 on July 6, 2006	Park Commercial No. 0990002583 on January 28, 2010
Note 19	Increase of Capital in April 2010	Financial Supervisory Securities (1) No. 0950128713 on July 6, 2006	Park Commercial No. 0990009166 on Apil 13, 2010
Note 20	Increase of Capital in May 2010	Financial Supervisory Securities (1) No. 0950128713 on July 6, 2006	Park Commercial No. 0990013413 on May 13, 2010
Note 21	Increase of Capital in July 2010	Financial Supervisory Securities (1) No. 0950128713 on July 6, 2006	Park Commercial No. 0990018991 on July 7, 2010
Note 22	Increase of Capital in January 2011	Financial Supervisory Securities (1) No. 0950128713 on July 6, 2006	Park Commercial No. 1000001111 on January 13, 2011
Note 23	Increase of Capital in April 2011	Financial Supervisory Securities (1) No. 0950128713 on July 6, 2006	Park Commercial No. 1000009811 on April 14, 2011
Note 24	Increase of Capital in July 2011	Financial Supervisory Securities (1) No. 0950128713 on July 6, 2006	Park Commercial No.1000019060 on July 6, 2011
Note 25	Increase of Capital in November 2011	Financial Supervisory Securities (1) No. 0950128713 on July 6, 2006 Financial Supervisory Securities Issued No. 1000047861 on October 13, 2011	Park Commercial No. 1000035125 on November 28, 2011
Note 26	Increase of Capital in April 2012	Financial Supervisory Securities (1) No. 0950128713 on July 6, 2006	Park Commercial No. 1010009398 on April 3, 2012
Note 27	Increase of Capital in July 2012	Financial Supervisory Securities (1) No. 0950128713 on July 6, 2006	Park Commercial No.1010020247 on July 9, 2012
Note 28	Increase of Capital in October 2012	Financial Supervisory Securities Issued No. 1010030033 on July 9, 2012	Park Commercial No. 1010031715 on October 15, 2012
Note 29	Increase of Capital in January 2013	Financial Supervisory Securities (1) No. 0950128713 on July 6, 2006	Park Commercial No. 1020000199 on January 7, 2013
Note 30	Decrease in Capital in June 2013	Financial Supervisory Securities Issued No. 1010030033 on July 9, 2012	Park Commercial No. 1020018681 on June 28, 2013
Note 31	Decrease in Capital in November 2013	Financial Supervisory Securities Issued No. 1010030033 on July 9, 2012	Park Commercial No. 1020036135 on November 27, 2013

		Approval Date and Number by FSC Securities and Futures Bureau	Approval Date and Number by Science Park Bureau
Note 32	Decrease in Capital in May 2014	Financial Supervisory Securities Issued No. 1010030033 on July 9, 2012	Hsinchu Commercial No. 1030015402 on May 29, 2014
Note 33	Increase of Capital in November 2014	Financial Supervisory Securities Issued No. 1000064985 on January 10, 2012	Hsinchu Commercial No. 1030034996 on November 28, 2014
Note 34	Increase and Decrease of Capital in April 2015	Financial Supervisory Securities Issued No. 1010030033 on July 9, 2012 Financial Supervisory Securities Issued No. 1000064985 on January 10, 2012	Hsinchu Commercial No. 1040010347 on April 17, 2015
Note 35	Increase of Capital in October 2015	Financial Supervisory Securities Issued No. 1000064985 on January 10, 2012	Hsinchu Commercial No. 1040029657 on October 15, 2015
Note 36	Increase of Capital in January 2016	Financial Supervisory Securities Issued No. 1000064985 on January 10, 2012	Hsinchu Commercial No. 1050001500 on January 19, 2016
Note 37	Increase of Capital in April, 2016	Financial Supervisory Securities Issued No. 1000064985 on January 10, 2012	Hsinchu Commercial No. 1050009686 on April 13, 2016
Note 38	Increase of Capital in August 2016	Financial Supervisory Securities Issued No. 1000064985 on January 10, 2012 Financial Supervisory Securities Issued No. 1050014535 on May 4, 2016	Hsinchu Commercial No. 1050021881 on August 5, 2016
Note 39	Increase of Capital in October 2016	Financial Supervisory Securities Issued No. 1000064985 on January 10, 2012	Hsinchu Commercial No. 1050028662 on October 18, 2016
Note 40	Increase of Capital in January 2017	Financial Supervisory Securities Issued No. 1000064985 on January 10, 2012	Hsinchu Commercial No. 060001396 on January 19, 2017
Note 41	Increase of Capital in April 2017	Financial Supervisory Securities Issued No. 1000064985 on January 10, 2012	Hsinchu Commercial No. 1060009648 on April 14, 2017
Note 42	Increase of Capital in July 2017	Financial Supervisory Securities Issued No. 1000064985 on January 10, 2012	Hsinchu Commercial No. 1060019320 on July 18, 2017
Note 43	Increase of Capital in October 2017	Financial Supervisory Securities Issued No. 1000064985 on January 10, 2012	Hsinchu Commercial No. 1060028218 on October 16, 2017
Note 44	Increase of Capital in January 2018	Financial Supervisory Securities Issued No. 1000064985 on January 10, 2012	Hsinchu Commercial No. 1070002487 on January 16, 2018
Note 45	Increase of Capital in April 2021	Financial Supervisory Securities Issued No. 1050014535 on May 4, 2016	Hsinchu Commercial No. 1100010380 on April 15, 2021
Note 46	Increase of Capital in July 2021	Financial Supervisory Securities Issued No. 1050014535 on May 4, 2016	Hsinchu Commercial No. 1100019845 on July 19, 2021
Note 47	Increase of Capital in October 2021	Financial Supervisory Securities Issued No. 1050014535 on May 4, 2016	Hsinchu Commercial No. 1100029581 on October 15, 2021
Note 48	Increase of Capital in July 2023	Financial Supervisory Securities Issued No. 1050014535 on May 4, 2016	Hsinchu Commercial No. 1120023084 on July 14, 2021
Note 49	Increase of Capital in April 2024	Financial Supervisory Securities Issued No. 1120356179 on September 28, 2023	Hsinchu Commercial No. 1130011431 on April 16, 2024

(II) List of Major Shareholders:

Record date: April 12, 2025

Shareholding / Shareholder's Name	Number of Shares Held	Percentage (%)
Jie Yong Investment Ltd.	13,020,000	4.55%
Hsing-Hai Chen	8,411,629	2.94%
Ming-Chien Chang	5,523,825	1.93%
British Virgin Islands merchant KAHOW LTD.	4,292,985	1.50%
Shun Cheng Investment Co., Ltd.	3,797,941	1.33%
Standard Chartered International Commercial Bank's Business Department is entrusted with the custody of the Vanguard Emerging Markets Stock Index Fund investment account, a series Vanguard International Equity Index Funds.	3,426,717	1.20%
Shanyi Investment Co.,Ltd.	3,355,000	1.17%
JP Morgan as custodian for Vanguard Group Emerging Markets Fund Investment Account	2,959,000	1.03%
Deutsche Bank Taipei Branch is entrusted with the custody of the iShares Core MSCI Emerging Markets ETF investment account.	2,281,000	0.80%
Citibank Taiwan in custody for Norges bank	2,270,819	0.79%

(III) Dividend Policy and Implementation Status

(1) Dividend policy as set out in the Articles of Association:

The Company is still at the growth stage of related industry life cycle. In response to future capital needs, long-term financial plans, and shareholders' demand for cash dividends, the distributable earnings in the current year can all be allocated. The allocation plan is made by the BOD according to regulations and should be resolved by the shareholders' meeting. The Company may distribute dividends to shareholders in cash or stocks. The ratio of cash dividends shall be no less than 50% of the total dividends of the shareholders.

Where earnings, legal reserve, and capital reserve are distributed entirely or partially in cash, the BOD shall be authorized, pursuant to Articles 240 and 241 of the Company Act, to approve the distribution by a resolution adopted by a majority of the Directors at a meeting attended by over two-thirds of the total number of BOD. The distribution by a resolution of BOD shall be reported to the Shareholders' Meeting.

(2) Dividend distribution:

The Company resolved at the board meeting on February 26, 2025, to distribute cash dividends of NT$1 per shares (rounded to the nearest NT$).

(3) Any expected material changes to the dividend policy shall be further explained:

The Company's dividend policy shall consider the company's current and future investment environment, capital requirement, domestic and foreign competition conditions, and capital budgets, in order to safeguard the shareholders' interests, maintain a balanced between dividend payouts and long-term financial plan. On an annual basis, the Board of Directors will formulate a distribution plan and report it to the Shareholders' Meeting. If there is a surplus in the Company's annual accounting, the Company shall, in the following order, pay taxes and make up losses, set aside 10% of the statutory surplus reserve and if necessary, allocate a special surplus reserves. At least 20% of the financial year's profits shall be distributed as dividends and bonus after allocating a reasonable amount according to the needs of business operations.

(IV) The impact on the Company's business performance and Earnings Per Share (EPS) for allotment of free shares proposed at the shareholder's meeting: N/A

(V) Employees' Compensation and Directors' Remuneration

1. Quantity or scope of compensation for employees, and Directors, as prescribed under the Articles of Incorporation:

Article 24-1 of the Company's Articles of Association stipulates that the Company shall allocate no less than one percent (1%) of its annual profits for compensations to the employees and no more than one percent (1%) for compensations to the Directors. However, the Company shall set aside a sufficient amount to offset its accumulated losses. The compensation shall be distributed, in shares or in cash, to the employees of the Company or the qualified employees of the affiliated companies.

The profit for the year referred in the first clause is referred to the Profit Before Tax for the year, before deducting employees' compensation, and remuneration to Directors.

The distribution of employee remuneration and director remuneration should be determined by the board of directors through a resolution approved by two-thirds or more of the attending directors and by a majority of the directors present, and reported to the shareholders' meeting.

2. The basis for estimating the amount of compensation and remuneration to the employees, and Directors, in the current period shall be the basis for calculating of the number of shares to be distributed as employees' remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure:

The basis for estimating the employees' compensation and the Directors' remuneration during the current period is detailed in the aforementioned "1. Statement". When the actual number of employees' compensation and the Directors' remuneration is different from the estimated amount, this shall be an accounting estimates changes and will be adjusted in the profit and loss for the following year.

3. Information of the proposed employees' comentation approved by the Board of Directors:

   a. The amount of any employee compensation distributed in cash or stocks and compensation for directors. If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed: On Feb 26, 2025, the Board of Directors of our Company made a resolution to distribute employee remuneration amounted to NT$5,391 thousand and director remuneration amounted to NT$5,391 thousand for 2024, which is no variance from the estimated accrual amount for the year.

   b. The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee compensation: none.

4. The actual distribution of employee compensation and director remuneration for the previous fiscal year is as follows: In the fiscal year 2023, employee remuneration amounted to NT$0 thousand and director remuneration amounted to NT$0 thousand with no variance from the estimated accrual amount for the year.

(VI) Shares Buyback: None.

II. The Execution of Corporate Bonds, Preferred Shares, Global Depository Receipts, and Employee Stock Option Certificates, any Merger and Acquisition Activities (including Mergers, Acquisitions, and Demergers), and the Status of Implementation of Capital Utilization Plans.

(I) Issuance of corporate bonds

1. Outstanding Corporate Bonds:

As at March 31, 2025

Unit:Share,%,NT$

Type of corporate bonds	First Domestic Unsecured Convertible Bonds
Issue (transaction) date	October 27, 2023
Face Value	NT$ 100,000
Issuance and transaction place	Officially listed on Taipei Exchange
Issuing Price	Issued at the Face Value of 115.42%
Total Amount	NT$1billion
Interest rate	Coupon Rate 0%
Maturity	Term: 3 years; Maturity Date: October 27, 2026
Guarantor	None
Entrustee	KGI Bank Co., Ltd. Trust Department
Underwriter	KGI Securities Co., Ltd.
Certified Lawyer	Handsome Attorneys-at-Law
Attesting CPA	PricewaterhouseCoopers Taiwan
Method of Repayment	Except for holders of the convertible corporate bond who convert it into ordinary shares of the Company in accordance

<table>
<tr><td colspan="2"></td><td>with Article 10 of the Company's 1st Domestic Unsecured Convertible Bond Issuance and Conversion Measures (hereinafter referred to as the 'Measures'), or if the Company redeems it in advance in accordance with Article 18 of the Measures, or if the Company repurchases and cancels it through the securities dealer's business office, the Company shall repay the holders of this convertible corporate bond in cash within ten business days after the maturity date of the bond, based on the face value of the bond. If the aforementioned date falls on a non-business day of the TWSE trading floor, it will be postponed to the next business day.</td></tr>
<tr><td colspan="2">Outstanding principal</td><td>NT$999.9 million</td></tr>
<tr><td colspan="2">Redemption or early paying off conditions</td><td>Subject to Article 18 hereof.</td></tr>
<tr><td colspan="2">Restrictive Clauses</td><td>None</td></tr>
<tr><td colspan="2">Name of credit rating agency, date of credit rating, and credit rating results of corporate bond</td><td>None</td></tr>
<tr><td rowspan="2">Other Rights</td><td>Amount of converted (exchanged or subscribed) ordinary shares, depositary receipts overseas or other securities as of the publication date of the annual report</td><td>As of March 31, 2025, a convertible corporate bond has been converted into 1,168 common shares;NT$11,680。</td></tr>
<tr><td>Issuance and conversion (exchange or subscription of shares) measures</td><td>The Measures have been announced on the Market Observation Post System.</td></tr>
<tr><td colspan="2">Impact of measures for issuance and conversion, exchange or subscription of shares, and issuance conditions on potential dilution and existing shareholder's interests</td><td>Instead of having a significant adverse impact on the existing shareholder’s interests, the Company's evaluation data when submitting the report to the competent authority exhibit that the maximum potential dilution effect on the original shareholder’s interests of the 1st unsecured conversion of corporate bonds in Taiwan is 4.08%.</td></tr>
<tr><td colspan="2">Name of the custodian institution of the conversion subject</td><td>NA</td></tr>
</table>

2. Information on conversion of corporate bonds:

<table>
<tr><td colspan="2">Types of Corporate Bonds</td><td colspan="2">First Domestic Unsecured Convertible Bonds</td></tr>
<tr><td colspan="2">Year
Item</td><td>2024</td><td>As of March 31, 2025</td></tr>
<tr><td rowspan="3">Market price of conversion of corporate bonds</td><td>Highest</td><td>139.90</td><td>105.90</td></tr>
<tr><td>Lowest</td><td>97.00</td><td>96.95</td></tr>
<tr><td>Average</td><td>120.02</td><td>103.03</td></tr>
<tr><td colspan="2">Conversion Price</td><td>85.10（Note）</td><td>85.10</td></tr>
<tr><td colspan="2">Issue Date and Conversion Price at the Time of Issue</td><td colspan="2">Issue Date：2023/10/27
Conversion Price at the Time of Issue：85.60</td></tr>
</table>

Way of performing the conversion obligation	Issuing New Shares

NoTe:On July 10, 2024, the Company distributed cash dividends and adjusted the conversion price from 85.60 to 85.10 in accordance with the issuance regulations.

