



Orient Semiconductor Electronics, Ltd.

Annual Report 2024

Notice to readers

This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

Taiwan Stock Exchange Market Observation Post System:

<http://mops.twse.com.tw>

OSE annual report is available at:

<https://www.ose.com.tw/en/about/investment/shareholder/#report-for-year>

Printed on April 1, 2025

I. Spokesperson and Deputy Spokesperson:

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Title: Senior Division Chief, Financial Support Division

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Deputy Spokesperson: Chen-Ling Lai

Title: Vice President, Administrative Center

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II. Corporate Headquarters, Branches & Factories:

Corporate Headquarters

Address: No. 9, Central 3rd Street, Nanzih District, Kaohsiung City

Tel: +886 7 361-3131

Factories

Central-3 Factory

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III. Common Share Transfer Agent and Register:

Company: Stock transfer agency of CTBC Bank Co., Ltd

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IV. Auditors:

CPA's name: Kuo-Hua Wang and Tsai-Yen Chiang

Auditing Firm: PricewaterhouseCoopers(PwC) Taiwan

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Website: <http://www.pwc.tw/>

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V. Overseas Securities Trade & Exchange Information: None.

VI. Company Website: <http://www.ose.com.tw/>

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2024 Annual Report
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I. Letter to Shareholders

The industry's recovery was slow in 2024 due to the overall economic instability and geopolitical factors, coupled with the fact that destocking was not as anticipated, as well as the continued reduction of production capacity by upstream wafer suppliers, and the weak shipment of end-demand phones and NBs/PCs. The Company provides IC packaging and testing services (Semiconductor Group) and professional semiconductor OEM services (Electronics Manufacturing Services Group) to clients through processes, information technology, and business processes, while at the same time actively responding to various possible issues. With a high quality, diversified structure of costs, a scale of production capacity, a speed of delivery and a global logistical support, and other services, the Company helped clients optimize their resources in order to gain a competitive advantage in the areas of research, development, design, marketing, etc. The outlook for 2025 is that we will survive the economic downturn and that the market will rebound.

Since COP28, the world has reached a common agreement on various sustainability goals. Although there are different views, it is expected that the world will generally develop positively in the direction of sustainability. The Company believes that responding to the sustainability trend is the key to the future. The Company is firmly committed to abiding by the law and ethics, and promoting sustainability goals. At the same time, we attach importance to talent and human rights, strengthen supply chain management, continue to develop information security management systems and digitalization. We make an effort to ensure that we comply with important sustainability disclosure standards and have the ability to identify and minimize various risks, in order to create a win-win situation with our customers, shareholders, and all stakeholders.

The Company will continue to uphold the spirit of "honesty, innovation, diligence, and unity" to actively promote various measures, and to meet all stakeholders' expectations.

2024 Operating Results

1. Business Plan Implementation Results

Unit: NTD thousand

Year	2024	2023	Difference	%
Operating revenue	16,277,445	16,690,436	(412,991)	(2.47%)
Gross profit from operations	2,465,283	3,315,300	(850,017)	(25.64%)
Net operating income	1,157,919	2,074,147	(916,228)	(44.17%)
Non-operating income and (expenses)	318,369	144,148	174,221	120.86%
Profit before income tax	1,476,288	2,218,295	(742,007)	(33.45%)
Income tax expense	(247,680)	(337,085)	89,405	26.52%
Profit for the period	1,228,608	1,881,210	(652,602)	(34.69%)

The Company's 2024 operating gross profit, net operating income, non-operating income and expenses, and net income are explained as follows:

- (1) Operating margin, net operating income (loss):
Although the demand in the semiconductor supply chain market has recovered gradually, the market is not yet stable. Due to the global inflation and geopolitical factors, the demand for consumer electronics application products has slowed down, and the prices of the upstream wafer have increased. With changes in the market, customers have become more conservative in placing orders. As a result, the semiconductor assembly and testing business in 2024 declined, and the operating revenue decreased compared to that in 2023. However, the electronic manufacturing services continued to grow, benefiting from the orders of AI servers in 2023. The decrease in revenue from semiconductor packaging and testing resulted in the decrease in gross profit and operating profit. In summary, compared to the previous year, operating income decreased by 2.47%, operating cost increased by 3.27%, gross operating profit decreased by 25.64%; and net operating profit decreased by 33.45% in 2024.
- (2) Non-operating income and (expenses):
 - (i) As the Company continued to improve its financial structure, interest income increased by 25.1% due to the Central Bank's interest rate hike and the increase in fixed deposits. The Class B preferred shares were redeemed at the end of 2023, and the preferred share dividends decreased, resulting in a decrease in financial costs by 49.9%.
 - (ii) The USD exchange rate changed from appreciation to depreciation in 2023, with the appreciation amplitude in 2024, causing the net foreign exchange gain to increase by 393.1%.In summary, operating revenue increased by 120.86% from last year's level.
- (3) The future business strategy will focus on continuing to refine our business and products as well as product portfolios and strive to aggressively expand our revenue base, increase our utilization rate, reduce costs and add income sources.

2. Financial Income/Expenses and Profitability Analysis

Analysis item \ Fiscal Year		Financial analysis for the most recent two years	
		2024	2023
Financial structure	Debt-asset ratio%	40.77	38.95
	Ratio of Long-term funds to Property, Plant, and Equipment (%)	197.05	250.47
Profit Ability	Return on assets%	6.54	10.79
	Return on equity (%)	10.76	17.90
	Profit margin before tax%	7.55	11.27
	Earnings per share (NTD)	1.71	2.66

3. Research and Development

The R&D expenditure of 2024 was NT\$405,993 thousand.

Semiconductor Group:

In addition to continuously validating and introducing mass production for each 3D NAND flash process, products related to the wafer-level packaging process were also successfully validated and introduced into mass production. We also introduce the development of advanced wafer-level packaging products, fan-out packaging, and conduct process and product development for the third-generation semiconductors targeting electric vehicles. The Company will also tailor products to customers' demand for products with high heat dissipation rate. To fulfill the ideal of environmental protection, energy conservation, and carbon reduction, the Company continuously attends to any addition or amendment of laws at home and abroad and assess and verify new eco-friendly and low-carbon materials to meet regulations and customers' requirements.

Electronics Manufacturing Services Group:

In recent years, considering the transfer of customers' advanced technologies, the Company has developed a technology level that exceeds the highest class 3 quality standards in the industry, suitable for applications in the petroleum exploration, aerospace, satellites, and other fields. Starting from 2020, we cooperated with the government policies and smoothly completed the satellite launch. We offer our extended services to countries around the world to meet customer requirements. The Company has successively passed certification and accreditation, enabling itself to provide advanced technology to the customer base in the niche market.

Outline of 2024 Business Plan

The Company continues to focus on the memory market and selects advantageous domestic and international strategic partners. In addition to continuous research and development on packaging and testing services for 5G, Internet of Things, AI, and automotive electronics related products, the Company will also leverage its bumping product line to develop high-end wearable products. To reduce risks and solidify a foundation for development, the Company continues to pay attention to the addition of domestic and foreign environmental protection and sustainability regulations, review and comply with relevant regulations, integrate internal and external resources, and plan the attraction and cultivation of talents to effectively maintain competitive advantages.

Looking into 2025, not only will we strengthen the development of CSP/ BGA market and improve the production efficiency for our semiconductor packaging and electronic components assembly services, we will further enhance the development of memory market (especially LPDDR and DDR). the Company will also expand the development of IoT and automotive electronics-related markets to maintain its combativeness and boost its revenue sources.

Consequently, the Semiconductor Group will be devoted to the following operating direction to boost the revenue:

- I. Reduce the material costs constantly.
- II. Continue the development of advanced packaging processes and refinement of process capabilities to meet future customer product requirements.
- III. Continue the further development of memory market and assist customers in the development of new customized products.
- IV. Adopt intelligent production management system.
- V. Develop high end SiP manufacturing process and market.
- VI. Evaluate and verify low-carbon materials.
- VII. Aggressively tap into the market for automotive electronics.
- VIII. Develop customers in the server semiconductor business.
- IX. Assess the use of relevant recycled materials.
- X. Continue to develop high heat dissipating materials and new products to meet the market

demand for high heat dissipation.

XI. Develop the market for DDR related products and applications.

Both SSD and products with quality requirement higher than IPC-610 class 3 in EMS Group have been put into mass production. Below is a summary of the major plans of the Electronics Manufacturing Services Group in 2025:

- I. The ongoing optimization of process in SSD production base: Introduce full DDR series product OEM and build an exclusive production area that serves the world's top customers with the adjustment plan of the global productive capacity for the main customers to respond the demand of the future productive capacity.
- II. With the growing demand for server products, the setting of production line has been adjusted accordingly in order to increase the productive capacity to handle customers' demand. In addition to the production of existing products, with the introduction of next-generation products of INTEL and AMD, we will put new products into mass production to meet customers' demand.
- III. In-vehicle products were IATF 16949-certified and put into mass production.
- IV. Obtainment of AS9100 aerospace certification should facilitate grasp of new opportunities in the aerospace industry.

Key Strategies for Future Development

In addition to satisfying the quality, production capacity and cost requested by the packaging market of flash memory via current advantages in the future, the Semiconductor Group will also use relevant process technology developed together with strategic partners to expand the markets for the 5G, IoT, and AI applications. With climate change issues taking root, countries around the world successively set a date for banning sale of gas-powered vehicles, so the electric car segment is expected to continue to grow in the future. The Company will furthermore collaborate with clients to devise third-generation semiconductors-based procedures and goods. As the demand for cloud applications soars, the Semiconductor Group will leverage the Electronics Manufacturing Services Group's years of experience in the server industry to win customers therein.

Based on the production methods such as small quantity with variety and mass production, the Electronics Manufacturing Services Group planned out the production lines and management method carefully, in order to reach the goal of reducing costs and increasing efficiency, ensuring the punctuality and delivery of the development of new products. At the same time, the Company has provided customers with professional knowledge regarding supply chain and essential resources to make them have more competitiveness in the market, so as to create a win-win situation.

Impacts of External Competition, the Legal Environment, and the Overall Business

Environment

To adapt to domestic and foreign environments and ongoing changes in the market and economy, the Company will continue collaborating with the memory industry chain, distributors, and suppliers all over the world to continue developing the manufacturing services of all the flash memory applications via the current advantages in the manufacturing platform. Meanwhile, the Company continues to invest in market development, improve production efficiency, and expand the market for Internet of Things and automotive electronics-related applications. In addition, the Company will strategically streamline its product portfolio, pragmatically promote smart manufacturing and digital transformation, actively expand the revenue base, increase utilization rate, and reduce energy consumption while being committed to increasing revenue and reducing expenditure.

As the energy-saving and carbon reduction targets in various countries increase, the domestic and foreign industrial chains have strengthened their attention and requirements for sustainability issues, the opening of carbon fees in Taiwan and the application of IFRS S1 and S2 have already become the current trend. The impact of sustainability issues on the electronics industry and the promotion of pragmatic and effective targets will be a common action that the industry will focus on. The Company continues to promote ESG goals and follows domestic and foreign regulations, observes international and industry information, evaluates and introduces various appropriate measures, solidifies the foundation and continuously improves, in order to respond to the risks and opportunities brought by various issues.

Looking ahead to 2025, the international political and economic situation will continue to change, bringing challenges to the development of the industry, but also opportunities. The Company will continue to refine its business and products, pay attention to the needs of stakeholders, and provide the most appropriate services. We are deeply grateful to all of our shareholders for their unwavering support in our company and look forward to furthering our collective success in the future.

Finally, we would like to wish all Shareholders
Good health, and all the best
Orient Semiconductor Electronics, Ltd.
Chairman: Yueh-Ming Tung

II. Corporate Governance Report

2.1 Information of Board Members, Supervisors and Management Team

2.1.1 Information on Board of Directors

March 31, 2025

Title (Note1)	Nationality or place of incorporation	Name	Gender age	Date of election/ assumption of office	Term	The commencement date of the first term	Shareholdings in commencement date of the term		Current shareholdings		Current shareholdings of spouse and minor children		Major academic (career) background	Other concurrent position in the Company or other companies	Note
							Share	Shareholding percentage	Share	Shareholding percentage	Share	Shareholding percentage			
Chairman	The Republic of China	Yueh-Ming Tung	Male 51-60	2024.06.07	3	2016.11.08	534,739	0.10%	534,739	0.10%	57	0.00%	Master Degree of EMBA of National Sun Yat-sen University President of Orient Semiconductor Electronics, Ltd.	Representative of legal person Director, Coreplus (HK) LTD. Representative of legal person Director, VALUEPLUS TECHNOLOGY (SUZHOU) CO., LTD.	
Director	The Republic of China	Chipbond Technology Corporation	—	2024.06.07	3	2021.07.15	147,345,498 180,180,000	26.53% (Note2)	147,345,498 180,180,000	26.53% (Note 2)	0	0.00%	None	None	
	The Republic of China	Representative: Huoo-Wen Gau	Male 61-70	2024.06.07	3	2021.07.15	0	0.00%	0	0.00%	0	0.00%	Master of Applied Chemistry, National Tsing Hua University Head of Microelectronics Group, ITRI President of Xinbao Electronics	CEO of Chipbond Technology Corporation Director of Chipmore Holding Company Limited (Cayman) Director of Chi-cheng Investment	
Director	The Republic of China	Shyh-Wey Lo	Male 51-60	2024.06.07	3	2024.06.07	0	0.00%	0	0.00%	0	0.00%	Department of Accounting, Chung Yuan Christian University Vice President of the Audit Department of PwC Taiwan	Senior Vice President and Chief Financial Officer of the Administration Center, Chipbond Technology Corporation Chairman of Chi-cheng Investment Supervisor of Vision Advance Technology Inc. Representative of legal person Director of Hefei ESWIN Technology Co., Ltd. Representative of legal person Director of Hefei Chipmore Materials Technology Co., Ltd. Independent Director of Sunjuice Holdings Co., Limited. Independent Director of Giga Solar Materials Corp. Independent Director of Hua Hsu Silicon Materials Co., Ltd.	
Independent Director	The Republic of China	Chia-Hua Hsu	Male 71-80	2024.06.07	3	2021.07.15	0	0.00%	0	0.00%	0	0.00%	Department of Business Administration of Tunghai University Finance Manager of First Steamship Group Chairman of CHI LIN OPTOELECTRONICS CO., LTD.	None	
	The Republic of China	Philip Wei	Male 81-90	2024.06.07	3	2019.06.18 (Note 3)	0	0.00%	0	0.00%	0	0.00%	Master, Public Finance Institute, National Chengchi University Master of Tax Law Institute, Northrop University, USA Chairman of China Airlines Chairperson, Fortune Information Systems Corp.	Director of CyberSoft Digital Services Corp. Consultant, Taishin Asset Management Co., Ltd.	
	The Republic of China	Chi-Cheng W	Male 51-60	2024.06.07	3	2024.06.07	0	0.00%	0	0.00%	0	0.00%	Doctor of Business (Marketing), National Taiwan University Professor and Chair, Department of Business Administration,National Sun Yat-sen University	Professor, Department of Business Administration, National Sun Yat-sen University Independent director of Ching Chan Optical Technology Co.,Ltd.	
	The Republic of China	Fang-Yu Wen	Female 61-70	2024.06.07	3	2024.06.07	0	0.00%	0	0.00%	0	0.00%	Master of Accounting, College of Management, National Taiwan University Accountant, PwC Taiwan	Accountant, Fang-Yu Wen CPA Firm	
	The Republic of China	Chien-Hui Hung	Female 61-70	2024.06.07	3	2024.06.07	0	0.00%	0	0.00%	0	0.00%	Department of Applied Commerce, Taichung Institute of Technology Manager, Lukang Branch, Hua Nan Bank Assistant Vice President, Central District Channel Administrative Center, Hua Nan Bank	None	
Notes: 1. Directors using others' names to hold shares in the Company: none 2. Directors have a spouse or a relative of the second degree of consanguinity as an officer or Director of the Company: none.															

(Note 1) : For Directors and Supervisors acting as the representatives of legal person Shareholders, specify the names of the legal person Shareholders as the following table 1.
(Note 2) : They are 180,180,000 Class C non-voting preference shares.
(Note 3) : He did not serve as a director of the Company from December 9, 2020 to June 7, 2024.