3. Information on exchange of corporate bonds: none.
4. Summary of declaration and issuance of corporate bonds: None.
5. Attached information on subscription of corporate bonds: None.

(II) Issuance of preferred shares: None.

(III) Issuance of overseas depository receipts: None.

(IV) Issuance of employee stock options: None.

(V) New share issuance in connection with mergers and acquisitions: None

(VI) Implementation of capital utilization plan:

Our Company has successfully issued first unsecured convertible bonds on the domestic market. The plan was approved by the Financial Supervisory Commission (FSC) under letter No. 1120356179 and came into effect on September 28, 2023. The project was completed according to the planned schedule in Q4 2023, and the financial data has shown significant improvement, highlighting the benefits of capital raising.

(1) Project Description

Unit: NT$1,000

Project Item	Estimated Completion Date	Total Funding Required	Projected Fund Utilization Progress
			Q4 2023
Loan Repayment	Q4 2023	1,154,170	1,154,170
Source of Funding	The maximum amount of funds raised in this project is NT$1,154,170 thousand. If there are not enough funds, we will cover the shortfall by using our own funds or by reducing the amount of bank loans to be repaid.		

Note: The Company has not made any changes to the plan.

(2) Execution Status

Unit: NT$1,000; %

Project Execution Status	Expected Execution		Actual Execution	
	Amount	Progress	Amount	Progress
Q4 2023	1,154,170	100	1,154,170	100

Unit: NT$1,000; %

Item	Prior to Fundraising	Following Fundraising	Difference	Percentage Change
	2023/9/30	2023/12/31		
Current Assets	15,844,793	13,552,324	(2,292,469)	(14.47)
Current Liabilities (Before Distribution)	8,473,150	6,181,882	(2,291,268)	(27.04)
Total Liabilities (Before Distribution)	9,295,666	8,177,118	(1,118,548)	(12.03)
Debt Ratio	47.50	45.18	(2.32)	(4.88)
Current Ratio	170.45	219.23	48.78	28.62
Quick Ratio	73.81	101.33	27.52	37.28

Note: The comparison is based on the audited or reviewed consolidated financial information provided by the accountants.

Unit: NT$1,000; %

Item	Prior to Fundraising	Following Fundraising	Difference	Percentage Change
	2023/7/1~ 2023/9/30	2023/10/1~ 2023/12/31		
Operating Revenue	3,021,539	3,164,474	142,935	4.73
Interest Expenses	21,182	22,784	1,602	7.56
Earnings per Share (NT$)	(0.57)	(2.11)	(1.54)	270.18

Not: The comparison is based on the reviewed consolidated financial information provided by the accountants.

Business Operations Overview

I. Business Activities

(I) Business Scope

The Company is a professional integrated circuit (IC) design company, the main business is research, development, manufacturing, and sales of DRAM, Flash Memory, analog integrated circuit, analog and digital mixed-signal IC and product design related to the Company's business and R & D technical services. The IC revenue in 2024 was NT$ 13,485,168 thousand, accounted for 100% of the operating ratio.

With the increasingly enhanced functions of terminal electronic products, the easier operation interface and the humanized application interface and functions designed by its application software, such as Large Language Model (Deep Seek and ChatGPT etc.), electric car(EV), the imminent fifth generation mobile communication generation (5G) and entering of the commercial stage, due to the characteristics of faster transmission, high-frequency bandwidth, high density and low latency, it is conducive to the development of services such as big data, artificial intelligence (AI), and the Internet of Things, which can drive value-added innovative applications such as high-quality audio-visual entertainment, smart medical, smart factories, self-driving cars, drones, and smart cities, as well as various emerging application fields to make memory ICs a key component of electronic products. The relative capacity, operating speed and low power consumption requirements are also becoming stricter. In addition to continuing to focus on the development of high-density, high-speed and low-power memory ICs, the company will also speed up the development of flash memory, analog, analog and digital mixed-signal ICs in response to industry development and market demand. The company enhances product competitiveness and develops towards product diversification.

(II) Industry Overview

1. Current situation and development of the industry

According to WSTS statistics, global semiconductor market sales in Q4 2024 reached US$170.9 billion, reflecting a 3.0% increase from the previous quarter (Q3 2024) and a 17.1% increase from the same period in 2023 (Q4 2023). Sales volume totaled 245 billion units, down 3.4% from Q3 2024 but up 11.5% from Q4 2023. The average selling price (ASP) was US$0.698, up 6.6% from Q3 2024 and 5.0% from Q4 2023.

In Q4 2024, the U.S. semiconductor market recorded sales of US$60.2 billion, a 16.3% increase from Q3 2024 and a 53.7% surge from Q4 2023. Japan’s semiconductor market sales reached US$11.9 billion, down 5.6% from Q3 2024 but up 3.4% from Q4 2023. Europe’s semiconductor market sales totaled US$12.5 billion, down 6.0% from Q3 2024 and 6.8% from Q4 2023. In mainland China, semiconductor market sales amounted to US$46.6 billion, down 3.2% from Q3 2024 but up 4.6% from Q4 2023. The Asia-Pacific semiconductor market recorded sales of US$39.8 billion, down 1.0% from Q3 2024 but up 6.3% from Q4 2023.

For the full year of 2024, the U.S. semiconductor market achieved total sales of US$194.6 billion, a 44.8% increase from 2023. Japan’s semiconductor market sales totaled US$46.6 billion, down 0.4% from 2023. Europe’s semiconductor market sales reached US$51.3 billion, down 8.1% from 2023. Mainland China’s market sales amounted to US$182.5 billion, up 18.3% from 2023. The Asia-Pacific semiconductor market recorded sales of US$152.7 billion, up 12.5% from 2023. Global semiconductor market sales for 2024 totaled US$627.6 billion, a 19.1% increase from 2023.

According to statistics from the Industrial Technology Research Institute’s Industry, Science, and Technology International Strategy Center, Taiwan’s overall IC industry output (including IC design, IC manufacturing, IC packaging, and IC testing) in Q4 2024 reached NT$1.4942 trillion (US$46.5 billion), an 8.0% increase from Q3 2024 and a 24.2% increase from Q4 2023. Of this, IC design output was NT$333.8 billion (US$10.4 billion), up 2.5% from Q3 2024 and 11.3% from Q4 2023. IC manufacturing output reached NT$996.6 billion (US$31.0 billion), up 11.2% from Q3 2024 and 32.6% from Q4 2023, with foundry services accounting for NT$957.6 billion (US$29.8 billion), up 12.6% from Q3 2024 and 35.1% from Q4 2023, while memory and other manufacturing totaled NT$39.0 billion (US$1.2 billion), down 14.7% from Q3 2024 and 8.7% from Q4 2023. IC packaging output reached NT$111.0 billion (US$3.5 billion), down 0.4% from Q3 2024 but up 7.9% from Q4 2023. IC testing output was NT$52.8 billion (US$1.6 billion), up 4.6% from Q3 2024 and 8.2% from Q4 2023. The NT$to US$exchange rate is calculated at 32.1.

The Industrial Technology Research Institute’s Industrial Economics & Knowledge Center estimates that Taiwan’s IC industry output for 2024 reached NT$5.3151 trillion (US$165.6 billion), a 22.4% increase from 2023. Of this, IC design output was NT$1.2721 trillion (US$39.6 billion), up 16.0% from 2023. IC manufacturing output totaled NT$3.4195 trillion (US$106.5 billion), up 28.4% from 2023, with foundry services at NT$3.2438 trillion (US$101.1 billion), up 30.1% from 2023 and memory and other manufacturing at NT$175.7 billion (US$5.5 billion), up 3.3% from 2023. IC packaging output was NT$423.3 billion (US$13.2 billion), up 7.7% from 2023. IC testing output reached NT$200.2 billion (US$6.2 billion), up 5.0% from 2023. The NT$ to US$ exchange rate is calculated at 32.1.

The statistical results of Taiwan's IC industry output value from 2021 to 2024

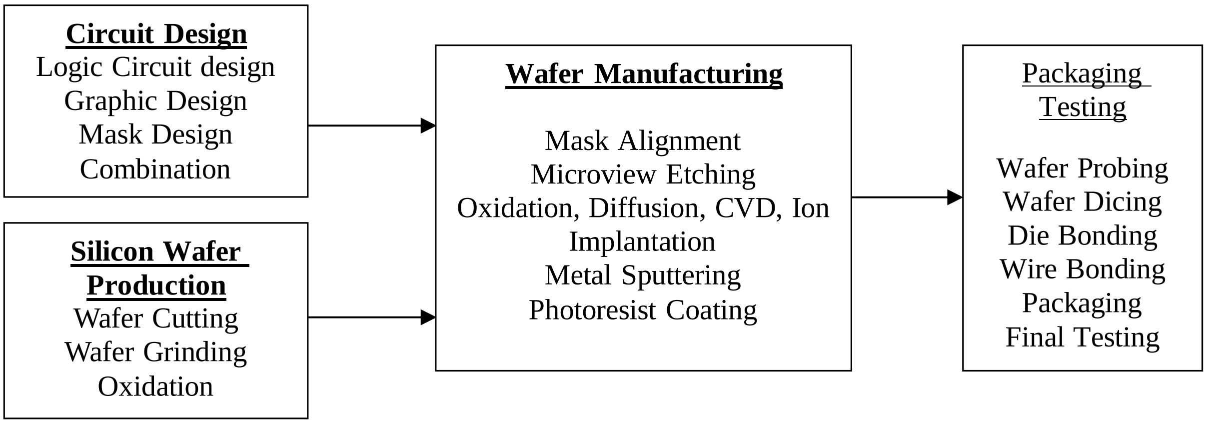
Unit: NT$100million

	2021	2022	2023	Growth Rate in 2023	2024	Growth Rate in 2024
IC Industry Output Value	40,820	48,370	43,428	-10.2%	53,151	22.4%
IC Design Industry	12,147	12,320	10,965	-11.0%	12,721	16.0%
IC Manufacturing Industry	22,289	29,203	26,626	-8.8%	34,195	28.4%
Wafer Foundry	19,410	26,847	24,925	-7.2%	32,438	30.1%

Manufacturing Own Products	2,879	2,356	1,701	-27.8%	1,757	3.3%
IC Packaging Industry	4,354	4,660	3,931	-15.6%	4,233	7.7%
IC Testing Industry	2,030	2,187	1,906	-12.8%	2,002	5.0%
IC Product Output Value	15,026	14,676	12,666	-10.2%	14,478	14.3%
Global Semiconductor Growth Rate	26.2%	3.2%	5,269	-8.2%	6,276	19.1%

Source: TSIA ITRI IEK (2025/02)

2. Semiconductor upstream, middle and downstream correlation diagram



The following describes the relative industrial characteristics of the abovementioned IC industry upstream, midstream and downstream, as follows:

A. IC Design

IC design company is an integrated circuit product design company. Its main business is to design product sales or design directly entrusted by the customers. It is a brain-intensive industry, it requires much smaller capital than the wafer manufacturing plants and high return on investment. There is a fairly complete semiconductor industry support structure in Taiwan and IC design talents are increasingly abundant, which has prompted many manufacturers to invest in this industry.

B. IC Manufacturing and Foundry

The main business of the IC manufacturing company is to convert the designed circuit into a chip with sophisticated equipment, complex manufacturing processes, and strict quality control. This industry is capital and technology-intensive, and the barriers to entry are quite high. At present, the cost of constructing a 12-inch wafer fab is about NT$ 100 billion, and the subsequent maintenance and research and development costs must continue to be invested to maintain the effective operation of the IC fab.

C. IC Packaging and Testing

The main business of this industry is to further cut, package and test the manufactured IC wafers, and package them to complete the final IC products. It is also a capital- and technology-intensive industry. However, the barriers to entry for this industry are much lower than those for wafer manufacturing, and its profit comes from the fixed revenue of processing. The key factors that affect its profitability are the equipment utilization rate and personnel costs.

The IC design industry is an upstream industry in the industrial value chain. Before the final product is completed, the main processes of photomask, manufacturing, packaging, and testing are required. As far as industrial development trends are concerned, processes such as photomask, packaging, and testing are all directed towards the mode of commissioning production by external professional companies.

3. Product Development Trends and Competition

A. High Degree of Integration

With the evolution of Windows operating system software and the continuous development of diversification of application software, DRAM products have been developed towards high degree of integration. The current mainstream market is 16 GB (DDR5) and 16 GB (DDR4) and HBM.

B. High Speed

DRAM and CPU have an apparent gap in data transmission speed for a long time, and it has become the bottleneck of PC's overall system performance. To solve this problem, many high-speed DRAM architectures have been proposed, such as DDR4/DDR5 and HBM. In order to adapt to the requirements of network communication products with different performances and technology products, such as smartphones,switches and routers, MCP(Multi-Chip Packaging) with high-frequency bandwidth and high-speed operation capability is also introduced due to the mixed reading and writing operations.

C. Low Power Consumption

With the continuous increase of CPU computing speed and the application of portable electronic products, and characteristics such as low power consumption and low voltage are necessary to achieve power-saving or avoid the problem of overheating of components. It is necessary to achieve low voltage through technical process.

D. Reduced Crystallite Size

The continuous decline in the price of memory IC products is a characteristic of the industry. To maintain the competitive position and profitability of the products, with the design and process control, the output quantity of a single wafer is increased and the high quality rate is being maintained, only then could the Company effectively reduce product costs and enhance market competitiveness.

4. Product Competition

The Company's products are mainly based on niche memory. At present, the main domestic and foreign competitors are as follows:

Domestic Competitors	Foreign Competitors
Nan Ya Technology, Etron, Powerchip, Winbond	Samsung, Hynix, Micron

(III) Technology and R&D Overview

(1) Technical aspects of the business activities

The Company is a professional memory IC design company. It owns the core technology of memory IC design. The members of the R&D design team are well-versed in the design profession for many years and possess extensive practical experience. Since the Company can control the development and design technology of memory IC, it can adjust the product combination in time in response to market changes. Since its establishment, the Company has continued to develop memory ICs with high integration, high capacity, high speed and high performance by adhering to superb and outstanding design technology.

(2) Research and development

The Company's development and design of DRAM, Pseudo SRAM, NOR Flash, MCP, analog IC, and analog and digital mixed-signal IC are all focused on mastering "Time-to-Market". The future research and development is directed towards high-end process technology and high-integration product development.

(3) Education and experience of research and development personnel

The Company and its subsidiaries currently have a total of 372 R&D personnel, most of whom have a college degree or above and abundance of experience in R&D. With the pulse of the existing and future markets, they continue to develop new technologies and new products to continue to lead the industry and meet the market needs.

March 31, 2025

Item	Education		
	PhD	Master	University
Number of Persons	6	279	87
Percentage (%)	1.61%	75.00%	23.39%

(4) R&D expenses and technologies or products successfully developed in the most recent Financial Year:

A. R&D expense in the most recent financial year

Unit: NT$ 1,000

Item \ Year	2024	Q1 2025
R&D Expenses	1,450,799	366,301
Growth Rate (%)	(0.54%)	–

B. Successfully developed technologies or products

1. The Company's DRAM product line has completed the development of 16 MB ~ 4 GB SDRAM, DDR/DDR2/DDR3/DDR4 and other products with 12" 25/38/45/50/60nm process technology.
2. In terms of Flash Memory has completed the development of 65nm various -capacity 4 MB ~ 256 MB etc, and 50nm various -capacity 8 MB ~ 512 MB etc.
3. Integrated NAND Flash and LP DRAM product technologies and launched MCP products.
4. In terms of non-memory products, various power management and IC solutions for Class D/AB power amplifiers have been developed.

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

1. Short-term development plans

(1) Marketing strategy

A. Adopt marketing strategies based on product functions and cost-competitive advantages to provide customers with a stable supply.

B. Strengthen the interactive relationship with agents and distributors, continue to penetrate the domestic market, and actively develop handheld devices, PC-related equipment, and information appliance manufacturers in overseas markets to access direct business opportunities.

(2) Production strategies

A. Improve the use of process technology to reduce production costs.

B. Establish a good cooperative relationship with the wafer foundry and back-end packaging and testing outsourcers to ensure that production capacity, product delivery and quality can be achieved, and meet the demand for flexible scheduling.

(3) Product development

Use new generation process technology to develop mainstream products to reduce production costs and enhance product competitiveness.

(4) Human resources

Provide humane management and share operating profits with the employees to attract professional talents to join the management team and stabilize the Company's personnel flow, maintaining the Company's leading position in technology and operations.

2. Long-term plan

(1) Marketing strategy

Maintain revenue sources from proprietary products and design technical services that are functional/cost competitive to ensure the stability of profits.

(2) Production strategies

Ensure the production quality and cycle time of wafer foundry partners, including fabs, packaging and outsourced testing factories

(3) Product development

Continue to develop memory ICs with high integration, high speed, low power and small die size to increase product performance and enhance product competitiveness. Also, use the new generation process technology for the manufacturing of existing products to strengthen cost competitiveness. In addition, in response to industry development and market demand, the company will actively mass produce MCP, analog, analog and digital mixed-signal IC product lines, towards product diversification.

II. Analysis of the market as well as production and marketing situation

(I) Market analysis

(1) Sales region of main products (services)

The Company's current product combination is mainly based on high-speed and high-integration DRAM/FLASH/analog IC income. The product sales regions in the past two years are as follows:

Units: Thousand NTD; %

Geographical Region \ Year		2023		2024		Q1 2025	
		Sales Value	Percentage	Sales Value	Percentage	Sales Value	Percentage
Internal sales		5,258,025	44	5,190,827	38	1,099,795	38
External sales	Asia	6,512,981	55	8,209,282	61	1,782,057	61
	Others	113,115	1	85,059	1	21,083	1
	Sub-total	6,626,096	56	8,294,341	62	1,803,140	62
Total		11,884,121	100	13,485,168	100	2,902,935	100

(2) Market share

The global overall memory market（DRAM） has increased significantly in 2024 compared with 2023, resulting in global market size of US$ 87.5 billion. Based on the Company's 2024 revenue calculation, its share of the global market is approximately 0.47%.

(3) Future market demand and supply status and growth characteristics

The main factor affecting the price trend of DRAM products is the spread between supply and demand. On the supply side, Global production capacity continues to shift toward high-end products such as HBM, while reduced traditional DRAM capacity may support some price stability. However, weak demand remains a key challenge. Due to a slower-than-expected recovery in the consumer electronics market, major memory manufacturers, including Samsung and SK Hynix, are contemplating production cuts to address these changes, including for DRAM products. Reduction strategies vary across different storage product types. The production share of traditional DRAM products like DDR4 is gradually decreasing, and pressure is being faced from production cuts. Meanwhile, advanced DRAM products designed for AI memory needs are maintaining a steady increase in production. Samsung solutions is reducing the output of general-purpose DRAM and NAND storage products to align with declining market demand. Samsung plans to scale back DDR4-centric capacity, redirecting some of that capacity to the production of advanced products such as DDR5, LPDDR5, and HBM. Industry insiders reveal that SK Hynix will lower its DDR4 DRAM chip capacity to 20%, shifting limited capacity toward AI storage products and advanced DRAM products.

In terms of demand, DRAM application products can be divided into three categories: the first category is computers and relevant products, such as desktop computers, notebook computers, workstations, servers, printers, scanners, DVD-ROM, tablet computers and mining machines, etc., the second category is network communication application products, mobile devices, ADSL, router (Switch/Router), Internet of Things, Internet of Vehicles, cloud data center, 5G communication and artificial intelligence (AI), etc., the third category is consumer applications, such as DVD (Blu-ray) players, digital set-top boxes, digital cameras, iPod music players (MP3 Player), game consoles (PS4, XBOX, Wii), LCD (quantum Point) TV and smart voice assistant. On the demand side, The research institution, TrendForce, has revised its 2025 DRAM price outlook from bullish to bearish, primarily due to weak consumer demand and an oversupply of DDR4 memory modules. Increased DDR4 production by Chinese manufacturers has further saturated the market, exerting additional downward pressure on prices. While DDR5 adoption is steadily rising, it has not yet reached the scale needed to offset the oversupply of the previous-generation DDR4 modules. Currently, only AI-related DRAM applications are performing well, while demand for traditional DRAM remains lackluster, with market inventory accumulation further dampening DRAM purchasing interest. In the short term, manufacturers must cautiously address inventory pressure and price volatility. Persistent weak market demand may extend price pressure into the first half of 2025. However, a recovery in consumer electronics demand or increased AI application penetration could serve as a significant driver, potentially improving the supply-demand structure in the second half of 2025.

(4) Competitive niche

A. Core competitiveness of design and R&D

The Company's design and development team has accumulated many years of practical experience, and can effectively control the performance and cycle time of product development, so as to fully access the market opportunities. This is proved by the Company's successful design and development of a variety of market-leading product lines.

B. Long-term procurement of outsourced foundry production capacity

Since the Company's business has grown steadily, it is able to give outsourcing foundries a stable order quantity. At the same time, through product design and technical services, it can still help the fab to use the new generation process to expand the product line and contribute to fab capacity utilization. The establishment of this cooperation model promotes a more stable cooperative relationship between the two parties, which can ensure that the Company's wafers are secured when the OEM production capacity is tight.

C. Competitiveness of cost structure

The Company's operating team, in addition to a strong R&D team, also includes professionals in processing, packaging, and testing. It can assist various professional OEM partners in process improvement and yield improvement, thus establishing a competitive advantage of effectively reduct production cycle and lower product production cost.

D. Good interaction with agency dealers

The R&D capabilities and cost competitiveness cultivated by the Company can launch the products in time as required by the market, and actively integrate with the logic chips represented by the distributors to form a complete turn-key solution to provide to system manufacturers. This will further enhance the value of products/services and establish a long-term and stable mutually beneficial relationship with well-known domestic and international distributors, which will greatly help the sales and promotion of the Company's products.

(5) Advantages, disadvantages and countermeasures of the development prospect:

Favorable factors

A. With the global economic boom gradually recovering, the demand for technology products in emerging markets has become the main growth driver of the global technology industry. It is expected that the demand for technology products in emerging markets will continue to grow in 2025.

B. The rapid development of smartphones, personal computers and workstations in emerging markets, coupled with the rise of multimedia product applications and the rise of the Internet (Internet of Things, Internet of Vehicles, Cloud Data Center, 5G, Artificial Intelligence (AI)). In the long-term, the demand for the memory IC market has shown steady growth.

C. The market demand for products is extensive, including computer peripherals, communications and consumer products, etc. In addition to personal computers/workstations, it is also widely used in multimedia and information appliances, such as digital cameras, high-end graphics cards, DVDs, TVs, mobile phones, printers, Set-top-Box, MP3, game consoles, ADSL, routers, mining machines and smart voice assistants.

D. The domestic semiconductor industry has a good development environment, and the industry's vertical division of labor system is perfect. The main raw material suppliers are located in the Hsinchu Science Park. The industry has a high degree of industry concentration, and it has great advantages in timeliness control and cost control.

E. Strong R&D team, high-quality personnel and extensive experience. Able to lead the design of products with high integration, high speed and cost advantage.

Unfavorable factors and countermeasures

A. Market products change rapidly, and product life cycle is shortened. IC products that meet market and customer needs need to be launched in time.

Countermeasures

Maintain excellent design and R&D capabilities, shorten product development time and production cycle to meet market demand.

B. There are many competitors in memory products and the price fluctuation is fierce.

Countermeasures

a. Actively develop niche products that meet market needs, develop new processes to reduce product costs, and increase the added value of products to enhance the overall competitiveness of products by establishing a good product quality image.
b. Expansion of non-memory product lines such as analog, analog and digital mixed signal integrated circuits, and the development of product diversification to disperse product concentration risks.

C. When the wafer fab's production capacity is insufficient, the increase in wafer prices will affect the profit margin.

Countermeasures

Maintain long-term and stable cooperative relations with wafer foundry manufacturers.

D. Professionals are in short supply and high turnover.

Countermeasures

Focus on the building professional image and the deep penetration of R&D technical ability in order to retain the required talents, and to further attract more professionals to join. At the same time, provide a good working environment, and to encourage employee's centripetal force towards the Company through dividends, employee stock options and a suitable and effective reward system design.

(II) Major usage and production process of the primary products

1. Usage of the main products

Products	Major products	Usage/functions	Product application
Dynamic Random Access Memory (DRAM)	SDRAM, PSRAM, Mobile SDRAM/ DDR1/DDR2/ DDR3/DDR4/ SDRAM Product line	Main memory components of various high-end personal computers and peripheral devices. The main function is data storage during system operation.	Consumer products: DVD-Player, Set-Top-Box, Digital Still Camera, Scanner, VGA Card, HDD and Printer Network products: Cable Modem, ADSL, 5G, AI products
		The memory element used in portable commodity equipment a low-power consumption feature.	Portable device such as mobile phone, PDA and HPC.
		The basic components of various high-end computer display memories. The main function is to store the data of each pixel on the fluorescent screen.	Graphics cards and multimedia video cards, Flat Panel TV (liquid crystal / plasma TV) and high-end Desktop/notebook PC, servers, workstations and computer peripherals, etc.

Products	Major products	Usage/functions	Product application
NOR flash memory		It is a non-volatile memory element that can be read and written at high speed that can be used to write fixed boot programs in computers or electronic devices, called "Code Flash", or it can be used for wireless cell phone control and data access.	Desktop/Notebook PC, server, workstation, and storage and use of boot programs for various computer equipment products; or used to write fixed boot programs for consumer electronic devices (such as DVD DVR, etc.), or it can be used for wireless cell phone control and data access.
MCP products		Integrate memory ICs such as NAND Flash and LP DRAM for data access of handheld related product systems.	Used in mobile communication data card and other mobile communication related product systems.
Audio processing IC (including Class D audio amplifier, A/D & D/A converter, Codec IC, etc.)		It is a mixed-signal IC product, which is the basic component of audio processing/output of various computers or electronic equipment, used for analog/digital conversion and signal amplification processing of various audio. Of that, the Class D audio amplifier has the feature of low-power consumption and high-amplification efficiency because it is a digital amplifier.	It is suitable for audio processing of various electronic products, including audio transmission and amplification output of PC/notebook, TV, mobile phone, MP3, car/home audio.
Power management (Power IC)		It is an analog IC product, which is a key component of power management for various electronic equipment systems.	Suitable for various 3C equipment and optical component system power management applications.
Technical service		Technical services for memory, power management and audio IC product design and development.	