Table 1: Major Shareholders of the legal person Shareholders

Name of legal person Shareholders	Major Shareholders of the legal person Shareholders
CHIPBOND TECHNOLOGY CORPORATION	United Microelectronics Corporation(7.14%) 、Taipei Fubon Bank as Custodian for the Special Account of Fuh Hwa Taiwan Technology Dividend Highlight ETF (5.86%) 、Hua Nan Bank as Custodian for the Special Account of Yuanta Taiwan Value High Dividend ETF (5.76%) 、Chang Wah Electromaterials Inc. (5.59%) 、Special Account of Capital TIP Customized Taiwan Select High Dividend Exchange Traded Fund (4.56%) 、Hua Cheng Investment Co., Ltd. (3.49%) 、Nan Shan Life Insurance Co., Ltd. (3.46%) 、New-system Labor Pension Fund (2.24%) 、Hong Cheng Venture Capital (1.81%) 、Shanghai Commercial & Savings Bank (1.52%)

(Note 1): When a Director or Supervisor is the representative of an legal person shareholder, specify the name of such legal person shareholder.

(Note 2): Specify the name and the percentage of the shareholding of the major Shareholders of the legal person Shareholders (their percentage of the shareholding is among top 10). When the major Shareholders of an legal person shareholder are legal person investors, continue with Table 2 below.

Table 2: Major Shareholders of legal person investors in Table 1

Name of legal person investor	Major Shareholders of legal person shareholder
United Microelectronics Corporation	JPMorgan Chase Bank as Custodian for UMC Global Depository Receipts Account (4.85%) 、Hsun Jie Investment Co., Ltd. (3.52%) 、Capital TIP Customized Taiwan Select High Dividend Exchange Traded Fund (2.48%) 、Silicon Integrated Systems Corp. (2.13%) 、Taiwan Life Insurance Company (1.76%) 、Yan Yuan Investment Co., Ltd. (1.54%) 、China Life Insurance Company (1.54%) 、New-system Labor Pension Fund (1.47%) 、Citibank as Custodian for the Special Investment Account of Singapore Government (1.21%) 、Yuanta/P-shares Taiwan Dividend Plus ETF (1.15%)
Chang Wah Electromaterials Inc.	Hua Li Enterprise Co., Ltd. (28.70%) 、Hsin Hsin Investment Co., Ltd. (8.29%) 、YENYO Technology Co., Ltd. (6.28%) 、Chang Wah Technology Co., Ltd. (5.11%) 、Fubon Life Insurance Co., Ltd. (4.67%) 、Bei Si Jie Investment Co., Ltd. (3.15%) 、Citibank as Custodian for the Special Account of Singapore Government Fund (2.61%) 、JMC (2.09%) 、JPMorgan Chase Bank as Custodian for the Special Investment Account of Starlight Total International Stock Index Fund (0.85%) 、JPMorgan Chase Bank as Custodian for the Special Investment Account of Vanguard Group Emerging Markets Fund (0.83%)
Hua Cheng Investment Co., Ltd.	Orient Semiconductor Electronics, Ltd. (100%)
Nan Shan Life Insurance Co., Ltd.	Run Cheng Investment Holding Co., Ltd. (89.55%) 、Ruen Hua Dyeing & Weaving Co., Ltd. (1.34%) 、Ying-Tsung Tu (1.16%) 、Ruentai Xing Co., Ltd. (0.97%) 、Ruentex Development Co., Ltd. (0.23%) 、Ruentex Industries Ltd. (0.21%) 、Yuanxin Investment Co., Ltd. (0.16%) 、Ruentex Leasing Co., Ltd. (0.12%) 、Jipin Investment Co., Ltd. (0.11%) 、Pan City Co., Ltd. (0.09%)

Name of legal person investor	Major Shareholders of legal person shareholder
Hong Cheng Venture Capital	United Microelectronics Corporation (100%)
Shanghai Commercial & Savings Bank	TASSBURY INVESTMENTS CO., S.A(4.67%) 、BRIGHT HONEST INVESTMENT LIMITED(3.82%) 、TILSBURY INVESTMENTS INC(3.53%) 、Taishin Bank as Custodian for Cathay MSCI Taiwan Fund (2.77%) 、Fubon Life Insurance Co., Ltd. (2.68%) 、SHEEN PERFECT ENTERPRISES LIMITED(2.66%) 、MAGNETIC HOLDINGS LIMITED(2.65%) 、LOGAN INVESTMENTS ENTERPRISES LTD.(2.47%) 、Hung Da Investment Co., Ltd. (1.39%) 、JPMorgan Chase Bank as Custodian for the Special Investment Account of Starlight Total International Stock Index Fund (1.06%)

2.1.2 Disclosure of information on the professional qualifications of directors and the independence of independent directors:

2.1.2.1. Professional qualifications and independence of directors

Criteria Name	Professional qualifications and experience (Note 1)	Independence status (Note 2)	Number of other public companies in which the individual is concurrently serving as an Independent Director
Chairman Yueh-Ming Tung	Has more than five years of work experience required for the Company's business, a master's degree of EMBA of National Sun Yat-sen University in advanced management; is currently serving as chief marketing officer of Orient Semiconductor Electronics; is not under any of the circumstances under Article 30 of the Company Act.	Not applicable	0
Director Huoo-Wen Gau	Has more than five years of work experience required for the Company's business and a master's degree in Applied Chemistry, National Tsing Hua University; is currently serving as the General Manager of Chipbond Technology Corporation; is not under any of the circumstances under Article 30 of the Company Act.	Not applicable	0
Director Shyh-Wey Lo	Has more than five years of work experience required for the Company's business; Bachelor from the Accounting Faculty of Chung Yuan Christian University; is currently serving as the Senior Vice President and Chief Financial Officer of the Administration Center in Chipbond Technology Corporation; is not under any of the circumstances under Article 30 of the Company Act.	Not applicable	3
Independent Director Chia-Hua Hsu	Has more than five years of work experience required for the Company's business; graduated from the Department of Business Administration of Tunghai University; once served as Chairman of Chi Lin Optoelectronics Co., Ltd.; is not under any of the circumstances under Article 30 of the Company Act.	(1)Not an employee of the Company or any of its affiliates. (2)Not a director or supervisor of the Company or any of its affiliates. (3)Holding more than 1% of the total outstanding shares issued by the Company, or among the top 10 natural person Shareholders by the person or his or her spouse or minor children, or in the name of a third party. (4)Not a spouse, or relative within the second degree of kinship, or lineal relative within the third degree of kinship, of an executive officer falling under (1), (2) or (3) above.	0
Independent Director Philip Wei	Has more than five years of work experience required for the Company's business, with a Master's degree in tax law from Northrop University of the United States; has served as the Chairman of China Airlines; does not have any of the circumstances in Article 30 of the Company Act.	(5)Not a director, supervisor, or employee of an institutional shareholder who directly holds more than 5% of the Company's total issued shares, who are among the top five shareholders, or who designates its representative to serve as a director or supervisor of the Company in accordance with Article 27, paragraph 1 or 2 of the Company Act.	0

Criteria Name	Professional qualifications and experience (Note 1)	Independence status (Note 2)	Number of other public companies in which the individual is concurrently serving as an Independent Director
Independent Director Chi-Cheng Wu	Currently a Professor of Business Administration, National Sun Yat-sen University, with a Ph.D. in Marketing, National Taiwan University; does not have any of the circumstances in Article 30 of the Company Act.	(6)Not a director, supervisor, or employee of another company where a majority of the Company's directors or voting shares and those of another company are controlled by the same person. (7)Not a director (managing director), supervisor, or employee of another company or institution where the Chairman, the General Manager, or person holding an equivalent position of the Company and a person in an equivalent position at another company or institution are the same person or spouses.	1
Independent Director Fang-Yu Wen	A professional accountant with a Master's degree from the Graduate Institute of Accounting, National Taiwan University; does not have any of the circumstances in Article 30 of the Company Act.	(8)Not a director (managing director), supervisor, manager, or shareholder holding 5% or more of the shares of a specific company or institution which has a financial or business relationship with the Company.	0
Independent Director Chien-Hui Hung	Has more than 20 years of work experience required for the Company's business; has served as a Senior Vice President of the Channel Administration Center, Central Region, Hua Nan Bank; does not have any of the circumstances in Article 30 of the Company Act.	(9)Not a professional individual who, or an owner, partner, Director, Supervisor, or a spouse thereof, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the past two years has received cumulative compensation exceeding NT\$500,000. This restriction does not apply, however, to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act, the Business Mergers and Acquisitions Act, or related laws or regulations. (10)Not having a marital relationship, or not a relative within the second degree of kinship to any other Director of the Company. (11)Not a governmental, legal person investor or its representative as defined in Article 27 of the Company Act.	0

Note 1: Professional qualifications and experience: Specify the professional qualifications and experience of individual directors and supervisors. If they are members of the Audit Committee and have accounting or financial expertise, their accounting or financial background and work experience shall be specified, and whether they are under any of the circumstances under Article 30 of the Company Act shall be indicated.

Note 2: According to the Taiwan Stock Exchange Corporation Rules Governing Review of Securities Listings and the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, the Company has obtained a statement of independence from all independent directors and confirmed that they all met the independence criteria stipulated by laws and regulations.

2.1.2.2. Diversity and independence of the Board of Directors:

(1) Diversity of the Board of Directors

A. Diversification policy:

According to the Company's "Corporate Governance Best Practice Principles," the composition of the Board of Directors should consider diversity. Aside from the number of directors concurrently serving as managerial officers not exceeding one-third of the total number of directors, the Company should formulate appropriate diversity guidelines based on its operations, business model, and development needs. The diversity guidelines should include, but not be limited to, the following two main aspects:

- a 、 Basic conditions and values: gender, age, nationality and culture, etc.
- b 、 Professional knowledge and skills: professional background, professional skills, and industrial experience.

Members of the Board of Directors shall generally possess the necessary knowledge, skills, and literacy to perform their duties. In order to achieve the ideal goal of corporate governance, the Board of Directors as a whole should have the following capabilities:

- a 、 Operational judgment.
- b 、 Accounting and financial analysis.
- c 、 Business management ability.
- d 、 Crisis management.
- e 、 Industry knowledge.
- f 、 International perspective.
- g 、 Leadership ability.
- h 、 Decision-making ability.

B. Implementation of diversification:

The member of the Company's Board of Directors has diverse backgrounds and is composed of members with extensive industrial management and academic experience, including professional fields such as industrial technology, law, finance and accounting, and operations management.

The Company fully re-elected its board of directors on June 7, 2014. The average term of office of the current directors is 2 years. There are 4 seats for independent directors with less than 3 years of service, and 1 seat for independent directors with 3 to 9 years of service. The Company has one director who also serves as the company's manager, accounting for 12.5% of all directors and not exceeding one-third of the total number of directors.

Specific management objectives and achievement status of diversification policy:

Management objectives	Status of achievement
There shall be three or more independent directors, and the number of independent directors shall not be less than one-third of the total number of directors	Achieved
Independent directors should not serve more than three consecutive terms	Achieved
It is advisable that the number of directors who also serve as the Company's managerial officers shall not exceed one-third of the total number of directors	Achieved
At least one female director	Achieved
One-third or more of the board seats are held by either of the genders.	The 2024 shareholders' meeting has completed the full re-election of new directors, and the nomination of the next board of directors is planned.

Implementation of diversity among members of the Board of Directors :

Core diversity item Title/Name		Basic composition							Industry experience/professional ability										
		Nationality	Gender	Serving as an employee of the Company concurrently	Age			Independent Director Length of tenure			Operational judgment	Accounting and financial	Business management ability	Crisis management	Industry knowledge	International perspective	Leadership ability	Decision-making	
					51 to 60	61 to 70	71 to 75	Less than 3years	3 - 9 years	9 years or more									
Chairman	Yueh-Ming Tung	The Republic of China	Male	✓				Not applicable			✓	✓	✓	✓	✓	✓	✓	✓	
Director	Huo-wen Gao		Male		✓						✓	✓	✓	✓	✓	✓	✓	✓	✓
Director	Shi-Wei Luo		Male		✓						✓	✓	✓	✓	✓	✓	✓	✓	✓
Independent Director	Chia-Hua Hsu		Male			✓			✓			✓	✓	✓	✓	✓	✓	✓	
Independent Director	Philip Wei		Male				✓	✓				✓	✓	✓	✓	✓	✓	✓	
Independent Director	Chi-Cheng Wu		Male		✓			✓				✓	✓	✓	✓	✓	✓	✓	
Independent Director	Fang-Yu Wen		Female			✓		✓				✓	✓	✓	✓	✓	✓	✓	
Independent Director	Chien-Hui Hung		Female			✓		✓				✓	✓	✓	✓	✓	✓	✓	

(2) Independence of the Board of Directors

None of the members of the Board of Directors has any of the circumstances listed in Article 30 of the Company Act, and none of the members has any of the circumstances listed in paragraphs 3 and 4, Article 26-3 of the Securities and Exchange Act (directors do not have spousal or second degree relative relationship among themselves). The Company's Board of Directors has 8 directors, including 5 independent directors. Independent directors account for 62.50% of the total number of directors, and the independence of independent directors are judged and evaluated in compliance with relevant laws and regulations. All independent directors meet the concurrent position restrictions stipulated in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", and they do not concurrently serve as independent directors of more than three other public companies. In summary, the Company believes that its Board of Directors is independent.

2.1.3 Profile of General Managers, Vice General Managers, Assistant Managers, Department Heads and Branches Heads

March 31, 2025

Title	Nationality	Name	Gender	Date of election /assumption of office	Shareholding		Current shareholdings of spouse and minor children		Major academic (career) background	Current employment with other companies	Remark
					Share	Shareholding percentage	Share	Shareholding percentage			
Chief Marketing Officer	The Republic of China	Yueh-Ming Tung	Male	2021.07.29	534,739	0.10%	57	0.00%	Master Degree of EMBA of National Sun Yat-sen University General Manager of Orient Semiconductor Electronics, Ltd.	Representative of juristic-person director, Coreplus (HK) LTD. Representative of legal person director, VALUEPLUS TECHNOLOGY (SUZHOU) CO., LTD.	
General Manager	The Republic of China	Jia Rong Tu	Male	2021.04.15	88,000	0.02%	0	0.00%	Department of Mechanics, National Cheng Kung University Special Assistant to the General Manager of Orient Semiconductor Electronics, Ltd. Vice General Manager of Manufacturing Center in CHIPBOND TECHNOLOGY CORPORATION Assistant Manager of Info-Tek Corporation Engineer in Zhubei Plant of Philips Taiwan	None	
Senior Vice General Manager	The Republic of China	Chin-Chiu Wang	Male	2019.09.04	62,004	0.01%	152	0.00%	MBA of National Sun Yat-sen University IBM System Engineer/Business Specialist Manager of the Information Management Unit in Orient Semiconductor Electronics, Ltd. General Manager of Infofab, Inc.	Representative of juristic-person director, Coreplus (HK) LTD. Representative of legal person director, VALUEPLUS TECHNOLOGY (SUZHOU) CO., LTD.	
Vice General Manager	The Republic of China	Chen-Ling Lai	Female	2018.03.06	113,788	0.02%	0	0.00%	Master of Human Resource, National Kaohsiung University of Applied Sciences	None	
Vice General Manager	The Republic of China	Min-Lang Tsai	Male	2017.07.19	62,852	0.01%	0	0.00%	Master of Industrial Engineering, National Kaohsiung University of Applied Sciences Assistant Manager of Dept. of RD and Manufacturing Process Engineering of Taiwan IC Packaging Corporation Senior Manager of Dept. of Flash packaging/testing R&D of ADATA Technology Co., Ltd.	None	
Vice General Manager	The Republic of China	Hung-Tai Mai	Male	2019.05.01	29	0.00%	2,000	0.00%	Department of Industrial Management, Shu-Te University	None	
Assistant Manager	The Republic of China	Jia Ming Yang	Male	2020.08.03	56,494	0.01%	0	0.00%	Master of Engineering Science, National Cheng Kung University	None	

Title	Nationality	Name	Gender	Date of election /assumption of office	Shareholding		Current shareholdings of spouse and minor children		Major academic (career) background	Current employment with other companies	Remark
					Share	Shareholding percentage	Share	Shareholding percentage			
Assistant Manager	The Republic of China	Che-Kuang Liu	Male	2016.09.07	39,278	0.01%	1,302	0.00%	Department of Industrial and Systems Engineering of Chung Yuan Christian University	None	
Assistant Manager	The Republic of China	Chen-Chung Sun	Male	2017.08.10	43,636	0.01%	0	0.00%	Department of Business Administration of Tunghai University	None	
Assistant Manager	The Republic of China	Tseng-Chih Chi	Male	2018.08.20	59,426	0.01%	0	0.00%	Master Degree of Institute of Applied Mechanics of National Taiwan University Director of ADATA Technology Co., Ltd.	None	
Chief Financial Office	The Republic of China	Chief Financial Office	Male	2020.10.16	1,800	0.00%	0	0.00%	MBA, National Taiwan University	Chairman of COREPLUS (HK) Ltd. Chairman of VALUEPLUS TECHNOLOGY (SUZHOU) CO., LTD. Representative of legal person Director, Hua-Cheng Investment Co.	
Accounting Supervisor and Corporate Governance Officer	The Republic of China	Accounting Supervisor and Corporate Governance Officer	Female	2018.12.01	42,758	0.01%	0	0.00%	Master of the Institute of Finance, National Sun Yat-sen University	Representative of legal person Director, Hua-Cheng Investment Co.	
Notes: 1.Directors using others' names to hold shares in the Company: none. 2.Directors have a spouse or a relative of the second degree of consanguinity as an officer or Director of the Company: none.											