2. Production Process

The Company's integrated circuit manufacturing process is mainly divided into the following stages:

Development and design: After determining product specifications, developing design components and selecting design criteria; designing the chip architecture and layout planning of various circuit items on the chip, and then planning circuit design and layout; making this layout file into a mask .

Wafer manufacturing: Repetitive processes such as photolithography, etching, oxidation, and diffusion are used to design and manufacture the circuit on the mask layer by layer on a silicon wafer.

Packaging test: The wafer needs to be tested by Probe Card to select the chip with normal function and meet the design requirements, and is put into paste, wire bonding and packaging, and then undergoes the final Burn-In and test (Final Test), and then to be packaged and shipped.

(III) Supply of primary raw materials

The Company's main raw material is wafers, which are mainly supplied by well-known semiconductor companies in domestic area and abroad. Good cooperative relationships are being maintained currently.

(IV) Names of customers who have accounted for more than 10% of total purchases (sales) in any of the most recent two financial years, their purchases and sales amounts and proportions, and reasons for changes:

1. Main sales customers

nit: NT$1,000

	2023				2024				Q1 2025			
Item	Name	Amount	Ratio to Net Revenue for the FY (%)	Relationship with the Issuer	Name	Amount	Ratio to Net Revenue for the FY (%)	Relationship with the Issuer	Name	Amount	Ratio to Net Revenue for the FY (%)	Relationship with the Issuer
1	Company A	3,215,734	27	Nil	Company A	2,845,965	21	Nil	Company A	482,816	17	Nil
2	Company B	1,422,720	12	Nil	Company B	1,747,319	13	Nil	Company B	279,854	10	Nil
3	Others	7,245,667	61		Others	8,891,884	66		Others	2,140,265	73	
	Net Revenue	11,884,121	100		Net Revenue	13,485,168	100		Net Revenue	2,902,935	100	

Reasons for Change:

The Company's products are mainly sold through agents, and Company A and B an the Company's main agent. In 2024, the effect of memory companies' production reduction led to a temporary price rebound. However, this was resulting in a short-term demand increase in the memory industry, insufficient to counter weak end-market demand. Consequently, business volumes of various companies fluctuated, with Company A experiencing a sales decrease and Company B sales an increase compared to 2023.

2. Main Purchase Suppliers

Unit: NT$1,000

	2023				2024				Q1 2025			
Item	Name	Amount	Ratio to Net Revenue for the FY (%)	Relationship with the Issuer	Name	Amount	Ratio to Net Revenue for the FY (%)	Relationship with the Issuer	Name	Amount	Ratio to Net Revenue for the FY (%)	Relationship with the Issuer
1	Company A	4,082,772	43	Nil	Company A	5,823,889	46	Nil	Company A	1,317,955	46	Nil
2	Company B	1,692,316	18	Nil	Company B	1,338,731	11	Nil	Company B	397,297	14	Nil
4	Others	3,721,066	39		Others	5,378,266	43		Others	1,165,286	40	
	Net Purchase	9,496,154	100		Net Purchase	12,540,886	100		Net Purchase	2,880,538	100	

Reasons for Change:

The Company is a professional IC design company. The main cost structure in the production process is wafer raw materials and outsourced processing fees, while wafer selling prices and outsourced processing fees are closely linked to the semiconductor business cycle. In 2024, the effect of memory companies' production reduction caused a temporary price rebound. However, this was outweighed by weak end-market demand, leading to a short-term demand increase in the memory industry. The average wafer unit price and outsourced processing fees saw a slight increase. However, the Company has signed a capacity reservation agreement with the suppliers to purchase wafers at the agreed period and quantity, so the value and proportion of major purchasers in 2024 have changed compared with 2023.

III. Employee information for the most recent two financial years and up to the date of publication of the Annual Report

Year		2023	2024	Until March 31, 2025
No. of employees	Management Personnel	156	161	164
	R&D Technicians	446	477	470
	Operators	—	—	—
	Total	602	638	634
Average Age		41.85	41.90	41.99
Average Year of Service		9.79	9.84	9.93
Academic Distribution Ratio	PhD	1.3%	1.3%	1.3%
	Master	58.1%	57.9%	57.7%
	University	38.8%	38.9%	39.1%
	High school	1.8%	1.9%	1.9%
	Below high school	—	—	—

IV. Disbursements for Environmental Protection

(I) The company's 2024 years and as of the date of publication, there has been no penalty arising from environmental pollution or any disciplinary authority.

(II) Countermeasures for environmental protection in the future:

The Company has always upheld the spirit of the ISO 14001 environmental management system and is committed to complying with international advanced environmental standards. It is committed to providing and maintaining a working environment that is compliant with laws and regulations and at the same time which is an industrial and practical working environment. The Company also continuously improves in its attempt to eliminate the risk of any predictable causes of environmental pollution. Through the preventive measures of process optimization, the Company will continue to improve in the reduction of the emission of hydropower substances and pollutants, and strive to implement the concept of designing for the environment, and become a sustainably developed green enterprise. In order to implement the effectiveness of environmental management, the Company plans to establish the ISO 14001 environmental management system in 2007, and the verification and certificate were obtained in January 2008. The Company's latest ISO 14001 certificate is valid from February 19, 2023, to February 18, 2026.

(III) Environmental protection policy and improvement plan

(1) Environmental Targets and Quantitative Management Indicators

After the Company introduced the ISO-14001 environmental management system and continued to implement a number of energy-saving and carbon reduction measures, it has achieved significant performance so far; based on the management principle of continuous improvement, the Company set relevant quantitative management goals for improvement, and with a view to making further contributions to protecting the global environment, as explained below:

A. Quantitative management objectives for greenhouse gas reduction, water resources management and waste management:

1. Greenhouse gas reduction

   The Company's quantitative management goals for greenhouse gas reduction are as follows: The per capita greenhouse gas emission decreases by 4% in 2025 compared with 2019.

2. Water resources management

   In response to climate change, stable water supply has become a global issue. To fulfill its social responsibilities and respond to global water shortage issues, the company has set quantitative goals for water resources management as follows: By 2025, the overall per capita water consumption will be reduced by 2% compared with 2019, with a view to taking concrete actions to face the challenges of climate change with global corporates.

3. Waste reduction

   The Company's goal of quantitative management of waste reduction: The personal output of waste in 2025 will be 2% lower than that in 2019.

4. The waste recycling rate is 60%, continuing to promote a circular economy that doubles recovery value.

B. Measures to achieve goals:

1. Greenhouse Gas Reduction
   - Evaluation of public area lighting system to be replaced by LED lights
   - The air-conditioning temperature of the office area is set at 26 ~ 28°C.
   - Turn off non-essential lighting during meals and breaks.
   - Promote a paperless policy and import electronic forms to reduce paper consumption.
   - Use environmentally friendly tableware for dining and encourage employees to bring their own tableware to reduce the use of disposable tableware.
   - Use green products and select equipment and appliances with energy-saving labels.
   - Encourage employees to use stairs instead of elevators and oficial crpooling.
   - Promote the inventory and replacement plan of major energy-consuming equipment.
   - Evaluate and plan the establishment of green energy, and purchase and use renewable energy (certificates).

2. Water Resource Management

   A、Management Systems and System Implementation
   - Water resource risk management
   - Management of rainwater collection, storage, and reuse
   - Water quality, quantity monitoring, and spill prevention mechanisms
   - Improving water resource usage efficiency for water-consuming equipment

   B. Introduction of New Equipment
   - Introduction of water-saving equipment
   - Monitoring water resource data

3. Waste Management

- Implement a resource recycling classification mechanism and resource recycling rate targets.
- Enhancing resource recycling value
- Promote employee waste reduction.
- Comply with the relevant provisions of environmental regulations and implement environmental policies.

(2) Climate change assessment and countermeasures

The United Nations Intergovernmental Panel on Climate Change (IPCC) pointed out that global warming will exceed 1.5°C in 2040 at the earliest. Climate change has become an issue that should not be ignored.

ESMT is of the view that climate change is becoming more and more serious, and there is a high degree of correlation between product production and the supply chain of related industries. In order to continue to strengthen the Company's ability to respond to and combat climate change, the Company will disclose detailed environmental and climate-related measures in an appropriate manner, and disclose the risks and opportunities brought by the climate to the Company's operations with reference to the Task Force on Climate-related Financial Disclosures (TCFD). From the four major aspects of governance, strategy, risk management, and indicators and objectives, the Company will strengthen its governance of climate change in response to the expectations of external stakeholders about the Company's management of climate change.

<table>
<tr><th></th><th>Risk Item</th><th>Description</th><th>Response measures</th></tr>
<tr><td rowspan="7">Climate related risks</td><td rowspan="2">Energy price increase</td><td rowspan="2">In response to the greenhouse gas reduction requirements, the pressure to increase energy prices and the efficiency of related equipment used has led to an increase in energy costs.</td><td>Promote workplace energy saving and carbon reduction measures</td></tr>
<tr><td>Set annual power saving goals</td></tr>
<tr><td rowspan="3">Stricter fuel/energy/environmental regulations</td><td rowspan="3">Increase in operating and manufacturing costs, related fines, litigation cases, and policy changes led to asset impairment</td><td>Continue to monitor and identify the impact of changes in regulations</td></tr>
<tr><td>Communicate with industry association and participate in government regulations courses</td></tr>
<tr><td>Strengthen awareness on laws and regulations and training</td></tr>
<tr><td rowspan="2">Increase in frequency of extreme climate events</td><td rowspan="2">Extreme weather events will cause loss of property and equipment, and may even cause business interruption</td><td>Improve the recovery time of the operation-related support system and shorten the recovery time to normal business operation</td></tr>
<tr><td>Implement a mechanism for handling major abnormal events</td></tr>
</table>

			Continuously supervise suppliers to carry out plans and drills for extreme climate events
			Assess and build backup equipment
Climate-related opportunities	Market transformation/ technology development	Develop low-carbon products, encourage suppliers to use low-carbon technology processes, and increase access to relevant markets	Evaluation and development of low-carbon products and markets
			Encourage existing suppliers to use low-carbon technology processes, and prioritize suppliers using low-carbon technology processes

(IV) Information on the implementation of RoHS (Limiting Hazardous Substances in Electronic Motor Equipment) in the EU is as follows:

(1) The Company's management measures

1.Process changes are subject to EU RoHS and customer green production specifications.

2.Notify suppliers of environmentally friendly green production practices and request relevant supporting documentation.

3. Audit suppliers casually and coach them to establish a green supply chain.

(2)The Company's products comply with the RoHS specifications related to the restrictions on the use of hazardous substances, so does not affect the company's products market sales.

(V) Water consumption and the total weight of waste in the past two years

As of 2024, in addition to setting greenhouse gas reduction targets, ESMT has incorporated water resource usage and waste discharge conditions into consideration and established reduction targets, specifically for per capita water usage and per capita waste production. After combining the water usage and total waste weight from the past two years, the information is as follows.

1.Annual Water Consumption Unit (M^3)

Year	Water Consumption(Note)	Water consumption per capita (degrees)	%
2023	20,894	37.65	1.93
2024	22,182	38.11	6.16

Note: Third-party water with drawal (tap water) (Data Scope: Hsinchu Science Park)

2. Annual waste disposal statistics Unit (metric tons)

Category / Year	Hazardous Industrial Waste	General Industrial Waste	Waste disposal volume	Per Capita waste Generation (Kg)
	IC Waste	General Waste		
2023	0.43	17.80	18.23	33.08
2024	0.46	16.36	16.82	29.20
Processing method	Commissioned Clearance (Recycling)	Commissioned Disposal (Incineration)		

(Data Scope: Hsinchu Science Park)

V. Labor Relations

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

(1) Employee welfare policy

The Company provides a friendly and supportive working environment, allowing employees to achieve balance and harmony between work, family and life.

Measures and benefits related to work-life balance:

1.Work:

a. Flexible working hours and two days off a week that allow employees to arrange working hours flexibly to take care of their family or health.
b. Provide employees with flexible annual leave and hours better than those stipulated by the Labor Standards Act.
c. Provide employees with festival and birthday giftcard and festival bonuses.
d. Organize the year-end party and give senior colleagues awards and bonuses to encourage them.
e. In addition to labor (retirement) insurance and national health insurance, we also provide group insurance and insurance coverage for travel safety, accidents, and medical emergencies during business trips for our employees.
f. Provide meal subsidies for employees who have meals during work hours.

2.Family:

a. Friendly maternity protection measures including setting up breastfeeding rooms in our health center and providing breastfeeding breaks that exceed the legally required hours.
b. Arrange one-on-one consultation with on-site physicians for employees after pregnancy and childbirth.
c. We provide various subsidies for employees, such as for marriage, funeral, illness, and childbirth subsidies.
d. We provide childcare subsidies for employees with children aged 0 to 6 years old.
e. Assist in the evaluation of special nursery centers, kindergartens and provide health education information related to childcare.
f. Handle parent-child communication and other related courses and lectures.
g. Organize activities such as parent-child travel for employees and their families to provide opportunities for communication and interaction between parents and children.
h. Provide group insurance for employees and their families, and provide professional on-site services and consultation.