2.2 Remuneration for Directors, CEO, President, Vice President

2.2.1 Remuneration of general Directors and Independent Directors

December 31, 2024 Unit: NTD thousand

Title	Name	Directors remuneration								Ratio of A+B+C+D to net income after tax		Relevant remuneration received by Directors who are also Employees								Ratio of the sum of A+B+C+D+E+F+G to net income after tax		Remuneration received from any investee other than the Company's subsidiary or parent company	
		Base remuneration (A)		Severance pay and pensions(B)		Directors' remuneration (C) (Note 1)		Expenses to business execution (D) (Note 2)				Salary, bonuses, and allowances (E) (Note 3)		Severance pay and pensions(F)		Employees' remuneration (G) (Note 4)							
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company		Companies in the consolidated financial statements		The Company	Companies in the consolidated financial statements		
Amount of Cash	Amount of Stock															Amount of Cash	Amount of Stock						
Chairman	Yueh-Ming Tung	1,080	1,080	0	0	16,570	16,570	180	180	1.75%	1.75%	14,984 (Note 7)	14,984 (Note 7)	0	0	13,247	0	13,247	0	4.05%	4.05%	None	
Director	Phison Electronics Corporation Representative: Huoo-Wen Gau																						
	Phison Electronics Corporation Representative:Shyh-Wey Lo																						
	Shyh-Wey Lo (Note5)																						
Independent Director	Chia-Hua Hsu	3,470	3,470	0	0	0	0	240	240			0	0	0	0	0	0	0	0			0	None
	Philip Wei (Note5)																						
	Chi-Cheng Wu (Note5)																						
	Fang-Yu Wen (Note5)																						
	Chien-Hui Hung (Note5)																						
	Ching Tien Tsai (Note 6)																						
	Jerry Chiou (Note6)																						
1. Please specify the policy, system, standard, and structure of remuneration to independent directors, and the association between the amount of remuneration and the responsibilities and risks and time commitment of the Directors: The remuneration standards for the Company's independent directors are set by the Remuneration Committee, and the correlation between the standards and the annual performance evaluation results is regularly reviewed. independent directors' remuneration is determined based on the Company's operating results and their contribution to the Company's performance per year and reported to the shareholders' meeting after approved by the Board of Directors.																							
2. Except as disclosed in the above table, the remuneration received by the Company's directors for providing services (such as serving as a consultant in a non-employee capacity for the parent company/all companies in the financial statements/investees) in the most recent year: None.																							

Note 1: The amount of Directors' remuneration approved by the Board of Directors in the most recent year is included.

Note 2: This refers to the latest year's Directors' related business execution expenses (including travel allowances, special expenses, various allowances, dormitory, cars and other in-kind provisions, etc.).

Note 3: This refers to the salary, salary increment, severance pay, various bonuses, incentive payments, travel allowances, special expenses, various allowances, dormitory, car and other in-kind provisions, etc., received by the Directors and Employees (including concurrent General Manager, Vice General Manager, other managers and Employees) in the most recent year. Salary expense recognized in accordance with IFRS 2, "Share-based Payment," including the acquisition of Employee stock options, new shares with restricted Employee rights and participation in cash capital increase to subscribe for shares, shall also be included in remuneration.

Note 4: The amount of Employee compensation (including stock and cash) received by a Director who is also an Employee (including also General Manager, Vice General Manager, other managers and Employees) in the most recent year shall be disclosed if the amount of Employee compensation was approved by the Board of Directors in the most recent year.

Note 5: Elected at the election of all directors and supervisors held at the general meeting of shareholders on June 7, 2024 in advance.

Note 6: Dismissed at the election of all directors and supervisors held at the general meeting of shareholders on June 7, 2024 in advance.

Note 7. Starting from May 15, 2024, the Company has distributed employee restricted stocks and salary expenses are recognize in accordance with IFRS 2 “Share-based Payment”. As of December 31, 2024, the recognized amount for vice presidents or above was NT\$10,705 thousand.

Table of remuneration range

Remunerations to individual Directors in respective brackets along the remuneration scale	Name of Directors			
	Total remuneration (A+B+C+D)		Total remuneration (A+B+C+D+E+F+G) of the previous seven items	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Under NT\$ 1,000,000	Ching-Tien Tsai (Note1) Jerry Chiou (Note 1) Chia-Hua Hsu Philip Wei (Note 2) Chi-Cheng Wu (Note 2) Fang-Yu Wen (Note 2) Chien-Hui Hung (Note 2)	Ching-Tien Tsai (Note1) Jerry Chiou (Note 1) Chia-Hua Hsu Philip Wei (Note 2) Chi-Cheng Wu (Note 2) Fang-Yu Wen (Note 2) Chien-Hui Hung (Note 2)	Ching-Tien Tsai (Note1) Jerry Chiou (Note 1) Chia-Hua Hsu Philip Wei (Note 2) Chi-Cheng Wu (Note 2) Fang-Yu Wen (Note 2) Chien-Hui Hung (Note 2)	Ching-Tien Tsai (Note1) Jerry Chiou (Note 1) Chia-Hua Hsu Philip Wei (Note 2) Chi-Cheng Wu (Note 2) Fang-Yu Wen (Note 2) Chien-Hui Hung (Note 2)
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	None	None	None	None
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	Chipbond Technology Corporation (Representative: Shyh-Wey Lo) (Note 1) Shyh-Wey Lo (Note 2)	Chipbond Technology Corporation (Representative: Shyh-Wey Lo) (Note 1) Shyh-Wey Lo (Note 2)	Chipbond Technology Corporation (Representative: Shyh-Wey Lo) (Note 1) Shyh-Wey Lo (Note 2)	Chipbond Technology Corporation (Representative: Shyh-Wey Lo) (Note 1) Shyh-Wey Lo (Note 2)
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	None	None	None	None
NT\$5,000,000 (inclusive) - NT\$10,000,000 (exclusive)	Yueh-Ming Tung Chipbond Technology Corporation (Representative: Huoo-Wen Gau)	Yueh-Ming Tung Chipbond Technology Corporation (Representative: Huoo-Wen Gau)	Chipbond Technology Corporation (Representative: Huoo-Wen Gau)	Chipbond Technology Corporation (Representative: Huoo-Wen Gau)
NT\$10,000,000 (inclusive) - NT\$15,000,000 (exclusive)	None	None	None	None
NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive)	None	None	None	None
NT\$30,000,000 (inclusive) - NT\$50,000,000 (exclusive)	None	None	Yueh-Ming Tung	Yueh-Ming Tung
NT\$50,000,000 (inclusive) - NT\$100,000,000 (exclusive)	None	None	None	None
Over NT\$100,000,000	None	None	None	None
Total	11	11	11	11

Note 1: Dismissed at the election of all directors and supervisors held at the general meeting of shareholders on June 7, 2024 in advance.

Note 2: Elected at the election of all directors and supervisors held at the general meeting of shareholders on June 7, 2024 in advance.

2.2.2 Supervisors' remuneration: The Company elected Independent Director's at the Shareholders' meeting on June 18, 2019, and established an Audit Committee to replace the Supervisors; therefore, there is no Supervisors' remuneration.

2.2.3 Remuneration of General Manager and Vice General Manager

December 31, 2024

Unit: NTD thousand

Title	Name	Remuneration (A) (Note 1)		Severance pay and pensions(B)		Bonus and allowances(C) (Note 2)		Employees’ remuneration (D) (Note 3)				Ratio of A+B+C+D to net income after tax (%)		Remuneration received from any investee other than the Company’s subsidiary or parent company
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company		Companies in the consolidated financial statements		The Company	Companies in the consolidated financial statements	
								Amount of Cash	Amount of Stock	Amount of Cash	Amount of Stock			
Chief Marketing Officer	Yueh-Ming Tung	15,496	15,496	432	432	37,298	37,298	27,204	0	27,204	0	6.55%	6.55%	None
General Manager	Jia Rong Tu													
Senior Vice General Manager	Chin-Chiu Wang													
Vice General Manager	Chen-Ling Lai													
Vice General Manager	Min-Lang Tsai													
Note 1: This represents the latest annual salary, duty increment and severance pay of the CEO, President, and Vice Presidents.														
Note 2: This represents the latest bonuses, incentive payments, travel allowances, special expenses, allowances, dormitories, cars and other in-kind payments to the CEO, President, and Vice Presidents for the most recent year. Salary expense recognized in accordance with IFRS 2, "Share-based Payment," including the acquisition of Employee stock options, new shares with restricted Employee rights and participation in cash capital increase to subscribe for shares, shall also be included in remuneration. Further, starting from May 15, 2024, the Company has distributed employee restricted stocks and salary expenses are recognize in accordance with IFRS 2 “Share-based Payment”. As of December 31, 2024, the recognized amount for vice presidents or above was NT\$34,043 thousand.														
Note 3: The amount of Employee compensation (including stock and cash) for the CEO, President, and Vice Presidents was approved by the Board of Directors in the most recent year.														

Table of remuneration range

Range of remunerations payable to the General Manager and Vice General Managers	Name of General Managers and Vice General Manager	
	The Company	Companies in the consolidated financial statements
Under NT\$ 1,000,000	0	0
NT\$1,000,000 (inclusive) - NT\$2,000,000 (exclusive)	0	0
NT\$2,000,000 (inclusive) - NT\$3,500,000 (exclusive)	0	0
NT\$3,500,000 (inclusive) - NT\$5,000,000 (exclusive)	0	0
NT\$5,000,000 (inclusive) - NT\$10,000,000 (exclusive)	0	0
NT\$10,000,000 (inclusive) - NT\$15,000,000 (exclusive)	Chin-Chiu Wang Min-Lang Tsai Chen-Ling Lai	Chin-Chiu Wang Min-Lang Tsai Chen-Ling Lai
NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive)	Yueh-Ming Tung Jia Rong Tu	Yueh-Ming Tung Jia Rong Tu
NT\$30,000,000 (inclusive) - NT\$50,000,000 (exclusive)	0	0
NT\$50,000,000 (inclusive) - NT\$100,000,000 (exclusive)	0	0
Over NT\$100,000,000	0	0
Total	5	5

2.2.4 Name of Managerial Officer in charge of bonus distribution and distribution status:

Unit: NTD thousand

Title	Name	Stock	Cash	Total	As a percentage of net income (%)
Chief Marketing Officer	Yueh-Ming Tung	0	34,098	34,098	2.78%
General Manager	Jia Rong Tu				
Senior Vice General Manager	Chin-Chiu Wang				
Vice General Manager	Chen-Ling Lai				
Vice General Manager	Min-Lang Tsai				
Assistant Manager	Che-Kuang Liu				
Assistant Manager	Chen-Chung Sun				
Assistant Manager	Tseng-Chih Chi				
Assistant Manager	Hung-Tai Mai				
Assistant Manager	Jia Ming Yang				
Chief Financial Officer	Simon Hung				
Head of Accounting	Shu-Yung Chu				

Note: The Board of Directors, on February 26, 2025, approved the distribution of 2024 employee remuneration in the amount of NT\$249,200 thousand in cash.

2.2.5 Describe the ratio of remuneration for Directors, General Managers and Vice General Managers paid by the Company and all the companies in the consolidated financial statement in the most recent two fiscal years to net income after tax on the parent company only financial statements and illustration of remuneration policy, standard and combination, remuneration resolution process, the relevance between operation performance and future risks.

2.2.5.1 Analysis of total remuneration for Directors, Supervisors, General Managers and Vice General Managers paid by the Company in the most recent two fiscal years to net income(loss) after tax:

Fiscal Year	2023		2024	
Title	The ratio of total remuneration for Directors, Supervisors, General Managers and Vice General Managers paid by the Company to net income(loss) after tax	The ratio of total remuneration for Directors, Supervisors, General Managers and Vice General Managers paid by all the companies in the consolidated financial statement to net income(loss) after tax of individual financial statements	The ratio of total remuneration for Directors, Supervisors, General Managers and Vice General Managers paid by the Company to net income(loss) after tax	The ratio of total remuneration for Directors, Supervisors, General Managers and Vice General Managers paid by all the companies in the consolidated financial statement to net income(loss) after tax of individual financial statements
Director (Including Independent Directors)	2.75%	2.75%	4.05%	4.05%
Supervisors	-	-	-	-
President and Vice President	3.41%	3.41%	6.55%	6.55%

2.2.5.2 Remuneration policy, standard and combination, remuneration resolution process, the relevance between operation performance and future risks of the Company:

- (1) In accordance with Article 26-1 of the Company's Articles of Incorporation, the remuneration of the Company's directors shall be distributed by the Board of Directors at a rate of not more than 1% of the Company's profitability for the current year, based on the directors' annual performance evaluation and contribution, taking into account the Company's operating results for the current year and future risks, and reported to the shareholders' meeting with the approval of the Board Meeting.
- (2) The remuneration of the president and vice president is evaluated and adjusted based on their duties, personal performance and contribution to the Company's overall operations, the Company's operating performance for the year and the Company's future risks, and with reference to the industry standard. Remuneration distribution is highly linked to operating performance. Performance evaluation indicators are as follows:
 - (a) Financial indicators: including revenue and profit
 - (b) Non-financial indicators: Strategic performance goals such as technology R&D and innovation, organizational/internal processes (such as continuous process optimization), customer service management, personnel development, and sustainable development (ESG), are included in the evaluation to strengthen managerial officer compensation and corporate performance and shareholders' equity.

Each target and its weight are set at the beginning of the year based on the internal and external business environment and comprehensive consideration of future risk factors. Year-end assessment of the Company's achievement of targets, and proposal of remuneration to managerial officers based on such performance, which shall be reviewed by the Remuneration Committee and submitted to the Board of Directors for approval.

2.3 Implementation of Corporate Governance

2.3.1 Operation of the Board of Directors: The Board of Directors met 6 times in 2024; below is the attendance of directors:

Title	Name	Attendance in person	By proxy	Rate of attendance in person (%)	Note
Chairman	Yueh-Ming Tung	6	0	100.00%	Re-elected on 2024/6/7 Must attend 6 meetings
Director	CHIPBOND TECHNOLOGY CORPORATION Representative: Huoo-Wen Gau	6	0	100.00%	Re-elected on 2024/6/7 Must attend 6 meetings
Director	CHIPBOND TECHNOLOGY CORPORATION Representative: Shyh-Wey Lo)	3	0	100.00%	2024/6/7 Re-election and dismissal; should attend 3 meetings
Director	Shyh-Wey Lo	3	0	100.00%	2024/6/7 Re-election of new director; Must attend 3 meetings
Independent Director	Chia-Hua Hsu	6	0	100.00%	Re-elected on 2024/6/7 Must attend 6 meetings
Independent Director	Philip Wei	3	0	100.00%	2024/6/7 Re-election of new director; Must attend 3 meetings
Independent Director	Chi-Cheng Wu	3	0	100.00%	2024/6/7 Re-election of new director; Must attend 3 meetings
Independent Director	Fang-Yu Wen	3	0	100.00%	2024/6/7 Re-election of new director; Must attend 3 meetings
Independent Director	Chien-Hui Hung	3	0	100.00%	2024/6/7 Re-election of new director; Must attend 3 meetings
Independent Director	Ching-Tien Tsai	3	0	100.00%	2024/6/7 Re-election of new director; Must attend 3 meetings
Independent Director	Jerry Chiou	3	0	100.00%	2024/6/7 Re-election and dismissal; should attend 3 meetings

Other matters that require reporting:

- I. If any of the following situations occur, please expressly state the dates and sessions of the Board Meetings, motion contents, all Independent Directors' opinions and the Company's response to Independent Directors' opinions:
 - (I). Matters listed in Article 14-3 of the Securities and Exchange Act: The Company has established an Audit Committee on June 18, 2019, and the provisions of Article 14-3 of the Securities and Exchange Act are not applicable. For a description of the matters set forth in Article 14-5 of the Securities and Exchange Act, please refer to the operating status regarding the Audit Committee to be recorded (page 21). °
 - (II). In addition to previous matters, other resolutions of the Board Meetings for which the Independent Directors express adverse opinions or qualified opinion with records or with written statements: None.

II. The status on Directors executing the proposal of conflict of interest:

Date of Board Meeting	The status on Directors executing the proposal of conflict of interest
2024.03.27	Update that the Chairman Yueh-Ming Tung was a party to the issuance of new restricted employee shares for 2023, who recused himself in accordance with the Board of Directors' Procedure Rules. The motion was presided over by Director Shih-Wei Luo on behalf of the Chairman, and was approved with the consent of 4 other Directors who did not recuse themselves from the meeting.
2024.04.24	Being a party involved in the motion on distribution of remuneration to the Company's directors of 2023, Chairman Yueh-Ming Tung and Chipbond Technology Corporation's representatives Huo-wen Gao and Shi-Wei Luo recused themselves from the motion according to the interest avoidance principles set forth in the Rules of Procedure for Board of Directors Meetings. The motion was presided over by independent director Ching-Tien Tsai on behalf of the chairman, and was approved with the consent of 2 other directors who did not recuse themselves from the meeting.
2024.04.24	Motion on distribution of employee remuneration to the Company's managers of 2023: Chairman Yueh-Ming Tung was a party involved, so he recused himself in accordance with the Rules of Procedure for Board of Directors Meetings. The motion was presided over by independent director Ching-Tien Tsai on behalf of the chairman, and was approved with the consent of 4 other directors who did not recuse themselves from the meeting.
2024.04.24	Chairman Yueh-Ming Tung was a party to the Company's proposal of President wage and position adjustment and has recused in accordance with the Rules for Board's Meeting. The motion was presided over by independent director Ching-Tien Tsai on behalf of the chairman, and was approved with the consent of 4 other directors who did not recuse themselves from the meeting.
2024.07.24	Motion for appointment of the 6th Remuneration Committee members, Independent Directors Jia-Hua Hsu, Hsin-Hsiung Wei, Chi-Cheng Wu, Fang-Yu Wen and Chien-Hui Hung were parties involved, so they recused themselves in accordance with the rules of procedure for board meetings. This motion was approved with the consent of 3 other Directors who did not recuse themselves from the meeting.

III. The status of Performance Evaluation on the Board of Directors: On March 27, 2020, the Company adopted the "Rules for Performance Evaluation of Board of Directors" in order to implement corporate governance and enhance the functions of the Board of Directors and functional committees, the performance of the Board of Directors is evaluated annually in accordance with the Performance Evaluation of the Board of Directors, and the results are reported to the Board Meeting.

(I). Internal evaluation:

Cycle of evaluation	Period of evaluation	Scope of evaluation	Methods and contents of evaluation	2024 evaluation results
Annually	January 1, 2024 to December 31, 2024	The Board Meeting, individual members of Board of Directors, Audit Committee and Remuneration Committee	<p><u>Self-evaluation on the performance of the Board of Directors:</u> Includes the following five major aspects, a total of 44 indicators.</p> <p>A. Level of involvement in the Company's operation B. Improvement on the quality of the Board Meeting's decisions C. the makeup and the structure of the members of the Board of Directors D. The Directors' Election and Their Continuing Education E. Internal control</p> <p><u>Self-evaluation on the performance of members of the Board of Directors:</u> Includes the following six major aspects, a total of 23 indicators.</p> <p>A. Alignment of the goals and mission of the Company; B. Understanding and recognition of the responsibilities of Directorship C. Level of involvement in the Company's operation D. Management and communication on internal relationship E. The Directors' Election and Their Continuing Education</p>	The Company Board of Directors and functional committees exercise power by law. The evaluation results showed that regarding the efficiency and effectiveness of each benchmark, the Directors and functional committees all have shown positive results in evaluation.

			<p>F. Internal control <u>Self-evaluation on the performance of Audit Committee and Remuneration Committee</u> Includes the following five major aspects, a total of 24 indicators.</p> <p>A. Level of involvement in the Company's operation B. Understanding and recognition of the responsibilities of functional committees C. Improvement on the quality of the functional committees' decisions D. Makeup and selection of the committee members and E. Internal control</p>	
<p>(I). External evaluation: The Company conducts an external evaluation every three years according to the “Rules for Performance Evaluation of Board of Directors”. Taiwan Institute of Ethical Business(TIEB) was commissioned to conduct the external evaluation for 2022. By commissioning external professional institution to examine the operation of the Board of Directors and provide an evaluation report, the Company is able to reference its recommendations to continuously enhance the structure and operation of the Board of Directors, thereby maintaining rigorous and complete performance.</p>				
<p>IV. Evaluation of the current and most recent year on objectives for enhancing the functions of the Board of Directors (e.g., establishment of an Audit Committee, enhancement of information transparency, etc.) and their implementation:</p>				
<p>(I). On June 18, 2019, the Company's general shareholders' meeting elected independent directors and established an Audit Committee to replace the supervisors' duties and responsibilities to strengthen the board meeting's functions.</p>				
<p>(II). To implement corporate governance and improve the functions of the Company’s Board of Directors, on March 27, 2020, the Company adopted the “Rules for Performance Evaluation of Board of Directors”, by which an internal evaluation of the Board of Directors’ performance is carried out annually before the end of the first quarter of the following month. The evaluation of the performance of the Board of Directors of 2024 was completed and the evaluation results were reported at the Board of Directors meeting dated February 26, 2025.</p>				
<p>(III). In order to enhance the diversity of the board of directors, two female directors were re-elected and appointed at the shareholders’ meeting on June 7, 2024 to achieve the goal of gender equality.</p>				

2.3.2 The operating status regarding the Audit Committee:

The 2024 Audit Committee had 4 meetings, and the attendance of Independent Directors was as follows:

Title	Name	Attendance in person	By proxy	Attendance Rate (%)	Note
Independent Director	Chia-Hua Hsu	5	0	100%	Re-elected on 2024/6/7; Must attend 5 meetings
Independent Director	Philip Wei	2	0	100%	2024/6/7 Re-election of new director; Must attend 2 meetings
Independent Director	Chi-Cheng Wu	2	0	100%	2024/6/7 Re-election of new director; Must attend 2 meetings
Independent Director	Fang-Yu Wen	2	0	100%	2024/6/7 Re-election of new director; Must attend 2 meetings
Independent Director	Chien-Hui Hung	2	0	100%	2024/6/7 Re-election of new director; Must attend 2 meetings
Independent Director	Ching-Tien Tsai	3	0	100%	2024/6/7 Re-election of new director; Must attend 3 meetings
Independent Director	Jerry Chiou	3	0	100%	2024/6/7 Re-election of new director; Must attend 3 meetings

Other matters that require reporting:

I. For Audit Committee meetings that meet any of the following descriptions, state the date and session of Audit Committee meeting held, motion contents, the Audit Committee's resolution, and how the Company has responded to the Audit Committee's opinions:

(I). Matters specified in Article 14-5 of the Securities and Exchange Act: after the entire members of Audit Committee, they will be submitted to the Board of Directors.

Date	Term	Motion content
2024.01.31	2nd term 11th meeting	<ol style="list-style-type: none"> 2023 remuneration distribution for Employees and Directors. 2023 parent company only and consolidated financial reports. The effectiveness of the internal control system and provision of "Internal Control System" for 2023. Loan from subsidiary, Coreplus (HK) Limited, to sub-subsidiary Valueplus Technology (Suzhou) Co., Ltd. for refinancing purpose. Purchase of fixed assets. Review of the appointment and remuneration of CPAs. Amendment to the "Audit Committee Charter". Amendment to the "Rules of Procedure for Board of Directors Meetings"
2024.03.27	2nd term The 12th meeting	<ol style="list-style-type: none"> 2023 earnings distribution. Update the list of allotted people for the issuance of new restricted employee shares for 2023 on October 25, 2023.
2024.04.24	2nd term The 13th meeting	<ol style="list-style-type: none"> 2024 Q1 consolidated financial statements. Releasing the restrictions on the new Directors' non-competition code. Proposal to amend certain articles of the "Operating Procedures for Compiling and Verifying Sustainability Report". 2023 annual remuneration distribution to Directors.
2024.07.24	3rd term 1st meeting	<ol style="list-style-type: none"> 2024 Q2 consolidated financial statements. 2023 sustainability report. Revision of some provisions of the internal control systems of the Company.
2024.10.29	3rd term 2nd meeting	<ol style="list-style-type: none"> 2024 Q3 consolidated financial statements. Amendment to the Related Party Transaction Management Regulations. Formulation of the "Regulations for Sustainable Information Management". Revision of some provisions of the internal control systems and implementation details of internal audits. 2025 audit plan.
2025.02.26	3rd term 3rd meeting	<ol style="list-style-type: none"> 2024 remuneration distribution for Employees and Directors. 2024 parent company only and consolidated financial reports. 2024 earnings distribution. 2024 effectiveness of the internal control system and provision of "Internal Control System". Revision of some provisions of the internal control systems and implementation details of internal audits. Revision of some provisions of the "Articles of Incorporation." Review of the appointment and remuneration of CPAs.

(II). Aside from the previous motions, other matters adopted by the approval of two-thirds or more of all Directors, without having been passed by the Audit Committee of the Company: None.

II. For the implementation of Independent Director s' recusal for conflicts of interests, the Independent Director s' name, motion contents, reasons for the required recusal and participation in the voting process: None

III. State of communication between Independent Director s, internal audit Supervisor and CPA (such as significant items, methods and results of communications on the Company's finances and business status):

(I). State of communication between Independent Director s, internal audit Supervisor and CPA (such as significant items, methods and results of communications on the Company's finances and business status):

1. Communication method: The CPAs communicate with the Audit Committee at least four times a year through meetings in accordance with the Statement of Auditing Standards No. 62 "Communication with the governing body of the auditee"; the communication content includes reporting on the Company's financial review and a summary report on the audit results, and reporting on important legal updates.

2. Summary of matters communicated in 2024:

Date	Item of communication	Results of communication/execution
2024.01.31	The Auditor will issue an individual and consolidated financial report for the year 2023, with key findings and explanations for the Independent Director s' review, and will respond to and discuss the issues raised by the Independent Directors.	The Audit Committee has no objection to the results of the audit of the 2023 financial statements.
2024.04.24	Review of the consolidated financial report for 2024 Q1 and communication with the governing body.	The Audit Committee has no objection to the results of the audit of the financial statements for 2024Q1.
2024.07.24	Review of the consolidated financial report for 2024 Q2 and communication with the governing body.	The Audit Committee has no objection to the results of the audit of the financial statements for 2024Q2.
2024.10.29	Review of the consolidated financial report for 2024 Q3 and communication with the governing body.	The Audit Committee has no objection to the results of the audit of the financial statements for 2024Q3.

(II). Communication between the Audit Committee and the chief internal auditor

1. Communication between the Audit Committee and the chief internal auditor

(1) In addition to delivering the annual audit plan review and quarterly follow-up report to independent directors every month, the chief internal auditor also attends an Audit Committee meeting to brief independent directors on internal audit results, internal control operation, and recommendations and communicates with them, and attends the board meetings in a non-voting capacity to report on the audit business.

(2) The chief internal auditor communicates and discusses the implementation of internal audit business and the operation of internal control with the independent directors through email, phone, and meetings.

2. Summary of matters communicated in 2024:

Date	Item of communication	Results of communication/execution
2024.01.31	Present the 2023 “Declaration of Internal Control System”.	After review and approval, it will be submitted to the board of directors for approval without objection
	Report on the performance of internal audit execution of October to December 2023.	No objections
2024.04.24	Report on the performance of internal audit execution of January to March 2024.	No objections
2024.07.24	Report on the performance of internal audit execution of April to June 2024.	No objections
2024.10.29	Report on the performance of internal audit execution of July to September 2024.	No objections
	To establish the Company's internal audit plan for 2025.	No objections

2.3.3 Implementation status of corporate governance and the variations and causes of variations from the Corporate Governance Best Practice Principles for TWSE/TPEX

Listed Companies.

Evaluation item	Evaluation item			The variations and causes of variations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
I. Has the Company defined and disclosed its corporate governance best practice principles in accordance with the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?”	V		The Company has formulated the Corporate Governance Best Practice Principles and disclosed it on the Company's website: https://www.ose.com.tw .	Compliance with Corporate Governance Best Practice Principles.
II. Structure of shareholdings and shareholder's equity				
(I) Has the Company established the internal procedures for handling shareholder suggestions, questions, disputes and litigation and implement according to the procedures?	V		(I) The Company has engaged a spokesperson and an acting spokesperson, and we provide service personnel for Shareholders' affairs in the accounting dept. to deal with Shareholders' suggestions and related affairs. In addition to providing the investors with contact windows, we have also appointed a professional stock transfer agency to provide professional consulting services.	Compliance with Corporate Governance Best Practice Principles.
(II) Has the Company kept an up-to-date list of its dominant Shareholders and the parties with ultimate control over its dominant Shareholders?	V		(II) We confirm the changes in the shareholdings of directors, major shareholders, and managers on a monthly basis to keep abreast of their shareholdings.	
(III) Has the Company established and implemented a risk control and firewall mechanism among its affiliates?	V		(III) The management responsibilities between the Company and its affiliates are divided clearly, “Regulation on Stakeholders Transaction” and “Supervision and Management of Subsidiary” are also defined and the finance, business, accounting of affiliates operates independently under the control and audit of the Company.	
(IV) Has the Company established internal rules to prevent the insiders from trading marketable securities through undisclosed information in the market?	V		(IV) The Company has formulated the "Procedures for Handling Material Inside Information" and the "Internal Major Information Processing and Insider Trading Prevention Management Operations" to protect investors and safeguard the Company's rights and interests.	
III. Composition and duties of the Board of Directors				
(I) Has the Board of Directors formulated a diversity policy and specific management goals and implemented them accordingly?	V		(I). For the Company's diversity policies for the Board of Directors, specific management objectives, and implementation status, please refer to “2.2.2.2 The operating status regarding the Audit Committee” of this annual report (Page 9-10) .	Compliance with Corporate Governance Best Practice Principles.
(II) In addition to the Remuneration Committee and the Audit Committee required by law, has		V	(II). The Company has established the Remuneration Committee and the Audit Committee according to law, and other corporate governance operation is responsible by each department	May be established according to requirements

Evaluation item	Evaluation item			The variations and causes of variations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
<p>the Company voluntarily established other functional committees?</p> <p>(III) Has the Company established the Board of Directors' performance evaluation and its evaluation methods, and does the Company perform regular performance evaluation each year and submit the results of performance evaluations to the Board of Directors and use them as reference in determining remuneration for individual Directors, their nomination and additional office term?</p> <p>(IV) Does the Company regularly evaluate the independence of certified public accountants?</p>	<p>V</p> <p>V</p>		<p>based on its duties. The Company has not established other functional committees and it will be established in the future according to the requirement.</p> <p>(III). The Company has formulated the Rules for Performance Evaluation of Board of Directors and the evaluation methods and disclosed them on the Company's website. We conduct self-evaluations for the performance of the Board of Directors, functional committees, and directors annually through questionnaires, and shall appoint an external professional independent organization or an external team of experts and scholars at least once every three years to conduct such evaluations. The results of internal or external performance evaluations shall be completed and reported to the Board of Directors by the end of the first quarter of the following year.</p> <p>For the implementation status in 2024, please refer to the section on "Rules for Performance Evaluation of Board of Directors" on page 18 under "2.3 Implementation of Corporate Governance" of this annual report.</p> <p>(IV). The Company's Board of Directors conducts regular annual evaluations of the independence and suitability of the certified public accountants. On February 26, 2025, the Board of Directors completed the relevant assessment in accordance with the "CPA Declaration of Independence" and "Audit Quality Indicators (AQIs)" issued by the CPAs.</p> <p>The evaluation mechanism is as follows:</p> <ol style="list-style-type: none"> 1. Confirm that the Company's CPAs are not related parties to the Company and its directors. 2. Years of continuous audit service. 3. There are no cases of legal proceedings, rectification or investigation by the competent authority. 4. The CPAs' report to the Audit Committee on a quarterly basis on the compliance status of the review/audit content and independence. 5. Regularly obtain the "Statement of Independence of the CPA" issued by the CPA to confirm that he/she is not a stakeholder. 6. Obtain the information on the Audit Quality Indicators (AQIs) provided by the CPA firm, and evaluate the audit quality of the CPA firm and the audit team in accordance with the "Guide to the Audit Committee's Interpretation of the Audit Quality Indicators (AQI)" issued by the competent authority. <p>Evaluation results</p> <p>It is confirmed that the CPAs and the Company have no other financial interests or business relationships, except for the fees for certification and some non-assurance services (mainly</p>	<p>Compliance with Corporate Governance Best Practice Principles.</p> <p>Compliance with Corporate Governance Best Practice Principles.</p>