3. Health:

a. Staff assistance programs and health promotion activities provide employees with physical and mental health and safety
b. Provide regular labor health checks that are better than that required by regulations.
c. We provide preventive medical checkups for middle-aged and senior employees.
d. Established a health center to provide staff health management, health check-up education and consultation, and care for specific individuals and arrange health consultations with on-site physicians.
e. We have an on-site doctor who provides health consultation and workplace suitability advice.
f. Established fitness centers, basketball courts, badminton courts, aerobics classrooms and other sports fitness and leisure spaces to encourage employees to

maintain a healthy body.

g. The Employee Welfare Committee regularly handles various national and international travel, birthday celebrations and afternoon tea activities to adjust the physical and mental health of employees, strengthen employee communication and mutual interaction and connection.

h. Organize self-growth and stress relief related courses and lectures.

i. We have an employee cafeteria that offers a variety of options including buffet, noodles, or light meals and other diverse options, as well as calorie information.

(2) Continuous education, training and the implementation thereof

Depending on the needs of each employee's job capacity, future personal development, and the requirement of the Company's operational expansion, the Company formulates individual refresher training programs, and each department regularly formulates and implements its annual training plans every year.

(3) Retirement System

In December 1998, the Company set up a special account for labor pension preparation in the Central Trust Bureau, which was allocated at 2% of the total monthly salary. The standard and method of payment of the pension application shall be handled in accordance with the provisions of the Labour Standards Act. Since 1999 and in accordance with the Pension Bulletin No. 18, a qualified actuary is hired to conduct actuarial pension assessment. In addition, the Company has solicited the wishes of employees, and since July 1, 2005, according to the regulations of the new labor pension regulations, a retirement fund has been allocated to each employee ’s pension account. Regarding the handling of employee retirement-related matters, it is understood to be handled in accordance with relevant regulations.

(4) Agreements between the employer and employees

The Company has set up labor management meetings in accordance with relevant laws and regulations to negotiate labor management issues through regular discussions. At the same time, through the operation of the employee welfare committee, the Company and the welfare committee cooperated to promote the improvement of employee welfare. In addition, the Company values humane management and recognizes the coexistence and co-prosperity of labor capital as a whole. Therefore, the two-way coordination and communication are adopted in the communication of labor and management issues, so that both parties can understand each other better to achieve the same goals.

(5) Measures to protect employees' rights and interests:

The Company handles all employee rights and welfare measures in accordance with the relevant laws and regulations to fulfill its maintenance responsibilities, and should be able to reasonably and fully protect employees' rights and interests.

(6) Work environment and protection for the physical safety of workers:

The Company spares no effort in workplace safety and health, and will continue to work on the safety and health prevention in the future, to prevent the injury of the workplace and the personal safety of employees through continuous improvement. The Company's occupational safety and health implementation results are as follows:

1. Labor Operating Environment Monitoring

To understand the actual condition of the working environment in the labor workplace and assess the worker's exposure to the working environment, for which the Company conducts planning, sampling, measurement and analysis accordingly. To protect workers from harmful substances in the workplace and provide workers with a healthy and comfortable working environment, regular environmental monitoring is carried out every year to gradually understand the actual degree of hazards the workers are exposed to, thereby improving the on-site environment and preventing occupational disasters.

Table - Work Safety Performance

Workplace safety inspection	
Workspace safety inspection	Daily inspection
Management by walking around	First level supervisor once a quarter
Work safety inspection in construction site	Conducted casually as needed

2. Labor Safety and Health Committee

To prevent occupational disasters and ensure the safety and health of employees, ESMT has an internal occupational safety and health committee. It holds regular meetings every quarter to discuss labor safety and health related matters and promote various labor safety and health related businesses.

3. Personnel Safety and Health Training

Through education and training ESMT enables employees and contractors to understand environmental, safety and health regulations, policies and the Company's environmental, safety and health commitments, emergency contingency plans and safety and risk management of in-hous construction, enhances the Company's awareness on environmental impact, safety and health risks, to fulfill environmental, safety and health goals and comply with environmental, safety and health.

Table - Work Safety Education Training and Promotion

Year	Training participants	Average training man hour
2023	347	688
2024	664	2,679

Table - Professional Work Safety Management Personnel

Work safety personnel with professional license	
Type A Occupational Safety and Health Manager	1
Occupational Safety Manager	1
Occupational Safety and Health Manager	1
Operators of Forklift Over 1 Ton	9
Oxygen-Deficient Operations Supervisor	1
High-pressure Gas-specific Equipment Operators	1
Organic solvent safety supervisor	2
Radiation Safety Certificate for Operator	3
First Aid Personnel	12
Healthcare Personnel for Labor Health Services	1

4. Statistics of Disability due to Occupational Disasters

ESMT is committed to providing colleagues with a safe working environment. For accidents, the parties or surrounding personnel will notify the supervisor and the work safety personnel or nursing staff administrative department as soon as possible, and they will provide assistance.

According to the Occupational Accident and Disability Certification of the Occupational Safety and Health Administration of the Ministry of Labor, traffic accidents beyond the Company are excluded. For occasion traffic contingency, ESMT held quarterly to explain the occurrence of the incident and the new personnel occupational safety and health course to conduct case publicity to prevent similar accidents from happening again through the occupational safety and health committee.

The Company adopts disaster prevention and hazard control as core principles, using appropriate management tools, mature technology, and available resources to integrate occupational safety and health issues within operational sites. We implement effective countermeasures and continuously improve occupational safety culture while strengthening protective management for operating personnel and investing resources to enhance occupational disease prevention, creating a zero-disaster environment. We have also established quantitative indicators, expanding occupational safety and health activities to products and related services to improve occupational safety and health performance and effectively control risks. The disability injury frequency rates for 2024 and 2023 were both 0, with 0 occupational accidents and 0 fire incidents. Supervisors provide daily care and attention to colleagues' physical and mental conditions to ensure their safety during work hours.

Table - Company's Work Safety Performance in the Past Two Years - Statistics of Employee Disability Injury

Year	Fatal accident	Disability accident
2023	Male: 0 Female: 0	Male: 0 Female: 0
2024	Male: 0 Female: 0	Male: 0 Female: 0

5. Measures for the Prevention and Management of Diseases Caused by Abnormal Workload

ESMT is a professional IC design company with a simple office environment. According to the provisions of Article 6 of the Occupational Safety and Health Act, to ensure the work safety of employees and their physical and mental health, employers should avoid overwork diseases caused by shifts, night work, long hours or other workload factors. "Only a safe and healthy workforce can ensure the competitiveness of the Company"; ESMT has established the "Measures for the Prevention and Management of Diseases Promoted by Abnormal Workloads" and adopted disease prevention measures and related management to ensure the physical and mental health of employees and prevent employees from causing diseases due to abnormal workloads. Nursing staff regularly evaluates and interviews with specialist doctors in the occupational medicine department, and makes follow-up recommendations and measures based on the interview records of physicians.

(II) Specify losses arising from labor disputes in the most recent year up to the publication date of this Annual Report, and disclose potential losses in the current and future periods as well as and countermeasures:

To uphold the belief of perfect care for the employees, the Company has a vacation and retirement system, and also a variety of welfare measures. Therefore, employees have a high degree of centripetal force to the Company. A harmonious relationship between labor and management is maintained, and thus, there was no loss arising from by labor disputes.

VI.Information Security Management

(1)Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.

1. Information Security Management Framework

The Information Technology Department is responsible for information security and formulating and implementing information security policies. Every three months, the information security implementation plan and implementation status are reported to the management to ensure the continuous and effective operation of the internal security management mechanism.

The Internal Audit Department is the audit unit of the information technology. If the audit discovers any discrepancies, the department shall require the audited unit to propose relevant improvement plans and regularly track the improvement results to reduce internal security risks.

The organization's operation mode adopts PDCA (Plan-Do-Check-Act) circular management to build a complete security management system to effectively prevent the occurrence of information security incidents, ensure the achievement of information security goals, and continue to optimize and improve.

2. Information Security Policy

This policy is to protect the security of all information assets of Elite Semiconductor Microelectronics Technology Inc., and to prevent internal or external, intentional or accidental threats and destruction that may result in business failure or information tampering, fetching or damage, so as to fulfill our goal of sustainability operation.

i. Definition of Information Security

Protect the Company's information and information systems from unauthorized entry, use, disclosure, destruction, modification, inspection, recording and destruction, and maintain the availability of existing information systems.

ii. Information Security Objective

a. Ensure the confidentiality of business-related information and protect company confidentiality.

b. Ensure the integrity and availability of business-related information.

c. Improve Information Security Protection Capabilities.

iii. Scope of Information Security

This policy applies to various information systems within the Company, internal colleagues, and vendors and third-party personnel who have access to business information or provide services.

3. Information Security Management Solution

The Company has invested in hardware equipment electronic insurance for business assets, such as information systems, network equipment and other information equipment, and avoids equipment being stolen or malicious damage through security monitoring operations. In view of the fact that information security is an emerging type of insurance, considering the comprehensive effect of topics such as insurance coverage, claims coverage, claims identification, and qualifications of identification institutions, the Company will not purchase information security insurance for the time being after evaluation. However, in response to the challenges faced by information security, such as APT advanced persistent attacks, DDos attacks, ransomware, social engineering, and stolen funds and other security issues, the following strategies have been adopted: keep track of the changes in the information environment in accordance with the Company 's information security policy, and develop information security protection mechanisms and solutions with reference to technical information. Join ISAC to obtain the latest attack information and take appropriate defensive countermeasures. Conduct regular safety inspections, information security and health consultations, social security and information security drills, strengthen the Company 's colleagues' awareness on security crisis and information security personnel responsiveness, in order to prevent in advance and effectively identify and prevent proliferation immediately.

The Company has employed corresponding employees responsible for information security according to the Regulations Governing Establishment of Internal Control Systems by Public Companies stipulated by the Financial Supervisory Commission, including dedicated information security managers and personnel. The information security management project above has been integrated to maximize its synergy and to continue increasing investment in information security. ◦

4. Information Security Management Measures, including:

Information Security Management Measures		
Type	Description	Relevant Operation
Authority management	Management measures for personnel account, authority management and system operation behavior	● Personnel account permission management and review ● Periodic check of personnel account permissions
Access control	Control measures for personnel to access internal and external systems and data transmission channels	● Internal/external access control measures ● Confidential information leakage control ● Operation behavior track record
External threat	Potential internal weaknesses, poisoning pipelines and protective measures	● Host/computer weakness protection and update measures ● Virus protection and malware detection ● Network threat monitoring
System availability	System availability and measures to deal with service interruption	● System/network availability monitoring and notification mechanism ● Contingency measures for service interruption ● Information backup measures, local/offsite backup mechanism ● Regular disaster recovery drills

5. Statistics on the Implementation of Information Security Management

The resources invested in and the effectiveness of information security management in 2024 are summarized in the table below:

Category	Indicator	Statistics
Customer Trust	Number of Major Cybersecurity Incidents	0 times
	Customer Personal Data Breach Complaints	0 cases
Cybersecurity Education	Completion Rate of Cybersecurity Awareness Training for New Employees	100%
	Social Engineering (Phishing Prevention Testing) Training (Participants)	500
Safety Promotion	Annual Cybersecurity Announcement Production Quantity	≥ 1 copy
	Communication of Cybersecurity Standards and Key Considerations	Completed
Designated Personnel	Full-Time Cybersecurity Officer Allocation	1 person
	Dedicated Cybersecurity Personnel Allocation	1 person
	Cybersecurity Planning, Technology Implementation, and Audit Operations Execution	Completed
Cybersecurity Budget	Annual Cybersecurity Budget (NT$ thousands)	2,900

(2) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided :None.

VII. Important Contracts

Nature of Contract	Counterparty	Term	Main Content	Restrictions
Lease Contract	Science Park Bureau	January 1, 2021 to December 31, 2040	Land Lease	Nil
Lease Contract	Science Park Bureau	January 1, 2021 to December 31, 2040	Land Lease	Nil
Lease Contract	Science Park Bureau	August 1, 2019 to December 31, 2033	Land Lease	Nil
Long-term Guaranteed Loans	Chang Hwa Commercial Bank Ltd	October 7, 2022 to October 7, 2037	Long-term Loans	Collateral: Land and Plant
Medium-term loan	Far Eastern International Bank.	August 19, 2024 to August 19, 2027	Medium-term loan	Nil
Long-term Loans	Taishin International Bank Co., Ltd. and Taipei Fubon Commercial Bank Co., Ltd. appointed as lead arrangers (hereinafter referred to as “Lead Arrangers”) to organize a syndicated banking group.	Signing date: January 15, 2025	Long-term Loans	Nil

Review and Analysis of Financial Position and Financial Performance, and Risk Assessment

I. Financial Position

Major reasons for changes in assets, liabilities, and shareholders' equity, as well as related effects in the most recent two fiscal years. If such effects are material, response measures should be elaborated:

Comparative Analysis of Financial Position

Unit: NT$1,000

Item \ Year	2024	2023	Difference	
			Amount	%
Current assets	14,882,136	13,552,324	1,329,812	9.81
Financial assets at fair value through comprehensive other income - non-current	67,742	22,920	44,822	195.56
Investments accounted for using equity method	144,615	135,110	9,505	7.04
Property, plant and equipment	1,834,088	1,957,077	(122,989)	(6.28)
Right-of-use assets	108,141	75,942	32,199	42.40
Investment property-net	13,822	14,791	(969)	(6.55)
Intangible assets	162,049	117,255	44,794	38.20
Other assets	459,072	2,221,791	(1,762,719)	(79.34)
Total assets	17,671,665	18,097,210	(425,545)	(2.35)
Current liabilities	5,041,643	6,181,882	(1,140,239)	(18.44)
Non-current liabilities	2,342,545	1,995,236	347,309	17.41
Total liabilities	7,384,188	8,177,118	(792,930)	(9.70)
Equity attributable to owners of the parent	10,386,081	10,021,738	364,343	3.64
Share capital	2,861,722	2,861,711	11	0.00
Capital surplus	503,985	487,274	16,711	3.43
Retained earnings	7,188,211	6,853,601	334,610	4.88
Other equity interest	(27,776)	(36,380)	8,604	(23.65)
Treasury shares	(140,061)	(144,468)	4,407	(3.05)
Non-controlling interests	(98,604)	(101,646)	3,042	(2.99)
Total equity	10,287,477	9,920,092	367,385	3.70

Explanation:

1. Financial assets at fair value through other comprehensive income - non-current: Primarily due to the new investment in StorArt Technology Co., Ltd.
2. Right-of-use assets: Primarily due to the new lease of the office building (6F-8F) from Syntec.
3. Intangible assets: Mainly due to the increase in software purchases.
4. Other Assets: This primarily consists of the guarantee deposits portion. The Group has entered into capacity reservation agreements with suppliers, and according to the terms of these agreements, in paying such a deposit, the Group commits to purchasing wafer capacity in accordance with the agreed-upon period and quantity, and the suppliers will then provide the agreed capacity. Our actual wafer production has met the stipulated requirements, and we have fully recovered the deposits.
5. Other equity: Primarily due to the increased exchange gains from the translation of financial statements of foreign operating entities.
6. Future response plans for items with a significant impact: As mentioned in points 1 to 5 above, the reasons for the differences do not have a significant impact on the Company.