Evaluation item	Evaluation item			The variations and causes of variations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
			company establishment/change registration, ESG services, training services, and translation services). It is confirmed that the CPAs meet the Company's assessment of independence and suitability. Refer to the AQI indicator information to confirm that the audit experience and training hours of the CPAs and the firm are better than the industry average. The latest evaluation was discussed and approved by the Audit Committee and the Board of Directors on February 26, 2025.	
IV. Where the Company is a TWSE/TPEX listed company, has the Company designated an appropriate number of personnel that specializes (or is involved) in corporate governance affairs (including but not limited to providing Directors/Supervisors with the information needed and assist Directors and Supervisors in complying with the laws and regulations to perform their duties, convention of Board Meetings and Shareholders' Meetings, preparation of Board Meeting and Shareholders' Meeting minutes etc.)?	V		<p>(I) The Board of Directors has passed a resolution on May 14, 2021 to appoint Accounting Supervisor Shu-Yung Chu to serve as the Corporate Governance Officer as per the Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers. She has many years of experience in finance and board and shareholders' meetings at publicly listed companies.</p> <p>(II) The Corporate Governance Officer is mainly responsible for handling matters related to the board meetings and shareholders' meetings according to the law, preparing minutes of the board and shareholders' meetings, assisting directors with their appointment and continuing education, providing them with information required for duty performance, and assisting them in complying with laws and regulations.</p> <p>(III) 2024 Implementation Situation:</p> <p>(1) Handling of matters relating to Board Meetings and Shareholders' Meetings in compliance with law.</p> <p>(2) Production of minutes for the Board Meetings and Shareholders' Meetings.</p> <p>(3) Assisting Directors to assume Directorships, and their continuing education.</p> <p>(4) Providing information needed for Directors to perform duties.</p> <p>(5) Assisting Directors to comply with compliance.</p> <p>(6) Other matters stipulated in the Articles of Incorporation or contracts.</p> <p>(IV) Please refer to Table 2 for details of continuing education in 2024.</p> <p>(V) We have appointed personnel to handle corporate governance affairs, including preparing the materials required by directors and independent directors to perform their duties, handling matters related to the board and shareholders' meetings in accordance with the law, handling company registration and change registration, and preparing the minutes of the board and shareholders' meetings.</p>	Compliance with Corporate Governance Best Practice Principles.
V. Has the Company established the channels for communication with the stakeholders (including but not limited to the Shareholders, Employees,	V		(I). The Company has a spokesperson and deputy spokesperson, the related contact information is disclosed on Market Observation Post System and the Company's website according to the regulation. Meanwhile, the Company also discloses financial and Shareholders affairs-	Compliance with Corporate Governance Best Practice Principles.

Evaluation item	Evaluation item			The variations and causes of variations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
customers and suppliers), set up the stakeholder section in the Company's website, and respond appropriately to important CSR issues concerned by the stakeholders?			<p>related information on Market Observation Post System and its website to establish great communication channels with investors.</p> <p>(II). The Company has established an ESG section on its official website (the ESG hyperlink on the front page) under the Sustainability Management section, which includes an area dedicated to stakeholders. Referencing the AA 1000 Stakeholder Engagement Standard (SES), the Company has identified stakeholders based on five assessment dimensions: "dependency, responsibility, influence, diverse perspectives, and tension." Through this comprehensive process, seven stakeholder groups have been identified: employees, customers, suppliers/contractors, investors, government authorities, communities/non-profit organizations, and media. We also discuss and respond in a timely manner based on the level of concern of stakeholders on material topics. The most recent report submitted to the Board of Directors was on October 29, 2024.</p> <p>For more information, please visit the ESG webpage (https://esg.ose.com.tw)→ Sustainability management→ Stakeholders</p>	
VI. Has the Company appointed a professional stock transfer agency to deal with Shareholders' Meetings affairs?	V		The Company has appointed a professional stock transfer agency- stock transfer agency of CTBC Bank Co., Ltd to assist in stock affairs for the Company.	Compliance with Corporate Governance Best Practice Principles.
VII. Information disclosure				Compliance with Corporate Governance Best Practice Principles.
(I) Has the Company set up a website to disclose its financial and corporate governance information?	V		(I) The Company has set up a website (www.ose.com.tw), to disclose the Company's financial business and corporate governance information.	
(II) Has the Company adopted other methods to disclose information (such as setting up an English website, designating dedicated personnel to gather and disclose company information, implementing the spokesperson system, and posting investor conferences on video in the Company website)?	V		(II) The Company's website is available in both Chinese and English to disclose information on the Company's financial business and investor conferences and implement a spokesperson system. We have set up a section dedicated to stakeholders on the website to provide smooth communication channels and designated personnel person to disclose the Company's information on the MOPS in accordance with laws and regulations.	
(III) Has the Company published and reported its annual financial report within two months after the end of a fiscal year, and published and reported its financial reports for the first, Second, and third quarters, as	V		(III) The Company published and reported its annual financial report within two months after the end of a fiscal year (2024 financial reports haven been uploaded to the Market Observation Post System on February 26, 2025), and published and reported its financial reports for the first, second, and third quarters, as well as its operating status for each month before the specified deadline.	

Evaluation item	Evaluation item			The variations and causes of variations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
well as its operating status for each month before the specified deadline?				
VIII. Is there any other material information that will help the stakeholders understand the implementation status of corporate governance in the Company (including but not limited to Employee rights, Employee care, investor relations, supplier relations, stakeholder rights, further study status of Directors and Supervisors, the implementation status of the risk management policy and risk measurement standard, the implementation status of the customer policy, and the Company's purchase of liability insurance for Directors and Supervisors)?	V		<p>(I) Employee rights and care for employees: Please refer to 4.5 Labor Relations (page 88) of "Operational Highlights" of this annual report.</p> <p>(II) Investor relations: We have engaged a spokesperson and an acting spokesperson to respond to relevant questions from shareholders and engaged personnel to announce information on financial, business, and information, such as changes in the insiders' shareholdings, in real time, to ensure information transparency.</p> <p>(III) Supplier relations: The Company has formulated the suppliers review and evaluation procedures, and only those who pass the procedures can become our partners. In addition, to strengthen the smooth communication with suppliers, we have set up a contact point in the Stakeholders section of the Company's website.</p> <p>(IV) Stakeholders' rights: We have set up a section dedicated to stakeholders on the website to provide communication channels to safeguard both parties' rights and interests.</p> <p>(V) Continuing education of directors and managers: Please refer to Tables 1 and 2 below.</p> <p>(VI) Implementation of risk management policies and risk measurement standards: The Company has established "Risk Management Policy and Operating Procedures," which are continuously adjusted based on practical considerations to mitigate potential operational risks, ensuring stable operations and sustainable development. On April 24, 2024, the Corporate Governance and Sustainability Committee reported to the Board of Directors regarding the operations and implementation status pertaining to material environmental, social, corporate governance issues related to the Company's operations, as well as various aspects of risk management.</p> <p>(VII) The implementation status of the customer policy: The Company has established dedicated unit to handle the implementation of the customer policy, and the implementation status goes smoothly.</p> <p>(VIII) The status of the Company purchasing liability insurance for directors and supervisors: The Company purchases liability insurance for directors and managers annually. The insurance coverage is periodically evaluated annually and the renewal of directors' liability insurance is reported to the Board of Directors.</p>	Compliance with Corporate Governance Best Practice Principles.
IX. Please specify the status of improvements which have been made and propose the prioritized improvements for other matters which have not been improved yet according to the Corporate Governance Evaluation results announced by the Corporate Governance Center of Taiwan Stock Exchange Corporation in the most recent year: The Company ranked 21% to 35% among all listed companies in the year of evaluation (2023). We conducted a review and formulated feasible improvement plans based on the evaluation results.				

Table1 : Directors' continuing education in 2024

Title Name	Date of assumption of office	Date of further study		Organizer	Name of class	Hours
		From	To			
Chairman Yueh-Ming Tung	2024/06/07	2024/06/18	2024/06/18	Taiwan Corporate Governance Association	Interpreting the key information of financial reports	3
		2024/07/11	2024/07/11		The new era of artificial intelligence: Chatbots Chat GPT that flips the industry's new trend	3
		2024/10/25	2024/10/25	Securities and Futures Institute	The latest "Preparation for Annual Report Sustainability Information and Financial Report" laws and regulations analysis and related internal control management practices	6
Director Huoo-Wen Gau	2024/06/07	2024/06/25	2024/06/25	Taiwan Corporate Governance Association	Post-epidemic era – How should Taiwanese companies plan to cope with the challenges and opportunities of upgrading and transformation (Part 1)	3
		2024/06/28	2024/06/28		Post-epidemic era – How should Taiwanese companies plan to cope with the challenges and opportunities of upgrading and transformation (Part 2)	3
Director Shyh-Wey Lo	2024/06/07	2024/06/21	2024/06/21	Taiwan Corporate Governance Association	Inheritance plan- Employee reward plans and equity inheritance	3
		2024/07/05	2024/07/05		The latest trend of corporate governance from the perspective of corporate governance evaluation indicators	3
		2024/07/09	2024/07/09		Strategy of corporate employee reward and exploration of tool application	3
		2024/08/13	2024/08/13		How can enterprises balance intelligence, security and risks in digital transformation to create a win-win situation?	3
Independent Director	2024/06/07	2024/08/06	2024/08/06	TWSE	Create a new carbon era: Advocacy seminar of sustainable knowledge	6

Title Name	Date of assumption of office	Date of further study		Organizer	Name of class	Hours
		From	To			
Ching-Tien Tsai		2024/08/16	2024/08/16	Taiwan Corporate Governance Association	Data center evolution: Development trend of silicon photonics and artificial intelligence servers	3
Independent Director Philip Wei	2024/06/07	2024/03/12	2024/03/12	Taiwan Corporate Governance Association	International trends and experience sharing on corporate integrity management and high-level accountability system	3
		2024/09/05	2024/09/05	Taiwan Project Management Association	Continuing Education Course for OTC Directors - Operation and Evaluation of Performance Management System for Corporate Governance	3
Independent Director Chi-Cheng Wu	2024/06/07	2024/08/22	2024/08/22	Greater China Financial and Economic Development Association	Geoeconomic risks and green transformation	3
		2024/08/28	2024/08/28		Digital Marketing	3
		2024/09/20	2024/09/20	Securities and Futures Institute	2024 Insider Trading Prevention Conference	3
Independent Director Fang-Yu Wen	2024/06/07	2024/06/12	2024/06/12	The National Federation of CPA Associations of the R.O.C.	How do independent directors, audit committees, and compensation committees apply the business judgment rule to perform their duties	3
		2024/06/18	2024/06/18		International development trends and practices in money-laundering prevention	3
		2024/06/21	2024/06/21		Mergers and Acquisitions and Due Diligence	3
		2024/07/03	2024/07/03	TWSE	2024 Cathay Sustainable Finance and Climate Change Summit	6
		2024/08/15	2024/08/15	The National Federation of CPA Associations of the R.O.C.	Analysis of the latest tax laws and practices in the first half of 2024	6
Independent Director	2024/06/07	2024/09/06	2024/09/06	Securities and Futures Institute	2024 Insider Trading Prevention Conference	3
		2024/09/10	2024/09/10	The Institute of Internal Auditors-Chinese Taiwan	Analysis of regulations and audit priorities for the board of directors and functional committees (audit, remuneration)	6

Title Name	Date of assumption of office	Date of further study		Organizer	Name of class	Hours
		From	To			
Chien-Hui Hung		2024/10/04	2024/10/04	Taiwan Corporate Governance Association	Net-zero Emissions Promotion Seminar- Taichung	3
		2024/10/07	2024/10/07	Chinese National Association of Industry and Commerce, Taiwan	2024 Taishin Net-zero Summit	3

Table 2: Managers' continuing education in 2024

Title Name	Date of assumption of office	Date of further study		Organizer	Name of class	Hours
		From	To			
Corporate Governance Officer Shu-Yung Chu	2021/05/14	2024/09/12	2024/09/12	Taiwan Corporate Governance Association	Climate Risk Identification Workshop and Net-zero Emissions Promotion Seminar- Tainan	9
		2024/09/20	2024/09/20	Securities and Futures Institute	2024 Insider Trading Prevention Conference	3
		2024/11/29	2024/11/29		2024 Insider Equity Trading Legal Compliance Seminar	3
Head of Accounting Shu-Yung Chu	2018/12/01	2024/06/17	2024/06/18	Accounting Research and Development Foundation	Continuing Education Course for Accounting Supervisors of Issuers, Securities Dealers and Stock Exchanges	12
Chief auditor Chia-Jung Wu	108/08/13	2024/04/10	2024/04/10	Internal Audit Association of the Republic of China	Key points and impacts of IFRS S1/S2 on internal control and internal audit that you must know	6
		2024/06/18	2024/06/18		Analysis of key points of sustainable information disclosure and management policies and related audit	6

Table3 : Succession planning of board members and key management personnel.

<p>I. Succession planning for board members</p> <ol style="list-style-type: none"> 1. The Company has stipulated in its Articles of Incorporation the adoption of a candidate nomination system for the election of directors. In accordance with the "Procedures for Election of Directors" and the "Corporate Governance Best Practice Principles" regarding the structure and diversity guidelines of the Board of Directors, as well as the overall capabilities required, the Company plans the composition of the Board of Directors to arrange suitable succession candidates. 2. The composition of the Board of Directors of the Company is in line with the policy of diversity, and the management goal is to have a board structure in which more than 50% of the seats are independent, board members include at least one female director, and directors who concurrently serve as managers of the Company should not exceed one-third of the seats, in consideration of the Company's own operations , business model and development needs. Diversification is the planning guideline. Under the diversified criteria of gender, age, professional knowledge, professional skills and industrial experience, the Company looks for suitable candidates to plan the members of the Board of Directors and their terms of re-election. 3. In order to maintain the professionalism and experience of board members, the Company has established a director talent database through the following methods as a reference for director succession planning candidates: <ol style="list-style-type: none"> (1) Consult various parties for suitable candidates to serve as the Company's directors. (2) Refer to the Independent Director Talent Database. (3) Appoint the incumbent directors or appropriate external institutions or consultants to propose suitable director candidates. (4) The results of the performance evaluation of the Board of Directors as a reference for the nomination of a director for a new term of office. 4. Each year, the Board of Directors participates in internal and external training courses on the issues of concern for the year. And it has clearly stipulated the Operating Procedures for Performance Management of the Board of Directors, which, through performance evaluation items, ensures the effective operation of the Board of Directors and serves as a reference for future selection of directors. 5. The planning and training for 2024 is as follows: <ol style="list-style-type: none"> (1) A total of 84 hours of training courses on issues of concern to board members for their business decisions of the current year. Topics include corporate governance, directors' responsibilities, sustainable Net Zero related summits or forums, taxation, intellectual property, information security and other related issues. (2) Please refer to Table 1 for details of continuing education in 2024 . <p>II. Operation of key management personnel</p> <ol style="list-style-type: none"> 1. In order to ensure that the Company can continue to operate sustainably with a high degree of competitiveness, Orient Semiconductor Electronics continues to develop high-potential talents and succession echelons, and so far is still actively moving forward with the goal of establishing a systematic structure. 2. Managers involved in important decision-making of the Company are trained through professional courses, job rotation and annual corporate meetings, etc., to cultivate leaders who have both strategic management, leadership and humanistic care, in order to cultivate the succession echelon. 3. The planning and training for 2024 is as follows: <ol style="list-style-type: none"> (1) Training resource allocation: <ol style="list-style-type: none"> A. The above-mentioned managers are all entitled to the "LED Leadership Establishment and Development Program", which includes but is not limited to: lifelong learning, strategic analysis, dynamic decision-making, team leadership, financial management, etc. It will be conducted in the form of course lectures, study camps, workshops, and online resources. B. Cumulative implementation results over the years— <ol style="list-style-type: none"> (a) A total of 143 people participated in the training (b) Total accumulated man-hours of physical courses : 17,548 man-hours (c) Total number of digital resource sessions: 203 (2) Talent team plan: <ol style="list-style-type: none"> A. Based on the functional indicators and weights of key positions, high-potential talents are selected. B. Formulate Individual Development Program (IDP) based on the suitability evaluation of individual talents and the position to be developed. 4. Regularly track the progress of the functional development of high-potential talents and the completeness of the talent team.

2.3.4 If the Company has established the Remuneration Committee, the composition, duties and operation status should be disclosed:

2.3.4.1. Information of members of the Remuneration Committee

Criteria Name	Professional qualifications and experience	Independence status	Number of other public companies in which the individual is concurrently serving as a member of the Remuneration Committee
Independent Director (Convener) Chia-Hua Hsu	Please refer to 【2.2.1 Disclosure of information on the professional qualifications of directors and the independence of independent directors:】	(1) Not an employee of the Company or any of its affiliates. (2) Not a director or supervisor of the Company or any of its affiliates. (3) Holding more than 1% of the total outstanding shares issued by the Company, or among the top 10 natural person Shareholders by the person or his or her spouse or minor children, or in the name of a third party. (4) Not a spouse, or relative within the second degree of kinship, or lineal relative within the third degree of kinship, of an executive officer falling under (1), (2) or (3) above. (5) Not a director, supervisor, or employee of an institutional shareholder who directly holds more than 5% of the Company's total issued shares, who are among the top five shareholders, or who designates its representative to serve as a director or supervisor of the Company in accordance with Article 27, paragraph 1 or 2 of the Company Act. (6) Not a director, supervisor, or employee of another company where a majority of the Company's directors or voting shares and those of another company are controlled by the same person. (7) Not a director (managing director), supervisor, or employee of another company or institution where the Chairman, the General Manager, or person holding an equivalent position of the Company and a person in an equivalent position at another company or institution are the same person or spouses. (8) Not a director (managing director), supervisor, manager, or shareholder holding 5% or more of the shares of a specific company or institution which has a financial or business relationship with the Company. (9) Not a professional individual who, or an owner, partner, Director, Supervisor, or a spouse thereof, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the past two years has received cumulative compensation exceeding NT\$500,000. This restriction does not apply, however, to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act, the Business Mergers and Acquisitions Act, or related laws or regulations. (10) Not having a marital relationship, or not a relative within the second degree of kinship to any other Director of the Company.	0
Independent Director Philip Wei			0
Independent Director Chi-Cheng Wu			1
Independent Director Fang-Yu Wen			0
Independent Director Chien-Hui Hung			0

2.3.4.2. Operating status of the Remuneration Committee

- (1) The Company's Remuneration Committee consists of 5 members
- (2) The term of the 6th term of member is from June 7, 2024 through June 6, 2027.
- (3) The Remuneration Committee held 4 meetings (A) in 2024. The qualification of members and the status of attendance are as follows:

Title	Name	Attendance in person (B)	By proxy	Rate of attendance in person (%) (B/A) (Note)	Note
Convener	Chia-Hua Hsu	4	0	100%	Re-election of all directors on June 7, 2024, who were appointed as the 6th term of members of the Board of Directors on July 24, 2024; required to attend 4 meetings
Member of the Committee	Philip Wei	1	0	100%	Directors newly-elected on June 7, 2024, who were appointed as the 6th term of members of the Board of Directors on July 24, 2024; required to attend 1 meetings
Member of the Committee	Chi-Cheng Wu	1	0	100%	
Member of the Committee	Fang-Yu Wen	1	0	100%	
Member of the Committee	Chien-Hui Hung	1	0	100%	
Convener	Ching-Tien Tsai	3	0	100%	Directors dismissed on June 7, 2024; numbers of meetings to be attended shall be 3
Member of the Committee	Jerry Chiou	3	0	100%	

Other matters that require reporting:

- I. When the Board Meeting rejects or modifies the recommendations made by the Remuneration Committee, please expressly state the date and session of the Board Meeting, motion contents, the resolved by the Board Meeting, and settlement on the opinions of the Remuneration Committee: none.
- II. When there are any of members expressing adverse opinion or qualified opinion with records or with written statements for resolutions by the Remuneration Committee, state the date and session of the Remuneration Committee meeting, motion contents, all the members' opinions and the settlement on their opinions:

Remuneration Committee	Motion contents and further handling	Resolution result	The Company's response to the Audit Committee's opinions
The 5th term 9th meeting (2024.01.31)	1. 2023 remuneration distribution for Employees and Directors.	All attending members approved the motion without any dissenting opinion	Was submitted to the Board Meeting and all attending Directors have approved
The 5th term 10th meeting (2024.03.27)	1. Update the list of allotted people for the issuance of new restricted employee shares for 2023 on October 25, 2023.	All attending members approved the motion without any dissenting opinion	Was submitted to the Board Meeting and all attending Directors have approved
The 5th term 11th meeting (2024.04.24)	1. The remuneration package for managers in 2023. 2. 2023 annual remuneration	All attending members approved the motion without any dissenting opinion	Was submitted to the Board Meeting and all attending Directors have approved

	distribution to Directors. 3. Managerial officer compensation and remuneration as well as position adjustment.		
The 6th term 1st meeting (2024.10.29)	1. To elect the convener of the 6th Remuneration Committee. 2. Review of the transportation allowance for newly elected directors and independent directors of the 19th board. 3. Review of the transportation allowance for the 3rd Audit Committee members and the 6th Remuneration Committee members.	All attending members approved the motion without any dissenting opinion	Was submitted to the Board Meeting and all attending Directors have approved

Note : (1) If a member of the Remuneration Committee resigns before the end of a fiscal year, state the service termination date in the remarks section, and the rate of attendance in person is calculated by the number of the Remuneration Committee meetings and his attendance in person during his service period.

(2) If a Remuneration Committee re-election is held before the end of a fiscal year, the name of former and newly-elected members should all be listed, and also state the status of the members: former, newly-elected or re-elected, and the re-election date in the remarks section. The rate of attendance in person (%) is calculated by the number of the Remuneration Committee meetings and the attendance in person during his service period.

2.3.5 The promotion of sustainable development and the deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor:

Item	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
I.Has the Company established a governance structure to promote sustainable development and set up a dedicated (concurrent) unit to promote sustainable development, governed by the senior management as authorized by the Board of Directors, which supervises the implementation?	V		<p>The Company pays attention to the domestic and foreign sustainable development trends, follows relevant domestic and foreign regulations and practical needs, formulates sustainability policies, and establishes the "Corporate Governance and Sustainability Committee" as an internal management committee with responsibility for sustainability affairs. The Company's Sustainability Committee is chaired by the chairman of the board, with the president serving as the vice chairman and the vice president of the management center acting as the management representative. Together with senior executives from various centers, they jointly review the Company's sustainable development planning and implementation.</p> <p>The Company's Sustainability Committee identifies sustainability issues relevant to the Company's operations and stakeholder concerns, tracks domestic and international sustainability regulations and development trends, and formulates policies and goals. Through the operation of five task forces (environmental friendliness, social inclusion, corporate governance, information security, supply chain collaboration) and cross-departmental communication and collaboration, it ensures the implementation of sustainability strategies in the Company's daily operations and regularly tracks the goals and execution effectiveness of each task force. The Company's Sustainability Committee reports the implementation results and future goals and strategies to the Board of Directors at least once a year, and the most recent report was dated April 24, 2024.</p>	None
II.Does the Company conduct risk assessments of environmental, social, and corporate governance issues related to company operations as per the principle of materiality? Has the Company formulated relevant risk management policies or strategies?	V		<p>In order to strengthen the effectiveness of corporate governance and improve the company's risk management system, the company has established "Risk Management Policies and Procedures", which were revised and approved by the Board of Directors on July 26, 2023. They have been put into the company's practical operations and continuously improved to reduce various risks that may arise from operations and ensure the company's stable operation and sustainable development.</p> <p>The risk management scope of the Company's policies and procedures covers various risks faced during its operations. It also considers various aspects of sustainable development (including climate change) based on the Company's scale, industry, business characteristics and operational activities, and the possibility and extent of positive and negative impacts. It conducts risk assessments on environmental, social and governance issues related to the Company's operations based on the principle of materiality, and analyzes and identifies risk events that may have an impact on the Company's sustainable operations.</p> <p>The Company established the Corporate Governance and Sustainability Committee in 2023 to manage and promote the execution, decision-making, coordination and cross-organizational risk control programs of risk management, and report to the Board of</p>	None

Item	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Summary Description	
			<p>Directors on a regular basis. Information on the risks identified by the Company is also disclosed in its sustainability report and official website.</p> <p><u>Material topic: Environmental</u></p> <p>Risk assessment indicator: climate change risk</p> <p>Risk management policy or strategy: The Company has passed the certification of management systems such as ISO14001, ISO14064-1, ISO46001 and ISO50001, established a corporate governance and sustainable management committee, formulated ESG goals, and through the operation of relevant responsible units and management organizations, continued to attach importance to the management and improvement of issues such as energy, water resources, waste, air pollution and greenhouse gas emissions, and strengthened the relevant knowledge of employees through education and training to enhance the Company's emergency response capabilities and reduce the risk of operational interruptions caused by natural disasters, environmental accidents and climate change.</p> <p><u>Material topic: Social</u></p> <p>Risk assessment indicator: raw materials price risk and supply chain risk</p> <p>Risk management policy or strategy: We have formulated the supplier management regulations to ensure that suppliers meet the needs and expectations of the Company and clients through operating process management and by requiring suppliers to sign an undertaking of supplier code of conduct. In the selection of suppliers, we conduct evaluations in multiple aspects to ensure that the supply of raw materials is normal and the quality and delivery time meet the requirements. For non-exclusive important raw materials, establish a second supplier to avoid the risk of supply disruption caused by natural disasters, various environmental factors or other force majeure factors. We require relevant suppliers to conduct conflict mineral investigations to ensure that the Company's products do not contain any conflict minerals.</p> <p>Risk assessment indicator: Operation risk hazard</p> <p>Risk management policy or strategy: The Company has passed ISO 45001, CNS45001 management system certification. The Company conducts hazard identification and risk assessment procedures for the operating environment, equipment, machinery, services, among others, in the factories every year, and determines the risk level according to the severity of hazards, frequency of occurrence, and probability of accidents. We have also drafted appropriate management plans for the immediate implementation of risk management measures in high risk operating environments in order to reduce risk in the work environment. Furthermore, we have identified factory areas exposed to high risks, i.e., ionic radiation, sound, hazardous chemical and dust pollution. In addition, our staff working in such areas are provided with training and education, personal protection equipment,</p>	

Item	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Summary Description	
			<p>and regular health checks, and we monitor their health conditions and ensure their health at workplace.</p> <p><u>Material topic: Governance</u></p> <p>Risk assessment items: financial risk and investment risk</p> <p>Risk management policy: The Company monitors interest rate trends at any moment, and assesses whether to lend at fixed rates or floating rates, in order to reduce risk of an increase in costs. In addition, we also keep a close eye on the fluctuating market price at any given time, have a positive interaction with customers and suppliers and gather information about inflation and the government's consumer price policy at any given time in order to make the appropriate purchase.</p> <p>Risk assessment indicator: information security risks</p> <p>Risk Management Policy or Strategy:</p> <p>The Company formally established the Information Security Governance Committee in August 2023, with the senior vice president of the information center as the chief information security officer to manage and review the information security system. We also have a security supervisor to plan, implement, check and improve the Company's information security system. The Information Security Management Department was established in November 2023 as the dedicated department for the Company's information security. Its duties include information security alert management, vulnerability management, information security system and equipment management, information security incident monitoring, information security incident handling, and identification of information security incidents.</p> <p>The Company officially obtained ISO 27001: 2022 certification in 2023. The Company will continue to comply with this standard and continue to improve its information management capabilities and reduce the impact of information security-related risks every year.</p> <p>For detailed implementation and management practices, please refer to "VI. Management of Cyber Security" (page 90)" of "V. Operational Highlights" in this annual report, or the Company's website (https://esg.ose.com.tw/) →Focus of attention→Integrity and honesty→Information security</p>	

Item	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Summary Description	
III. Environmental Issues (I) Has the company established an appropriate environmental management system based on the characteristics of its industry?	V		<p>The Company has established environmental safety and health, energy and water resource management systems and obtained ISO 14001:2015 Environmental Management System (valid from September 24, 2022 to September 24, 2025), ISO14064-1:2018 Greenhouse Gas Inventory Standard (2023) (issued on July 8, 2024), ISO 45001:2018 (valid from September 15, 2024 to September 9, 2025) and CNS 45001:2018 Occupational Safety and Health Management System (valid from September 15, 2024 to September 8, 2025), ISO 50001:2018 Energy Management System Certification (valid from December 1, 2024 to December 1, 2025) and ISO 46001:2019 Water Resource Efficiency Management System Certification (valid from January 12, 2023 to January 12, 2026). And formulate measurable goals and management programs, regularly review the goals and the effectiveness of the management programs.</p>	None
(II) Is the Company committed to improving energy efficiency and adopting recycled materials with low environmental impact?	V		<p>The Company has passed the ISO50001: 2018 energy management system certification (valid until 2025) and ISO 46001: 2019 water resource efficiency management system certification (valid until 2026), and will continue to review the operation and utilization of water, electricity and other energy systems . Energy saving: Purchase green electricity and install solar panel power generation system, formulate energy-consuming equipment replacement plan (such as replacement of chiller main unit and cooling tower fins); Water conservation: In addition to using recycled water, we will continue to plan to add process wastewater recycling facilities and expand existing facilities, faucet water-saving valve water-saving projects, etc., through various energy-saving and carbon-reduction projects, improve resource energy efficiency.</p> <p>The Company implements the spirit of responsible production and circular economy, and is committed to reducing the impact on the environment at all stages of the product life cycle from raw materials, manufacturing, storage, transportation, use to disposal. In our own operational activities, we promote process technology improvements, and through source management measures, we can reduce the use of raw materials and the generation of waste. We also strive to collaborate with corporate partners to achieve resource recycling, waste resource utilization, and circular reuse. Additionally, we plan to introduce and develop environmentally friendly technologies, strengthen pollution prevention, and conduct audits and guidance for waste contractors.</p>	None

Item	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Summary Description	
(III) Does the company assess potential risks and opportunities associated with climate change, and undertake measures in response to climate issues?	V		<p>The Company set up its ESG Committee and appointed it to be the highest governance body over climate change issues. The Company established a framework for managing climate change issues disclosing information by referencing the Task Force on Climate-Related Financial Disclosures (TCFD) framework issued by the Financial Stability Board (FSB).</p> <p>In line with the circular economy and low-carbon sustainability policies promoted by the Bureau of Industrial Parks under the Ministry of Economic Affairs, the Company participated in the "Circular Economy and Low-Carbon Sustainable Park Promotion and Counseling Program from 2021 to 2024." This included implementing the ISO 14064-1:2018 standard for greenhouse gas inventory (in 2021), introducing the ISO 50001:2018 Energy Management System (in 2022) and the ISO 46001:2019 Water Efficiency Management System (in 2022), and carrying out the CDP Carbon Disclosure (in 2023) as well as Product Environmental Footprint Verification (in 2024). The Company has obtained relevant certifications and achieved improvements through these initiatives.</p> <p>In order to mitigate the impact of climate change on the current and potential risks of the Company, the Company adopts the following strategies:</p> <p>(1) Tracking the international and domestic trends of climate-related amendments, assessing possible impacts and formulating response strategies;</p> <p>(2) Formulating ESG energy saving and carbon reduction targets and continuing to track improvement results;</p> <p>(3) Conducting greenhouse gas surveys to understand carbon emissions as the basis for assessing carbon reduction initiatives;</p> <p>(4) Promoting energy conservation and carbon reduction measures, replacing high energy-consuming equipment or improving energy efficiency through equipment adjustment;</p> <p>(5) Increasing the proportion of renewable energy to reduce demand for externally electricity purchase by adding solar power generation equipment or evaluating the purchase of green electricity;</p> <p>(6) Adding or expanding process wastewater recycling facilities to improve water recycling rate to reduce demand for water resources;</p> <p>(7) The Company will gradually promote the carbon footprint verification of products to understand the carbon emissions during the production process, and use it as the basis for process improvement.</p>	None