II. Financial Performance

The main reasons for the significant changes in operating revenue, operating profit(loss) and profit before income tax for the most recent two financial years, and the expected sales volume and its basis, and the possible impact on the Company's financial operations, and the response plans thereof:

Comparative Analysis of Financial Performance

Unit: NT$1,000

Item	2024	2023	Increased (Decreased) Amount	Percentage Change
Operating revenue	13,485,168	11,884,121	1,601,047	13.47
Gross profit	1,632,619	324,741	1,307,878	402.74
Operating profit (loss)	(394,891)	(1,638,552)	1,243,661	(75.90)
Non-operating income and expenses	925,738	410,291	515,447	125.63
Profit(loss) before income tax	530,847	(1,228,261)	1,759,108	(143.22)
Profit (loss) from continuing operations in the current period	504,639	(1,208,961)	1,713,600	(141.74)
Loss from discontinued operations	-	-	-	-
Profit (loss) for the period	504,639	(1,208,961)	1,713,600	(141.74)
Other comprehensive income (net after tax) for the period	9,802	10,031	(229)	(2.28)
Total comprehensive income(loss) for the period	514,441	(1,198,930)	1,713,371	(142.91)
Profit (loss) attributable to owners of the parent	505,115	(1,222,845)	1,727,960	(141.31)
Total comprehensive income(loss) attributable to owners of the parent	514,917	(1,212,814)	1,727,731	(142.46)

Explanation:

1. Operating revenue and gross profit:Please refer to the table (analysis table for the change of gross profit) below for a detailed explanation.
2. Operating profit (loss):Primarily due to the company’s niche memory industry in 2024 being affected by global economic consumption weakness, interest rate hike pressures, and geopolitical influences, resulting in a sustained economic downturn. Although the three major memory companies experienced a temporary price rebound due to production cuts, and the Company benefited from the temporary price rebound and effective cost control. As a result, the Company's operating profit increased significantly compared with the previous year.
3. Non-operating income and expenses: Primarily due to the gain on reversal of oneous contracts and an increase in net foreign currency exchange gains.
4. Profit(loss) before income tax: Considering the impact of the 1 to 3 aforementioned factors, the profit(loss) before income tax increased by approximately 143.22%.
5. Total comprehensive income (loss) and net profit for the current period(loss) attributable to the owners of the parent company and the total comprehensive income (loss) attributable to the owners of the parent:Primarily due to the company’s niche memory industry in 2024 being affected by global economic consumption weakness, interest rate hike pressures, and geopolitical influences, resulting in a sustained economic downturn. Although the three major memory companies experienced a temporary price rebound due to production cuts, and the Company benefited from the temporary price rebound and effective cost control. As a result, the Company's profits increased significantly compared with the previous year.
6. Expected sales quantity and its basis, and its possible impact on the Company's future financial operations and corresponding plans: For the former, please see page 2, "Expected Sales Quantity and Its Basis." For the latter, please refer to page 3, "Future Company Development Strategy."

Analysis table for the change of gross profit

Unit: NT$1,000

Product Type	The variable of the most recent 2 fiscal years	Price difference	Cost price difference	Sales mix difference	Quantity difference
Integrated circuit	1,307,878	1,196,105	(32,955)	593,183	(514,365)
Total	1,307,878	1,196,105	(32,955)	593,183	(514,365)
Description:Primarily due to the company's niche memory industry in 2024 being affected by global economic consumption weakness, interest rate hike pressures, and geopolitical influences, resulting in a sustained economic downturn. Although the three major memory companies experienced a temporary price rebound due to production cuts, and the Company benefited from the temporary price rebound and effective cost control. As a result, the company's operating revenue and profits increased compared with 2023.					

III. Cash flow

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

Unit: NT$1,000

Cash at beginning balance of the period	Net cash flow from operating activities of the year	Cash outflow of the year	Cash Balance (Deficit)	Remedial measures for cash deficit	
				Investment plan	Financial plan
4,520,314	109,533	(144,828)	4,485,019	－	－

(II) Liquidity analysis for the most recent fiscal year

Year / Item	2024	2023	Percentage Increase (Decrease)
Cash Flow Ratio (%)	2.17	3.02	(28.15%)
Cash flow Adequacy Ratio (%)	44.48	63.07	(29.48%)
Cash Reinvestment Ratio (%)	-	-	-

Description:

1. The decrease in the cash flow ratio is primarily due to weak demand for end products, resulting in increased inventory levels and a reduction in cash inflows from operating activities.
2. The decrease in the cash flow adequacy ratio is primarily due to weak demand for end products this year, leading to an increase in inventory value.

(III) Analysis of the cash liquidity for the coming year:

Unit: NT$1,000

Cash at beginning balance of the period	Net cash flow from operating activities of the year	Cash outflow of the year	Cash Balance (deficit)	Remedial measures for cash deficit	
				Investment plan	Financial plan
4,485,019	324,688	(386,172)	4,423,535	—	—

1: Analysis of cash flow change in 2025:
(1) Operating activities: Due to the expected recovery in business conditions, net cash flow from operating activities is net inflow this year.
(2) Investment activities: Mainly due to the increase in new investment and to purchase R&D equipment and mask which is needed by new products.
(3) Financing activities: Mainly, due to the issuance of cash dividends.

2. Remedial measures for cash deficit and liquidity analysis: None.

IV. The Impact of Material Capital Expenditures in fiscal Operations during the Most Recent Fiscal Year: none

V. Reinvestment Policy for the Most Recent Fiscal Year, the Main Reasons for the Profits or Losses, Improvement Plans and the Investment Plans for the Coming Year: None.

VI. Analysis and the Evaluation of Risk Management

(I) The impact of interest rate, exchange rate fluctuations and inflation on corporate profits and losses and future countermeasures:

(1) Impact on the Company's profit/loss:
The following table details the impact of fluctuations in interest rates and exchange rates on the Company's profit and loss:

Unit: NT$1,000

Item	2024	2023
Net bank interest income or expense	66,550	93,133
Exchange Gain (Loss)	349,089	12,043

In terms of inflation, with the increase in oil prices and the recovery of natural resource prices, the global economy is facing high inflation, which will inevitably affect the cost of purchasing raw materials needed for production. However, the production of the Company is outsourced, and the cost of raw materials and processing costs are mainly determined by the capacity allocation of outsourced processing plants based on the business cycle and market supply and demand. Therefore, it is expected that inflation will have a limited impact on the Company's profit and loss.

(2) Future countermeasures:

1. Fluctuation of interest rates
The Company maintains close contact with banks and pays attention to changes in the market in order to obtain more favorable borrowing rates from banks. Major capital expenditure will raise funds by issuing corporate bonds to obtain lower capital costs.

2. Fluctuation of exchange rates

The Company's products are mainly priced in US dollars. Recently, the exchange rate of the New Taiwan dollar against the US dollar has fluctuated volatilely, resulting in gain on exchange. In view of this, the Company will strengthen its ability to manage foreign exchange risks. In addition to continuously collecting exchange rate information and fully grasping the exchange rate trends, the bank will be invited to provide professional advice and suggestions to decide when to convert the New Taiwan dollar or keep it in the foreign exchange account. In addition, in terms of the management of foreign exchange positions, funds are dispatched and used to meet foreign exchange expenditures with own foreign exchange income to effectively reduce exchange risk.

3. Inflation

The Company established a good cooperative relationship with the wafer foundry and back-end packaging and testing plants to ensure that the production capacity can be obtained and obtain stable processing prices, and through the provision of technical services for product design, actively develop cooperation with other domestic and foreign foundries. Besides, the Company obtained more diversified resources of wafer foundry manufacturers, thereby reducing the impact of inflation.

(II) Policies of engaging in high-risk, high-leverage investments, loans to others, providing endorsements/guarantees and derivatives transactions, main reasons for the profits and losses generated thereby and future countermeasures to be undertaken:

The Company has not engaged in high-risk, high-leveraged investment and derivative financial commodity transactions in the most recent fiscal year and up to the date of publication of the prospectus. The object of loan and endorsement guarantee of funds is limited to the subsidiaries, and it is handled in accordance with the provisions of the "Operational Procedures for Loaning Funds to Others" and "Procedures of Provision of Endorsements/Guarantees". As of the date of publication of the public statement in 2023 and 2024 of the Company, there was no loan or endorsement guarantees to others.

(III) Future R&D plans and expected investments in R&D:

(1) The products operated by the Company are in highly changing industries. Therefore, it is necessary to catch on market opportunities, launch new products, and develop new processes to reduce costs.

(2) The competitiveness of the Company is sustained by its research and development capabilities. The Company will continue to invest in research and development expenditures, and continue to recruit and train outstanding talents to achieve this goal and create a good business performance for the Company.

(3) Expected investments in R&D projects

Main R&D projects / new products	Key success factors for R&D projects
xMB SDRAM 2Xnm product development project	Existing experience in SDRAM technology
xMB DDR2 SDRAM 2Xnm product development project	Existing experience in DDR SDRAM technology
xGB DDR3 SDRAM 2Xnm product development project	Existing experience in DDR2 SDRAM technology
xGB DDR4 SDRAM 2Xnm product development project	Existing experience in DDR3 SDRAM technology
xMB NOR FLASH 5Xnm product development project	Existing experience in NOR Flash technology

xGB NAND FLASH 2Xnm product development project	Existing experience in NAND Flash technology
Power IC, analog IC product development project	Existing experience in Power IC, analog IC technology
Development of new products	Strong R&D performance and experience

The estimated R&D expenditure for 2025 is approximately NT$ 1.4 billion.

(IV) The impact of changes in important domestic and foreign policies and laws adopted on the Company's financial operations, and the countermeasures thereof:

(1) The Company's management team has been paying close attention to any policies and laws that may affect the Company's finances and business. In addition, the Company has also cooperated with professional institutions to continue to pay close attention to the development of relevant laws and regulations and to adjust immediately to meet the needs of operations.

(2) Countermeasures

The Company's current operations are in compliance with the relevant existing laws and regulations of domestic and foreign reinvestment countries. The management team will also continue to pay close attention to any changes in policies and laws that may affect the Company's finances and business, as a reference for operations. In addition, the Company also cooperates with professional organizations to pays close attention to the development of relevant laws and regulations, and immediately adjusts its strategy to meet the needs of operations. Therefore, the Company can timely manage and respond to important domestic and foreign policy and legal changes.

(V) Impact of technological (Including information security risks)and industrial changes on the Company’s finances and business, and the countermeasures:

(1) Impact on the Company's finance and business due to technological and industrial changes

The company is one of the leading manufacturers in its industry. Technology R&D and innovation are the indispensable elements of the Company's operations, and it is also the Company's main competitive niche. Therefore, technological changes have a positive effect on the Company's financials. As internal and external cybersecurity threats become increasingly severe, the company's information is a crucial asset for maintaining competitiveness. Our Company continues to invest in information security-related products to protect the confidentiality, integrity, and availability of company information and to enhance the resilience of our information systems.

(2) Countermeasures

The Company will continue to strengthen its research and development capabilities, pay attention to domestic and foreign technology and market development directions at all times, and strengthen cash flow management and maintain a stable financial structure in order to diversify operating risks in response to the Company's operational needs. In order to enhance the information system, the Company will invest in various aspects of information and communication security products to avoid any impact or influence on the Company.

(VI) The impacts of the change of corporate image on the enterprise crisis management, and the countermeasures:

The Company focuses on its business operation and has achieved outstanding performance, and it is committed to distributing the business results back to the shareholders. The corporate image has always been good, and the Company publishes all messages through a spokesperson or deputy spokesperson, who can provide timely explanations in regards to reports and news that could affect the Company's image, so there is no threat to the corporate image. In the future, while pursuing the maximization of shareholders’ interests, the Company will continue to fulfill its corporate social responsibilities and improve the corporate image.

(VII) The expected benefits, possible risks and the countermeasures associated with in mergers and acquisitions (M&A): None.

(VIII) Expected benefits, possible risks and countermeasures for the expansion of plants: The Company currently has no plans to expand the plants.

(IX) Risks associated with over-concentration in procurement and sales, and the countermeasures:

(1) Risk of concentrated procurement

The Company is a professional IC design company. The main raw materials in the production process are wafers and lead frames. The wafers are produced by wafer foundries. Since Taiwan is the world's largest wafer foundry production area, meanwhiles there are only few wafer foundries in domestic industry. Therefore, domestic IC design companies generally tends to have their purchasing concentrated in a certain wafer foundry. In addition to keep to establishing good cooperative relations with wafer foundries to ensure production capacity, the Company actively develops cooperative relations with other domestic and foreign wafer foundries by providing technical services for product design to diversify the risk of concentrated procurement.