Item	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
(IV) Does the Company maintain statistics on greenhouse gas emission, water usage and total waste volume in the last two years, and implement policies aimed at reducing energy, carbon, greenhouse gas, water and waste?	V		<p>The Company continues to promote energy saving, carbon reduction, water saving, and waste reduction measures based on the management system framework of ISO 14001, ISO14064-1, ISO 46001, and ISO 50001.</p> <p>(1) Energy conservation and carbon reduction:</p> <p>A. Mitigate greenhouse gas emissions is a necessary way to slow down climate change and global warming. The Chung No. 3 plant and the Jing No. 3 plant of our company are listed by the Ministry of Environment as emission sources that should be investigated and registered for greenhouse gas emissions. The remaining plants are responsible for conducting greenhouse gas investigations on their own, and the results of the investigations serve as the basis for reduction effectiveness and continuous improvement.</p> <p>B. Greenhouse gases: Including carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, nitrogen trifluoride and others announced by the central competent authority, distinguishing between direct emissions (Scope 1, i.e., emissions directly from emission sources owned or controlled by the company), energy indirect emissions (Scope 2, i.e., indirect greenhouse gas emissions from the input of electricity, heat or steam) and other indirect emissions (Scope 3, i.e., emissions generated by company activities, which are not energy indirect emissions but come from emission sources owned or controlled by other companies).</p> <p>C. All of our factories have completed the greenhouse gas inventory of Scopes 1 and 2 of ISO14064-1:2018 in 2024. Scope 3 is a combined inventory of all factories, which will be subsequently verified by a third party by DNV. For the Company's greenhouse gas inventory and assurance status in the most recent two years, as well as its greenhouse gas reduction targets, strategies and specific action plans, please refer to "(VI) Climate-related information of listed companies" → 1. Implementation status of climate-related information → Item 9.</p> <p>(2) Water resource management:</p> <p>The Company has completed the ISO14046 product water footprint verification. Through the water footprint inventory operation, we have established the water footprint information of the organization or product and understood our own water use status. In 2024, we implemented the water conservation plan, including the installation of water-saving valves on the taps of the Chung No. 3 plant and management plan for the installation of wastewater recycling facilities in Jing No. 3 plant. We continue to formulate relevant water use, water conservation and water resource development strategies to improve water utilization, reduce water consumption and drainage volume year by year, and increase recycled water volume, so as to reduce the impact of unstable water resources on operational</p>	None

Item	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor																					
	Yes	No	Summary Description																						
			<p>activities.</p> <p>[Target Setting] In 2025, the water withdrawal intensity (water withdrawal/ex: revenue) will be reduced by 16.4% compared with the base year; the wastewater recycling rate will reach 34%.</p> <p>Water intake in the past two years Unit: Tonne</p> <table><tr><th>Fiscal Year</th><th>Total water intake</th><th>Water intake intensity</th></tr><tr><td>2024</td><td>1,272,884</td><td>0.076</td></tr><tr><td>2023</td><td>1,437,899</td><td>0.084</td></tr></table> <p>Note: Water intake intensity refers to the water intake volume per unit of revenue (NT\$100 million).</p> <p>Description of goal achievement:</p> <p>The Company's water intake intensity in 2024 was reduced by 22.4% from the base year, which has achieved the target. In 2023, the second phase of the recycling system was completed at the Central-3 Factory. In 2024, the equipment was carefully maintained to maintain good operating efficiency. At the end of 2024, a cutting and grinding wastewater recycling system was expanded at the Jingsan Factory. It is currently in the trial stage and is expected to be officially launched in 2025. The goal is to mitigate the total amount of tap water intake and accelerate the recycling and reuse of water-saving processes to help the Company move towards its sustainable development goals.</p> <p>(3) Waste management:</p> <p>In terms of the management of wastes, the Company sorts waste by its characteristics, collects the waste and put it in the storage area according to sorting results, and then commissions a qualified waste disposal company recognized by the Environment Protection Agency for the collection and disposal of waste. To grasp the whereabouts of waste, the Company dispatches auditors to carry out an audit, checks licenses and documents, and verifies the operation, so as to ensure that waste is properly disposed of.</p> <p>[Target setting] General waste recycling rate > 36.9% in 2025</p> <p>Recycling rate in the last two years</p> <table><tr><th>Fiscal Year</th><th>General waste generation (tons)</th><th>General waste recycling (tons)</th><th>General waste recycling rate (%)</th></tr><tr><td>2024</td><td>2,300.59</td><td>997.68</td><td>43.3%</td></tr><tr><td>2023</td><td>2,394.38</td><td>939.99</td><td>39.3%</td></tr></table> <p>Description of goal achievement:</p> <p>The Company’s 2024 actual general waste recycling rate of 43.3% has achieved the target. This was accomplished by enhancing waste sorting through education and training, which reduced the occurrence of mixed waste and increased the general waste recycling rate.</p>	Fiscal Year	Total water intake	Water intake intensity	2024	1,272,884	0.076	2023	1,437,899	0.084	Fiscal Year	General waste generation (tons)	General waste recycling (tons)	General waste recycling rate (%)	2024	2,300.59	997.68	43.3%	2023	2,394.38	939.99	39.3%	
Fiscal Year	Total water intake	Water intake intensity																							
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Item	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor								
	Yes	No	Summary Description									
IV. Social Issues (I) Has the Company established related management policies and procedures in accordance with relevant laws and international conventions on human rights?	V		<div>1. The Company has formulated the Human Rights Policy of Orient Semiconductor Electronics in compliance with the government’s Labor Standards Act and with reference to the internationally accepted basic labor human rights principles (including the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the Universal Declaration of Human Rights, and the RBA Code of Conduct) to be committed to issues, such as freedom to choose an occupation, young labor, working hours, wage and benefits, humane treatment, non-discrimination, and freedom of association, while having formulated human resources rules and regulations and work rules as the standards for human resources management. For OSE’s human rights policy, please refer to the following website (https://esg.ose.com.tw/) Official ESG page →Focus →Talent Sustainability.</div> <div>2. Human rights protection management approaches:</div> <table><tr><th>Concerned Issues</th><th>Management</th></tr><tr><td>Human Rights Assessment</td><td>We adopt the Responsible Business Alliance(RBA) Self-Assessment Questionnaire to conduct self-assessment of labor, environment, and ethical risks every year.</td></tr><tr><td>Prohibition of child labor</td><td><ul style="list-style-type: none">• Prohibition of hiring employees under the age of 15.• When handling personnel registration formalities, the HR unit implements a document verification mechanism.• Implement entrance control measures and implement a certificate verification mechanism when contractors enter the plant to perform work.• Formulate remedial measures for child labor to prevent implementation risks.• Regularly monitor and evaluate policies and measures to ensure effective implementation.• Carry out education and advocacy regularly to enhance policy awareness.</td></tr><tr><td>Guarantee of Labor Conditions</td><td>Employees' working conditions are specified in the Work Rules and related personnel regulations. The attendance and absence management system can accurately record employee attendance and overtime situations, remind employees and their supervisors of overtime situations and legal regulations, so that supervisors can adjust employee workloads in a timely manner, help improve work efficiency, and reduce overtime situations.</td></tr></table>	Concerned Issues	Management	Human Rights Assessment	We adopt the Responsible Business Alliance(RBA) Self-Assessment Questionnaire to conduct self-assessment of labor, environment, and ethical risks every year.	Prohibition of child labor	<ul style="list-style-type: none">• Prohibition of hiring employees under the age of 15.• When handling personnel registration formalities, the HR unit implements a document verification mechanism.• Implement entrance control measures and implement a certificate verification mechanism when contractors enter the plant to perform work.• Formulate remedial measures for child labor to prevent implementation risks.• Regularly monitor and evaluate policies and measures to ensure effective implementation.• Carry out education and advocacy regularly to enhance policy awareness.	Guarantee of Labor Conditions	Employees' working conditions are specified in the Work Rules and related personnel regulations. The attendance and absence management system can accurately record employee attendance and overtime situations, remind employees and their supervisors of overtime situations and legal regulations, so that supervisors can adjust employee workloads in a timely manner, help improve work efficiency, and reduce overtime situations.	None
Concerned Issues	Management											
Human Rights Assessment	We adopt the Responsible Business Alliance(RBA) Self-Assessment Questionnaire to conduct self-assessment of labor, environment, and ethical risks every year.											
Prohibition of child labor	<ul style="list-style-type: none">• Prohibition of hiring employees under the age of 15.• When handling personnel registration formalities, the HR unit implements a document verification mechanism.• Implement entrance control measures and implement a certificate verification mechanism when contractors enter the plant to perform work.• Formulate remedial measures for child labor to prevent implementation risks.• Regularly monitor and evaluate policies and measures to ensure effective implementation.• Carry out education and advocacy regularly to enhance policy awareness.											
Guarantee of Labor Conditions	Employees' working conditions are specified in the Work Rules and related personnel regulations. The attendance and absence management system can accurately record employee attendance and overtime situations, remind employees and their supervisors of overtime situations and legal regulations, so that supervisors can adjust employee workloads in a timely manner, help improve work efficiency, and reduce overtime situations.											

Item	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Summary Description	
			Prohibition of Forced Labor	<ul style="list-style-type: none"> • Development of procedures and policies to communicate to employees and stakeholders. • Prohibition of any form of forced labor, slavery and human trafficking, and prohibition of unreasonable restrictions on employees' access to the workplace or employees' freedom of movement in the workplace. • Regular training for employees to enhance their knowledge and awareness, enabling them to freely choose their occupation.
			Prevention of Discrimination and Sexual Harassment	<p>The Company is committed to establishing a safe working environment and strictly prohibits sexual harassment in the workplace. It has established "Management Standards for Preventing Illegal Harm in the Performance of Duties" and "Measures for Sexual Harassment Prevention, Complaints and Disciplinary Processes" to ensure effective prevention and handling.</p> <p>We regularly hold "Gender Equality in Employment Act Awareness and Introduction" courses to strengthen employees' awareness of sexual harassment prevention and control. At the same time, we have established multiple communication channels within the company, including dedicated telephone lines, e-mails and physical employee suggestion boxes, to provide employees with diverse and confidential complaint channels.</p>
			Gender Equality	<p>Employees with childcare needs after childbirth may apply for unpaid childcare leave until their child reaches the age of 3. The Company has established the "Employee Unpaid Leave Management Regulations" for this purpose. The Company also provides lactation rooms to offer a better breastfeeding environment for female employees with postpartum breastfeeding needs. Exclusive parking spaces are available for pregnant women.</p> <p>Provide health protection for women who return to the Company within one year after pregnancy and childbirth or during the breastfeeding period, including occupational hazard assessment and control, physician interview guidance, risk classification management, job suitability arrangement and other related measures.</p>

Item	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Summary Description	
			<div>Provide a safe and healthy working environment</div> <div>Measures to Protect Young Workers</div> <div>Disability and Foreigner-Friendly Measures</div> <div>Provide education and training</div>	<p>Healthy employees are an important cornerstone of corporate success. In order to maintain the health of colleagues and prevent occupational diseases, we follow the Occupational Safety and Health Act, formulate a health service management plan, continue to work hard to create a safe working environment, and protect the physical and mental health of employees. It also hope to achieve the goal of improving operating performance through the promotion of the concept of a healthy workplace.</p> <ul style="list-style-type: none"> •Development of procedures and policies to protect young workers' rights and interests •Works hazardous to health and safety are prohibited. Work areas are marked with warnings and controlled access. • No juvenile workers are allowed to work at night (including 10:00 pm to 6:00 am). •A labor contract signed by a juvenile worker must be approved by the legal representative in order to be effective. • Establish special recruitment platforms and channels for people with disabilities and disadvantaged groups, and provide employment information in conjunction with professional institutions, groups and related units. • Assist employees in improving their job suitability through job redesign. • Provide expats with daily life support and organize quarterly events to build cohesion and enhance employee experience. <p>To ensure that all employees are familiar with OSE human rights policies and measures, we convey the concepts related to human rights issues to our employees through on-the-job training and testing. In 2024, there were 7,755 participants for a total of 8,511 hours.</p>
(II) Has the Company developed and implemented reasonable Employee welfare measures (including compensation, leave of absence and other benefits), and appropriately reflected business performance or	V		<p>1.The Company has formulated and implemented reasonable employee benefit measures. Please refer to V. Labor relations (page 88).</p> <p>2.As per Article 26 of the Company's Articles of Incorporation, after the Company compensates the cumulative deficit in the year, it shall set aside 10–15% of the balance, if any, for employee remuneration to motivate employees to have better performance and maintain the Company's remuneration competitiveness.</p> <p>3.Salary adjustment system: (1)Salary level in the market: We participate in market salary surveys and adjust salary with reference to the market levels and business trends.</p>	None

Item	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor												
	Yes	No	Summary Description													
outcome in Employees' remuneration?			<p>(2)Performance standards: We adjust employees’ salaries as per the Company's operational performance and personal performance.</p> <p>(3)Promotion mechanism: We offer a range of salary for each job category at each level to give outstanding employees with room for salary adjustment and promotion opportunities.</p> <p>(4) The average salary adjustment in 2024 is between 1.7 and 4.5%.</p> <p>(5) Gender wage gap:</p> <p>2024 male-female salary ratio</p> <table><tr><th>Employee category</th><th>Male salary</th><th>Female salary</th></tr><tr><td>Production position</td><td>1.07</td><td>1</td></tr><tr><td>Professional position</td><td>1.16</td><td>1</td></tr><tr><td>Administration position</td><td>1.44</td><td>1</td></tr></table> <p>Note 1:According to the 2024 laws and regulations of Taiwan, the basic salary is NT\$27,470. The ratio of entry-level employees' standard salary to basic salary is 1.31:1.</p> <p>Note 2:The ratio of basic salary for entry-level employees (professional positions & production line operators) is based on fixed salary structure.</p> <p>4. We have established a dual-track promotion system and review employees’ abilities and performance results at all levels for promotion through a general review mechanism or the Human Resources Committee mechanism to provide employees with suitable career development opportunities.</p> <p>5. We pay out quarterly bonuses according to the achieving status of the Company's operational goals in the quarter.</p> <p>6. We pay out employee remuneration according to the Company's earnings at the end of the year.</p> <p>7. We pay an annual salary of 14 months (including bonus for major festivals) to employees who did not do anything wrong by the closing of the year.</p> <p>8. We design various incentive measures and bonuses to motivate employees to achieve better performance and be more committed to work, thereby creating mutually beneficial and win-win environment, remuneration, and benefits for both employer and employees.</p> <p>9.Diversity and Equality in the Workplace: The company's salary standards and adjustment ranges are not differentiated based on gender, age, nationality, religion, political stance, marital status, or union membership. Salaries are determined based on the requirements of the positions held, including the complexity of the work, level of expertise, experience, skills, promotion, and reference to industry salary</p>	Employee category	Male salary	Female salary	Production position	1.07	1	Professional position	1.16	1	Administration position	1.44	1	
Employee category	Male salary	Female salary														
Production position	1.07	1														
Professional position	1.16	1														
Administration position	1.44	1														

Item	Implementation				Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor																													
	Yes	No	Summary Description																															
			<p>benchmarks. All salary determinations are reasonable and better than legal requirements.</p> <table><tr><th colspan="3">Male and female employee ratio</th></tr><tr><th>Category</th><th>Male</th><th>Female</th></tr><tr><td>Administration position</td><td>57.58%</td><td>42.42%</td></tr><tr><td>Number of people in the plant</td><td>36.19%</td><td>63.81%</td></tr></table> <p>Description:</p> <p>1. The ratio of male managers is slightly higher than female managers. Given the need for talent from science and engineering disciplines in the semiconductor industry, and the fact that the proportion of males is higher in these disciplines, there is a slight difference in the ratio of male to female managers.</p> <p>2. The administrative staff and production technicians are mostly female, and the ratio of female employees is higher than that of male employees.</p> <table><tr><th>Age Percentage (%)</th><th>Under 30 years old</th><th>30-45 years old</th><th>45-55 years old</th><th>Over 55 years old</th></tr><tr><td></td><td>23.1%</td><td>51.0%</td><td>20.7%</td><td>5.2%</td></tr></table> <table><tr><th>Nationality Percentage (%)</th><th>Taiwan nationals</th><th>Foreign nationals</th></tr><tr><td></td><td>65.37%</td><td>34.63%</td></tr></table>			Male and female employee ratio			Category	Male	Female	Administration position	57.58%	42.42%	Number of people in the plant	36.19%	63.81%	Age Percentage (%)	Under 30 years old	30-45 years old	45-55 years old	Over 55 years old		23.1%	51.0%	20.7%	5.2%	Nationality Percentage (%)	Taiwan nationals	Foreign nationals		65.37%	34.63%	
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(III)Has the Company provided the employees with a safe and healthy work environment and arranged regular safety and health education for employees?	V		<p>1. The Company has established an occupational safety and health management system and obtained ISO 45001: 2018 certification (valid until 2025) and CNS 45001: 2018 certification (valid until 2025). Through hazard identification and risk evaluation and control, automatic inspection, environmental safety inspection, and operating environment monitoring, education, and training, we aim to achieve the goal of preventing occupational accidents and ensuring employees’ safety.</p> <p>2. A total of 10,238 people participated in the environmental safety and health education and training for new and in-service employees held in 2024. In addition, a total of 5,655 people participated in 88 safety and health education and training</p>			None																												