(2) Risk of concentrated sales

Based on the consideration of professional division of labor and emphasis on efficiency, most products are mainly sold through agents. In recent years, sales of goods have gradually deviated from focusing on the few particular customers. In response to the growing trend of the company and industry in the future, the Company will further diversify appropriately and diversify its future sales customers to maintain a more balanced and stable operating result, which is the goal of the Company's continuous efforts.

(X) Impact and risks resulted from major equity transfer or replacement from the Directors, Supervisors, or major shareholders holding more than 10% of the Company's shares, and the countermeasures:

(XI) The effect and risk to the Company associated with any change in governance personnel or top management and countermeasures: None.

(XII) 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 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: None.

(XIII) Other material risks and countermeasures: None.

VII. Other Important Matters:

(1)Intelligent Property Management Plan

With the continuous advancement of technology, the Company has been increasing R&D costs year by year. To strengthen the competitiveness of the Company's business operations and maintain the state-of-the-art technologies obtained through the hard work of the R&D staff, the Company's intellectual property management combines the Company's operational objectives and R&D resources to establish an operation model that creates corporate value and intangible assets through intellectual property rights. The business management model that combines corporate product strategy, R&D strategy and intellectual property strategy bolsters the utilization of the Company's intellectual property, not only to protect the Company's freedom of operation and strengthen its competitiveness, but also to help the Company make profits.

1. Patent Protection Measures

To enhance the competitiveness of intellectual property, the Company's patent application strategy includes not only patent placement for existing and future products, but also patent placement for specific technologies in a strategic or walled mode. The Company has dedicated staff for intellectual property management, from relevant literature search, technical discussion and patent map preparation for specific technologies before product development to the maintenance of the patent after application, to keep the quality of patent technologies under strict control. In the meantime, the Company monitors the patent application profiles of its competitors to learn the development trend of their products and technologies and whether there are any concerns about patent infringement.

The Company also pays attention to the patent transfer and patent trading market. Whenever various trading platforms (such as ITRI, AS, TWTM, etc.) hold patent transfer or matchmaking activities, the Company will select and evaluate whether there are opportunities for such technologies to be transferred or matched, so as to revitalize the value of the Company's patents. The Company has a patent evaluation committee consisting of senior executives, experienced technical executives who are familiar with the technology field, and expert consultants to enhance the quality of patents through a graded review process. The Company has also established an appropriate patent incentive system to encourage employees to actively file patent applications, and through unscheduled education and training related to patent technology to raise employees' awareness of professional technology and patent protection.

2. Protection of Trade Secrets

The protection of trade secrets is crucial to the Company's competitive advantages, such as technological leadership, manufacturing excellence and customer trust, and is even more crucial to the Company as an IC design company with its own product development and design.

The Company has formulated internal rules and regulations for the management of trade secrets. The Company regularly conducts training courses for new recruits on the protection of trade secrets, and from time to time, makes internal announcements to inform employees of its policy on trade secrets protection. All employees are required to sign a written non-disclosure agreement upon their arrival at and departure from the Company, which is to ensure that they fulfill their duties and obligations of confidentiality to the Company's confidential information. The Company has established a document control system and has set up a Document Control Center (DCC) dedicated to managing and maintaining important technical information of the Company. The Company also attaches great importance to information security, and has established information security management regulations and implemented relevant measures to prevent improper leakage of company information that could harm the interests of the Company. The Company also organizes training on trade secrets from time to time to raise employees' professional awareness of the protection of company secrets and related laws and regulations.

3. Management of Trademark Rights

Since its establishment, the Company has been actively engaged in trademark placement in countries where the Company's products are mainly sold to obtain protection of trademark rights. The Company has designated personnel to handle pre-application trademark searches, management of trademark cases and trademark databases, as well as trademark rights enforcement matters, so that the Company can market its products worldwide under its own brand name.

4. Copyright Management

To protect the Company's confidential information and patent technology rights, if the Company's product technology needs to be published or made public through journals, papers, seminars, etc., the Company will first review and manage it, and establish control and review methods to ensure the implementation of internal review mechanisms to prevent the improper disclosure of important technical information.

Implementation Status

The Company's Corporate Sustainability Committee has submitted the report on matters discussed with the related parties to the 12th meeting of the 2nd Audit Committee on July 29, 2024 and the 17th meeting of the 9th Board of Directors.

Since its establishment, the Company has been committed to building a sound intellectual property management system step by step. In the recent years, the Company has implemented the following:

1. In 2020, the Company evaluated the feasibility of introducing the Taiwan Intellectual Property Management System (TIPS).
2. In 2021, the Company invited the professor of the Law Department of Soochow University, who is also the director of the Technology and Intellectual Property Right Law Research Center, to talk about the protection of business secrets, copyright protection, and software copyright.

   To enhance the efficiency of data management, and reinforce the maintenance and protection of legal documents and confidential information that is in the review process, the Company built an online review system to ensure the material information is only accessed by the relevant staff, creating higher protection for confidential documents.

   In response to the new product lines, the Company adjusted the composition of the Patent Assessment Committee for the new technology attributes, improving the patented technology of the new products.
3. In 2022, to effectively improve the recall ratio and precision ratio of patent searches, a comparative analysis was conducted on the search results of the currently used patent database and other patent databases.

Re-evaluate the feasibility of adopting the Taiwan Intellectual Property Management System (TIPS) by organizing and analyzing information on the current status of the Company's R&D and intellectual property management. Conduct a self-assessment of inspection items and corresponding article numbers/categories of topics as required by TIPS first.

Comply with the Company's pandemic prevention policies and assist in designing an online review process for the Company's Patent Evaluation Committee. Additionally, in response to courses taught online for new employees on trade secrets, revise relevant course materials and adjust the online interactive teaching model.

Assist the Company's new product business unit in developing new products, devising each product's future application scope, and evaluating trademark placement around the world.

4. In 2023, we invited a distinguished expert from a reputable patent and trademark law firm to give lectures encompass various topics, including an introduction to the patent system, fundamental patent concepts, case studies, and the indispensable patent knowledge that our R&D personnel should acquire.

   To acknowledge the inventors who have obtained patents for the Company in recent years, a formal public commendation event will be organized. The Chairman and the top executives of each business unit will personally recognize and encourage the patent holders, with the goal of inspiring colleagues to unleash their creativity, submit patent applications, and strive for rewards. This event will also serve as an opportunity for the Company to showcase and safeguard its research and development capabilities through patents.

   In light of the significant amendment to the Intellectual Property Case Adjudication Act, which strengthens the protection of trade secret litigation, we have made adjustments to the content of the employee trade secret course curriculum. Additionally, we have included the latest case studies.

   To enhance colleagues' comprehension and facilitate work execution, a concise manual has been created to explain a complex set of regulations. The manual highlights the key points of the regulations and offers practical case explanations. It represents the collective knowledge and accomplishments of our Company's personnel, serving as a valuable intellectual asset. The manual is centrally stored in the document management system and can only be accessed online after obtaining permission. External disclosure of its contents is strictly prohibited.

5. In 2024, the Company invited senior professional instructors from a well-known industry patent and trademark firm to conduct training for R&D personnel, covering topics such as patent avoidance design and analysis of patent litigation cases related to memory.

   In light of the rapid development of AI technology in recent years, AI technology has been widely applied to various databases. The Company is currently testing and evaluating the latest AI search functions provided by various patent databases available on the market, aiming to introduce new patent databases and build more diverse AI search tools to enhance database functionality.

   In response to new directions in the Company's product market development and the addition of new product lines, and to align with the product promotion and actual trademark usage needs of each business unit, the Company is leveraging resources to collect reference information on current industry trademark strategies. This involves a comprehensive reassessment of the countries, products, and services covered by the Company's trademark strategy.

6. The current list of intellectual property acquisition are as follows.
   (1) Patents: By December 2024, the total number of patents granted worldwide had accumulated over 564, of which 37 domestic and foreign patents were granted in 2024 alone.
   (2) Trademarks: By December 2024, the Company and subsidiaries had obtained a total of 42 registered trademarks in major target countries for its presence and operation.

(2)Prevention of Insider Trading

1. The Company is a listed company. The disclosure of any material information that would impact shareholders' rights and share prices is strictly limited by law.
2. Material information is defined in Article 4 of Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities.
3. Any disclosure of the Company's material internal information, except as otherwise provided by law or regulation, shall be made by spokesperson, or by a deputy spokesperson. Any personnel of the Company, unless otherwise authorized, is not allowed to disclose material information.
4. Personnel of the Company who have actual knowledge of material information are prohibited from dealing in the Company's securities/shares on their own or in the name of others, either before or within 18 hours after the information is not officially public or officially public. Persons who, not because of their position, are indirectly informed of material information that is not yet disclosed are also bound by relevant regulations.
5. Personnel is not allowed to inquire about or collect the Company's material information that is not related to individual duties.
6. The personnel of the Company are obligated to keep confidential to the business secrets and material undisclosed information of the Company. They shall perform their duties under the principles of honesty and integrity with the care of a good administrator, and shall not disclose to irrelevant personnel any material information concerning the business secrets and undisclosed information of the Company that is known to them due to their duties.
7. Any organization or person outside of the Company that is involved in any corporate action of the Company relating to an investment, merger or acquisition, procurement, strategic alliance, or the signing of a major contract or legal document shall be required to sign a confidentiality agreement, and may not disclose to another party any business secret and undisclosed material information of the Company.
8. Any personnel of the Company shall not discuss any topic involving the Company in the investment or share related social media or online platforms.
9. If there is any doubt as to whether certain conduct has breached laws related to insider trading, or whether any business secrets or undisclosed material information is disclosed, please ask the Legal and Intellectual Property Right Department or the Audit Department

for assistance.

10. The Company's director shall be prohibited from trading its shares during the closed period of 30 days prior to the publication of the annual financial reports and 15 days prior to the publication of the quarterly financial reports.

In the 14th meeting of the 9th term of the Board of Directors on February 27, 2024, the Company promoted the prevention of insider trading regulations and provided explanations of relevant issues regarding the aforementioned item 10 "The Company's director shall be prohibited from trading its shares during the closed period of 30 days prior to the publication of the annual financial reports and 15 days prior to the publication of the quarterly financial reports." Before the closed periods for the announcement of the various 2024 financial reports (including 30 days prior to the publication of the 2023 financial reports and 15 days prior to the publication of various 2024 quarterly financial reports), the Company shall notify the directors in advance the announcement dates of the financial reports to strengthen the promotion and remind the directors of the relevant regulations prohibiting them from trading stocks during the closed periods. There were no situations that directors traded their stocks during the closed period before the announcement of the financial statements in 2024.

According to the Regulations Governing Establishment of Internal Control Systems by Public Companies, the Company has formulated Prevention of Insider Trading Management Rules under the internal control system. Educational training is conducted every year as required. The Company completed the educational training featuring the prevention of insider trading through online learning in December 2024. A total of 559 people completed the training, with the achievement rate reaching 93.95%. For employees who haven't completed the training will be tracked closely in the education program in the following year.

(3) Report of Unethical/Inappropriate Conduct

According to Ethical Corporate Management Principles, if the personnel of the Company has unethical or inappropriate conduct, a report can be made internally or externally. The reporting email is audit@esmt.com.tw.

The following information must be provided by the whistleblower:

1. The whistleblower's name, I.D. number, address, telephone number and e-mail address where he/she can be reached.
2. The informed party's name or other information sufficient to distinguish his/her identifying features.
3. Specific facts available for investigation.

A written statement shall be provided by the handling personnel to keep the whistleblower's information as well as the reporting event confidential. The Company shall promise that the whistleblower will not be mistreated due to the whistle-blowing.

The responsible unit of the Company shall observe the following procedure:

Data Collection and Reporting

⇩

Formation of Investigation Team and Case Investigation

⇩

Report, Adjudication, and Disciplinary Action

⇩

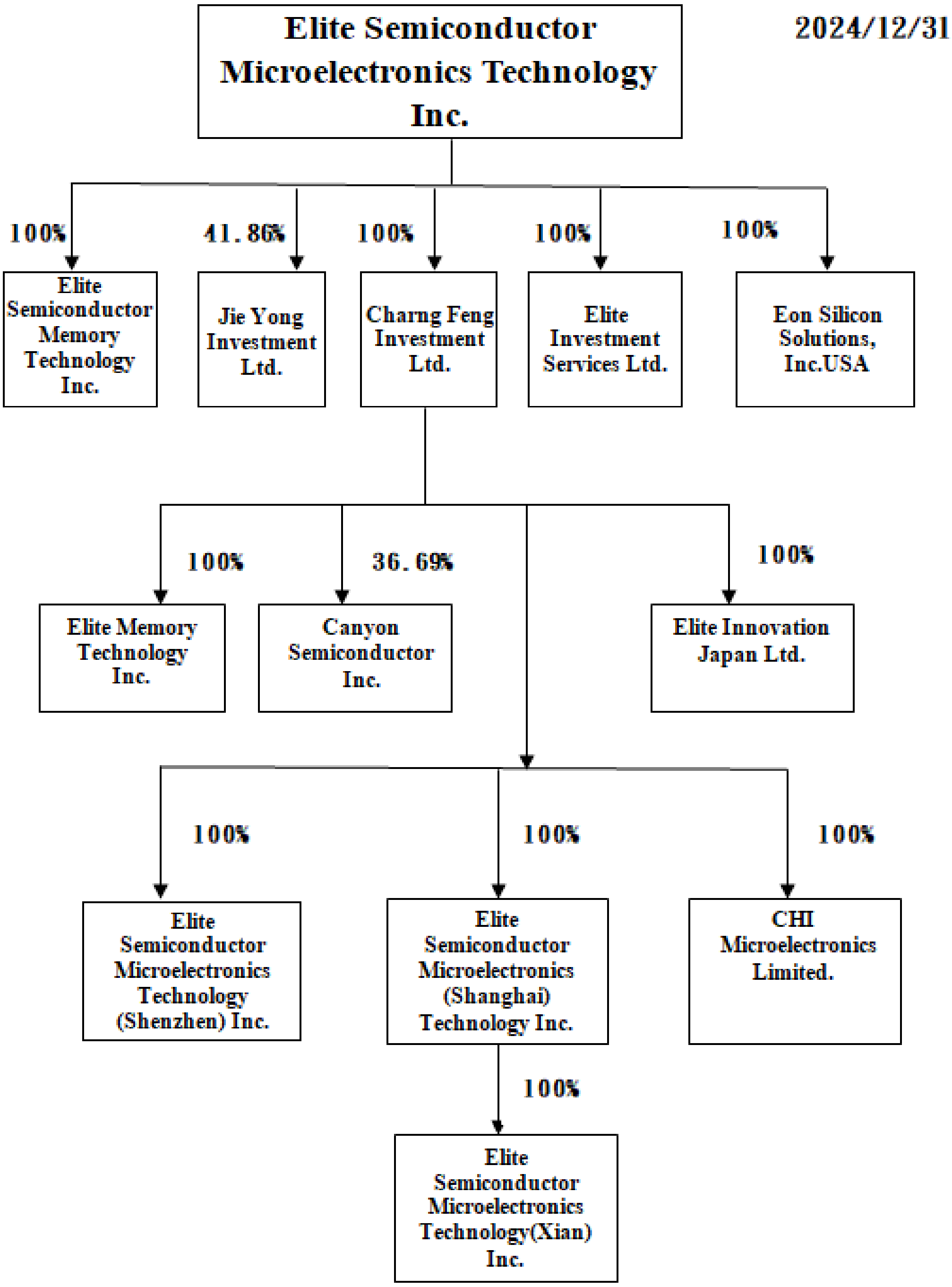
Improvement of Management Mechanisms

1.Data Collection and Reporting: Upon receiving a report, the responsible unit should gather relevant evidence. If the reported matter involves regular employees, it should be reported to the department supervisor. If the reported matter involves directors or senior executives, it should be reported to the independent directors.
2.Formation of Investigation Team and Case Investigation: The responsible department, along with the mentioned supervisors or personnel, should promptly establish an investigation team to determine the pertinent facts. If needed, regulatory compliance or other relevant departments can be approached for assistance.
3.Report, Adjudication, and Disciplinary Action: If it is proven that the accused has indeed violated relevant laws or the Company's policies and regulations on business ethics and integrity, immediate action should be taken to request the accused to cease the related behavior. The case should be referred to the Human Resources Department for disciplinary action in accordance with the work rules. If necessary, it should be reported to the supervisory authority and referred to the judicial authorities for investigation, or damages should be sought through legal procedures to safeguard the Company's reputation and rights.
4.Improvement of Management Mechanisms: After verifying reported incidents, the relevant departments of the Company should review the internal control system and operational procedures, and propose measures to prevent the recurrence of similar behaviors.
5. Documentation of case acceptance, investigation processes and investigation results shall be retained for 5 years and may be retained electronically. Before the expiration of the retention period, in the event of a lawsuit related to the whistleblowing content, the relevant information shall be retained until the conclusion of the litigation.
6.The responsible unit shall collate all complaints made, the countermeasures, and any subsequent proposed improvements, and report to the Board of Directors.

Special Disclosures

I. Information on Affiliated Companies

1. Organization Structure of Affiliated Companies



2. Basic Information of Affiliated Companies

Unit: NT$

Name	Date of Incorporation	Address	Actual Paid-in Capital(Note1)	Primary Business
Elite Semiconductor Memory Technology Inc.	1992.11.05	1/F, No. 13, Lane 24, Minxiang 1st Street, East District, Hsinchu City	NT$ 1,000,000	Research and development, production, sales and related consulting services of integrated circuit
Charng Feng Investment Ltd.	2000.05.22	1/F, No. 13, Lane 24, Minxiang 1st Street, East District, Hsinchu City	NT$ 500,000,000	General investment
Elite Investment Services Ltd.	2006.07.04	Citio Building P.O.Box 662,Road Town Tortola, British Virgin Islands	US$ 1,000,000	General investment
Jie Yong Investment Ltd.	2009.01.16	2/F, No. 13, Lane 24, Minxiang 1st Street, East District, Hsinchu City	NT$ 86,000,000	General investment
Elite Memory Technology Inc.	2004.11.22	1/F, No. 13, Lane 24, Minxiang 1st Street, East District, Hsinchu City	NT$ 100,000,000	Product design, wholesale and retail of electronic materials, manufacturing of electronic compenents, information software services and international trade
Canyon Semiconductor Inc.	2013.06.26	8F, No. 6, Chuangxin 3rd Rd., Hsinchu Science Park, Hsinchu City 300092,	NT$ 227,570,000	International trade, manufacturing of electronic components, product design and information software services
Elite Innovation Japan Ltd.	2011.12.16	12F Unit B, Kawasaki Frontier Bld., 11-2, Ekimaehoncho, Kawasaki-Ku, Kawasaki-Shi, Kanagawa-Ken, 210-0007, Japan	JPY$ 10,000,000	Product design, wholesale and retail of electronic materials, manufacturing of electronic components, information software services and international trade
Eon Silicon Solutions, Inc. USA	2003.02.01	4699 Old Ironsides Drive, Suite 300 Santa Clara, CA95054 USA	US$ 100,000	Product design, development and test
Elite Semiconductor Microelectronics Technology (shenzhen) Inc.	2011.08.09	A1704,Tower A, Tianan High-Tech Plaza, Futian District,Shenzhen	US$ 3,200,000	Trading of goods or technical services, develop and sale products of networking system, storage, and peripherals, technical consulting services of integrated circuit, and after - sales services
Elite Semiconductor Microelectronics (Shanghai) Technology Inc.	2019.11.27	Room 2515, No. 18 Xinjinqiao Road, China (Shanghai) Pilot Free Trade Zone	US$ 200,000	Product design, wholesale and retail of electronic materials, software design services and international trade
CHI Microelectronics Limited.	2020.08.31	2702-03, C.C. WU Building, 302-8 Hennessy Road, Wanchai, Hong Kong	HKD$ 200,000	General trading
Elite Semiconductor Microelectronics Technology (Xian) Inc.	2024.09.29	1909,B Block, No. 52, Jinye One Road, Xi'an Shaanxi	RMB$ 500,000	Product design, wholesale and retail of electronic materials, information software services and international trade

Note 1: The foreign currency investment amount is converted based on the exchange rate on December 31, 2024.

3. Information on the same shareholders of companies that are considered to have a controlling and subordinate relation: None.

4. Industries covered by the business operations of the affiliated companies:
   The overall business operations of the Company's affiliated companies encompass research and development, marketing, after-sales service, and general investment in Flash IC and Power IC. The division of labor among these companies is established through investment, allowing us to expand our business and promptly cater to our customers' diverse needs.

5. Information of Directors, Supervisors and Presidents in all affiliated companies:

December 31, 2024

Name	Title	Name or Representative	Shareholding		Remarks
			Number of Shares	Percentage of Shareholding	
Elite Semiconductor Memory Technology Inc.	Chairman of the Board	Ming-Chien Chang	100,000	100.00%	Representative of ESMT
Charng Feng Investment Ltd.	Chairman of the Board	Ming-Chien Chang	50,000,000	100.00%	Representative of ESMT
Elite Investment Services Ltd.	Director	Hsing-Hai Chen	1	100.00%	Representative of ESMT
	Director	Ming-Chien Chang	1	100.00%	Representative of ESMT
Jie Yong Investment Ltd.	Chairman of the Board	Hsing-Hai Chen	800,000	9.30%	
	Director	Ming-Chien Chang	400,000	4.65%	
	Director	Kuan-Chun Chang	500,000	5.81%	
	Director	Yeong-Wen Daih	200,000	2.33%	
	Supervisor	Hsin-Jung Peng	200,000	2.33%	
Elite Memory Technology Inc.	Chairman of the Board	Ming-Chien Chang	10,000,000	100.00%	Representative of Charng Feng Investment
Canyon Semiconductor Inc.	Chairman of the Board	Evan , Yu	12,395,500	54.47%	Representative of Diodes Holding UK Limited
	Director	Xie, Yizhong	12,395,500	54.47%	Representative of Diodes Holding UK Limited
	Director	Zhao, Jin	12,395,500	54.47%	Representative of Diodes Holding UK Limited
	Director	Kuan-hsi Chen	8,350,000	36.69%	Representative of Charng Feng Investment
	Director	Shiang-Ming Miaw	8,350,000	36.69%	Representative of Charng Feng Investment
	Supervisor	Patricia Huang	0	0%	
	Supervisor	Hong-Gee Wu	0	0%	
Elite Innovation Japan Ltd.	Chairman of the Board	Jason Lei	200	100.00%	Representative of Charng Feng Investment

Name	Title	Name or Representative	Shareholding		Remarks
			Number of Shares	Percentage of Shareholding	
Eon Silicon Solutions, Inc. USA	Director& CEO	Ming-Chien Chang	200,000	100.00%	Representative of ESMT
	Director	Shu-Hui Feng	200,000	100.00%	Representative of ESMT
	Director	Tung-Huang Lin	200,000	100.00%	Representative of ESMT
	Director	TAKAO AKAOGI	200,000	100.00%	Representative of ESMT
Elite Semiconductor Microelectronics Technology (shenzhen) Inc.	Legal Representative & Executive Director	Jackie Hao	-	100.00%	Representative of Charng Feng Investment
	Supervisor	Shu-Hui Feng	-	100.00%	Representative of Charng Feng Investment
	President	Ming-Chou Liu	-	-	
Elite Semiconductor Microelectronics (Shanghai) Technology Inc.	Legal Representative & Executive Director	Jackie Hao	-	100.00%	Representative of Charng Feng Investment
	Supervisor	Shu-Hui Feng	-	100.00%	Representative of Charng Feng Investment
	President	Shuyu Zheng	-	-	
CHI Microelectronics Limited.	Legal Representative	Kun-Ren Chang	20,000	100.00%	Representative of Charng Feng Investment
Elite Semiconductor Microelectronics Technology (Xian) Inc.	Legal Representative & Executive Director & President	Jackie Hao	-	100.00%	Representative of Elite Semiconductor Microelectronics (Shanghai) Technology Inc.
	Supervisor	Shu-Hui Feng	-	100.00%	Representative of Elite Semiconductor Microelectronics (Shanghai) Technology Inc.

6. Operations Overview of Affiliated Companies

December 31, 2024 Unit: NT$1,000

Name	Capital	Total Asset	Total liabilities	Net Value	Operating	Operating Profit (Loss)	Profit (Loss) for the year	Earnings Per Share (NT$)
Elite Semiconductor Memory Technology Inc.	1,000	69,679	48,412	21,267	212,739	1,902	3,580	35.80
Charng Feng Investment Ltd.	500,000	583,862	44	583,818	—	(83)	（ 3,553）	（ 0.07）
Elite Investment Services Ltd.	32,785	55,831	—	55,831	—	(568)	（ 1,070）	1,070,258.00
Jie Yong Investment Ltd.	86,000	872,150	1,747	870,403	—	(171)	6,981	0.81
Elite Memory Technology Inc.	100,000	41,659	16,966	24,693	81,078	2,663	3,132	0.31
Canyon Semiconductor Inc.	227,570	516,287	122,137	394,150	267,369	20,004	48,013	2.11
Elite Innovation Japan Ltd.	2,430	8,221	5,638	2,583	12,497	1,659	1,338	6,688.84
Eon Silicon Solutions, Inc. USA	13,304	11,073	12,556	(1,483)	54,293	389	176	0.88
Elite Semiconductor Microelectronics Technology (shenzhen) Inc.	99,650	96,241	1,773	94,468	42,810	762	483	—
Elite Semiconductor Microelectronics (Shanghai) Technology Inc.	6,557	15,147	4,664	10,483	31,936	1,825	512	—
CHI Microelectronics Limited.	844	268,353	267,376	977	1,076,138	(339)	（ 114）	(5.68)
Elite Semiconductor Microelectronics Technology (Xian) Inc.	2,239	1,803	297	1,506	445	(730)	（ 729）	—

7.Declaration of Consolidated Financial Statements of Affiliated Companies

Elite Semiconductor Microelectronics Technology Inc.

Declaration of Consolidated Financial Statements of Affiliated Enterprises

The entities that are required to be included in the consolidated financial statements of Elite Semiconductor Microelectronics Technology Inc. as at and for the year ended December 31, 2024, under the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, "Consolidated Financial Statements." In addition, the information required to be disclosed in the consolidated financial statements of affiliated enterprises is included in the consolidated financial statements. Consequently, Elite Semiconductor Microelectronics Technology Inc. and its subsidiaries do not prepare a separate set of consolidated financial statements of affiliated enterprises.

Very truly yours,

Elite Semiconductor Microelectronics Technology Inc.

By
Chairman
Ming-Chien Chang
February 26, 2025

II. Private Placement of Securities during the Most Recent Fiscal Year and as of the Publication Date of the annual report: None.

III. Other Supplementary Information: None.

IV. Events of Significant Influence on Shareholders' Equity or Prices of Securities as stipulated in Subparagraph 2, Paragraph 2 of Article 36 of the Securities and Exchange Act during the Most Recent Fiscal Year and as of the Publication Date of the Annual Report: None.

Elite Semiconductor Microelectronics Technology Inc.

Chairman of the Board of Directors: Ming-Chien Chang

ESMT 晶豪科技
Elite Semiconductor Microelectronics Technology Inc.
晶豪科技股份有限公司
No.23, Industry E Rd. IV Hsinchu Science Park,
Hsinchu 30077, Taiwan, R.O.C.
03-5781970