Item	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Summary Description	
			<p>sessions (including training for supervisors for hazardous work, evacuation exercises, and firefighting safety training and radiation worker education and training) held as per law or the organization's needs. Please refer to "Safe Workplace" of the corporate social responsibility report for details.</p> <p>3. To achieve the "zero accident" management goal and establish a safe and healthy work environment, the Company holds an Environmental Safety, Health, and Water Management Committee meeting on a quarterly basis in accordance with the law to discuss the implementation of the occupational safety, health, and water management plan, the internal and external audits of the environmental safety and health system, corrective and preventive measures, and communication on issues raised by employees, as well as a total of 8 safety and health improvement proposals.</p> <p>4. The fire equipment of the entire plant is maintained on a regular basis; a fire maintenance report form is submitted and an inspection is carried out in accordance with the regulation of the competent authority each year.</p> <p>5. Security guards, access control, monitoring and alarm systems are installed at all important entrances and exits. Patrol guards use smartphones to sense NFC devices through the inspection APP, replacing conventional hardcopy inspection signatures. In addition to saving paper and zero carbon emissions, it also integrates inspection records and can send abnormal event emails in real time to notify relevant units to handle, thereby improving factory safety.</p> <p>6. Each unit has been put in place at various important entrances and exits, environmental safety and health patrol is enforced and self-inspection is carried out as required by the law to strengthen the safety within the plant.</p> <p>7. Participating in occupational safety and health weekly events and performing various safety and health educational and training in accordance with the government's occupational safety and health education and training laws and regulations.</p> <p>8. To increase employees' physical fitness and promote their physical and psychological health, the Company has organized various sports and activities and again obtained the Exercise Enterprise Certification from the Sports Administration in 2024.</p>	

Item	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Summary Description	
			<p>9. The Company held various health promotion activities such as cancer screening and lectures to promote the health of employees. With the cooperation of health promotion projects and the number of active exercisers, we won the</p> <p>(1.) "Workplace Health Certification" issued by the National Health Administration of the Ministry of Health and Welfare</p> <p>(2.) Ministry of Health and Welfare National Health Administration "2024 Outstanding Healthy Workplace" Health Management Award</p> <p>(3.) Kaohsiung City Government Health Bureau's 2024 "Job GO Health" event for promoting workplace employee health- Top Group Award</p> <p>(4.) The Kaohsiung City Health Bureau's Outstanding Workplace Award for 2024 Workplace Smoking Cessation Service Enhancement Program.</p> <p>10. There was no fire incident in the Company in 2024. In response to fire accidents, the Company has established "ISO-AC-0015 Fire Emergency Response Regulations" in the ISO 45001 occupational safety and health management system for control.</p>	
(IV) Has the Company established an effective career development plan for employees?	V		<p>1. Employee development is an indispensable key factor in the Company's growth. We are committed to creating a diverse and rich learning and development environment, introducing the Talent Development Quality Management System (TTQS), linking the company's business strategy to establish a systematic strategic training system, following the evaluation process cycle of plan (Plan), design (Design), execution (Do), review (Review), and results (Outcome), and promoting the continuous improvement mechanism of training quality. It has won the TTQS gold medal twice in a row, strengthening the competitiveness of the company's employees and the company's sustainable operation.</p> <p>2. Our employees will train in a training and development system on the first day of work, and we implement pre-employment training and care for new employees and provide offline training, online training, and self-development training according to the learning map (engineering and technical positions, administrative positions, and managerial positions). 3. We provide different level of training to employees in different positions. We examine employees' skills gap and plan and arrange training sessions to enhance their abilities and develop talents every year based on the organization's and each department's needs and personal career needs, while providing them with a complete training and cultivation blueprint.</p>	None

Item	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Summary Description	
(V) Does the Company comply with applicable laws and international standards regarding issues, such as customer health and safety, customer privacy, as well as marketing and labelling of products and services? Has it formulated relevant policies and complaint procedures to protect consumers' or customers' rights and interest?	V		<ol style="list-style-type: none"> 1. To protect the health and safety of our customers, we have obtained IECQ QC080000 Hazardous Substance Process Management System certification and Sony Green Partner certification. The Company's products also do not contain materials that contain substances prohibited or restricted by international laws (EU RoHS, REACH directive, Stockholm Convention on Persistent Organic Pollutants (POP), International Electrotechnical Commission's Halogen Free specification, etc.); such declaration of compliance is also disclosed on the Company's official website simultaneously. 2. We sign confidentiality agreements with suppliers and clients to ensure confidentiality of the information exchanged between both parties for business needs to protect both parties' rights. As for trade secrets, they are protected by the Company's "Regulations for Management of Trade Secrets", which requires that company personnel and other affiliate or third party obliged to keep the Company's information secret manage and protect trade secrets, not confide such information at will to others, and not misappropriate other person's trade secrets. In addition, the Company also developed information security measures by the same regulations. 3. The Company is a professional semiconductor packaging and testing foundry and does not directly provide end products to consumers, so there is such a problem related to product and service labeling. 4. We have established the Code of Ethics to require our personnel to comply with the relevant rules of fair trade, treat the Company's suppliers and clients, competitors, and employees fairly, and not to manipulate, conceal, or abuse the information they learn about through their jobs to obtain improper benefits by making false statements about important matters or engaging in other unfair trade practices. We have also disclosed the complaint email (internal 580@ose.com.tw/external csr@ose.com.tw) on the Company's official website for internal and external personnel. 5. To meet the clients' requirements for product quality, hazardous substances, yield, technology, delivery time, and service, the Company has established relevant processing procedures. Relevant responsible units have established communication channels with clients in accordance with such procedures to handle clients' complaints in a timely and effective manner, thereby protecting their rights and interests. 	無
(VI) Has the Company implemented a supplier management policy that regulates suppliers' conducts with respect to environmental protection, occupational safety and health or work rights/human	V		<ol style="list-style-type: none"> 1. The Company has established Supplier Management Regulations with clear rules of supplier selection, assessment, audit, and guidance. 2. When selecting new suppliers, the Company requires them to fill out the basic information form first and provide relevant verification information on quality, hazardous substances, and environmental safety and health management system and water and energy management system for evaluation and review. After the review 	None

Item	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
rights issues, and tracked suppliers' performance?			<p>results are qualified and approved, they will be listed as qualified suppliers, and we will implement subsequent management.</p> <p>3. The Company requires suppliers and subcontractors that met specific criteria to sign the Supplier Integrity Commitment and Integrity Policy. The Company also conducts supplier/subcontractor CSR risk assessment and audit every year to ensure that they duly implement the code of conduct as required and do not infringe on employees' rights to freedom of association, prohibition of child labor, prohibition of forced labor, and collective bargaining.</p> <p>4. Please refer to "Sustainable Supply Chain" of the Company's ESG report for supplier management policy and implementation.</p>	
V. Has the Company referred to the internationally accepted reporting standards or guidelines to prepare reports, such as ESG reports that discloses the Company's non-financial information? Have the reports mentioned previously obtained the assurance of third party verification?	V		<p>The Company has established the "Procedures for Compilation and Verification of Sustainability Report of Orient Semiconductor Electronics", which has been reported to and approved by the Board of Directors, incorporating sustainable information management into internal audit and internal control to implement effective system operations. The Company prepares a sustainability report every year in accordance with the GRI standards, SASB standards, TCFD standards, the standards of the target industry competent authorities and the requirements of relevant international standards, and selects a third-party assurance agency in accordance with relevant standards to maintain the disclosure quality of the sustainability report and enhance its credibility. The Company's 2023 Sustainability Report discloses information in compliance with relevant regulations. The Company engaged PwC Taiwan to perform a limited assurance engagement in accordance with the Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ARSC No. 3000) issued by the Accounting Research and Development Foundation in Taiwan. The Company's practices were found to be in compliance with relevant laws and regulations as well as internal procedures without any discrepancies.</p>	None
<p>VI. If the Company has established its own sustainable development principles in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," please describe any differences between the company's operations and the established principles:</p> <p>The Company has established the "Guidelines for Sustainable Development Practices by Orient Semiconductor Electronics", which have been approved by the Board of Directors. Through the operation of the Company's "Corporate Governance and Sustainability Management Committee", we continuously review internal and external trends, integrate the needs of various stakeholders, set sustainable development goals and plan actions, and promote education and training to enhance the sustainable development knowledge base of all employees. The responsible units of the Company also continue to monitor changes in relevant laws and regulations and systems, review whether the goals are in line with the company's sustainable development needs, and implement the work through the promotion of specific measures. The Company compiles the "Orient Semiconductor Electronics Sustainability Report" on an annual basis according to the law, and discloses it on time on the Company's official website and the Market Observation Post System. Its operation status does not deviate from the Sustainable Development Best Practice Principles.</p>				
<p>VII. Other important information that facilitates the understanding of the promotion of sustainable development:</p> <p>(I) Environmental protection, safety and sanitation, energy, and water resources:</p> <p>1. Install air pollution control and wastewater treatment equipment in accordance with the law, entrust qualified manufacturers to remove, treat or recycle industrial waste in accordance with the law, install wastewater recycling system equipment, cooperate with government policies to promote energy conservation and carbon</p>				

Item	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
			<p>reduction, garbage classification and recycling, green procurement and other activities. In 2021, we received the "Special Award for Implementation of Water Saving Guidance Improvement Incentive" from the Water Resources Agency of the Ministry of Economic Affairs, and in 2022, it obtained ISO 50001 Energy Management System and ISO 46001 Water Resource Efficiency Management Certification. In 2023, the company received the "Participation Award for the Circular Economy and Low-Carbon Sustainable Park Promotion Mentoring Program from 2021 to 2023" from the Industrial Park Administration of the Ministry of Economic Affairs, "In 2024, the company was nominated for the Water Conservation Performance Unit and Water Conservation Expert Award", "In 2024, the company was nominated for the Water Conservation Award from the Water Resources Agency of the Ministry of Economic Affairs" and completed CDP carbon disclosure.</p> <p>2. Promote a healthy workplace, health promotion activities, and advocate smoking cessation. In 2023 and 2024, we held a series of weight loss-related activities for two consecutive years, and encouraged employees to take the stairs instead of the elevator to punch in and get bonuses, and sports mileage accumulation bonuses and other awards, resulting in a total weight loss of 1,380.1 kg in two consecutive years; supervisors led and encouraged employees to participate in health-promoting activities such as walking/exercise. In 2021/2024, we received the Sports Enterprise Certification Award from the Sports Administration of the Ministry of Education, and in 2016/2019/2022/2024, we received the "Workplace Health Certification" issued by the National Health Administration of the Ministry of Health and Welfare, and in 2023/2024, we won the "Career GO" Workplace Employee Health Promotion Award Program_Top Group issued by the Kaohsiung City Government Health Bureau, and the Ministry of Health and Welfare National Health Administration's 2024 "Excellent Healthy Workplace" Health Management Award, and the Kaohsiung City Health Bureau's 2024 Workplace Smoking Cessation Service Program Excellent Workplace Award.</p> <p>3. We participated in the evaluation of the series activities in the occupational safety and health week and were awarded "Judges' list award," "participation certificate" in 2012/2013/2014/2015/2016, respectively, by the Ministry of Labor of the Executive Yuan.</p> <p>4. Participate in the "2024 WUS, ASE, NXP, JMC and YAGEO Complex Disaster Accident Emergency Response and Regional Joint Defense Drill", provide the use of relevant emergency response facilities, achieve regional joint defense within the park, and help mitigate disaster losses.</p> <p>(II) The community participation, social contribution, social services and so on:</p> <p>1. The Company assisted and provided the police with materials recorded by monitoring equipment around the factories to conduct the investigation of the cases, participated in the Zone Defense Organization of the Kaohsiung Export Processing Zone to actively maintain the community order and was awarded "2015/2017/2022 Accident Prevention Measures Quality Award" by the Export Processing Zone.</p> <p>2. The Company regularly promotes internship opportunities during the academic years and semesters, so that students from nearby schools who are about to enter the workplace can adapt to workplace life in advance and understand the Company and job content. We provide a safe and secure internship environment, which reassures students, schools and their families. In 2024, a total of 29 interns were hired. For interns, the "Intern Camp" is held every quarter. The courses include soft courses such as introduction to manufacturing industry, interview skills, and resume writing. Senior executives of our plants were invited to give lectures in person to broaden new horizons for interns. A total of 6 seminars were held in the 2024 workshop, serving a total of 70 participants.</p> <p>3. The Company has a variety of clubs that can help employees relieve stress through various activities to promote their physical and mental health and work-life balance.</p>	

Item	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
(III) Social welfare:				
1. Promotion of cinematic aesthetics - "Deepening the education for rural campus": In order to allow children in remote areas to be exposed to the aesthetics of images and cultivate their ability to appreciate cinema, the Company has been working with the Kaohsiung Film Museum of the Kaohsiung City Government since 2022 to launch the "Elective Courses of Cinema" program to continuously promote the development of image education in remote areas and non-mountainous and non-urban campus. Through two sessions of courses of image education each year, the program uses films as the medium to inspire students to think through images, cultivate their sensitivity to artistic aesthetics, and broaden their perspectives. In 2024, a cinema course was held at Chenggong Elementary School in Qieding, attracting a total of 89 students to participate, providing local students with a new opportunity to explore the world of images. In the future, the Company will continue to promote corporate social responsibility and combine educational resources to allow more students in remote areas to have the opportunity to inspire their potential through movies and enrich their learning journey and artistic visions.				
2. Arbor Day activities - "OSE Magic Master- Your Own Green Forest Life” The Company upholds its profound commitment to forest conservation and continues to hold Arbor Day activities in 2024, taking practical actions to support the greening of the Earth and sustainable development. The most recent Arbor Day event combines environmental education and ecological conservation, and uses a variety of forms to enhance the general public’s understanding and participation in natural ecology. The event specially arranged professional eco-tours to lead employees and their families to explore the local ecosystem in depth and emphasize the importance of environmental protection. In addition, the event also designed a DIY hand-dyed furoshiki workshop that combines creativity and environmental protection, allowing participants to learn sustainable concepts in a relaxed atmosphere and further enhance their environmental protection awareness and practical ability. Meanwhile, we encourage employees to support forest restoration projects by exchanging donated invoices for saplings. All donated invoices will be sent to the Taiwan Forest Restoration Association to help promote the long-term restoration of Taiwan’s forests. A total of 350 saplings of native Taiwanese species were provided. The future growth of these saplings will provide new impetus into the health and sustainable development of the ecosystem.				
3. Circular Economy: Repair and Reuse of Small Appliances "OSE × Small Appliance Clinic" In response to the global waste reduction movement, the Company worked hand in hand with the Southern Repair Alliance in 2024 to hold a "Repair Instead of Buying" waste reduction event at the nearby Cuiping Village Community Center, supporting the concept of circular economy with practical actions. This event is open to staff of the Company, their family members and community residents to participate in the circular economy lecture. We have specially invited partners of the Small Appliance Clinic- Mr. Huang, Wu-Jiu and Mr. Chung, Shang-Yan to share practical knowledge and analyze practical methods of sustainable living. By teaching home appliance maintenance skills, participants can extend the service life of home appliances and further reduce unnecessary resource consumption and disposal. A total of 19 small household appliances were collected during this event, and approximately 47 kg of waste was reduced through repair and recycling. The community-based repair service activities not only repaired the items, but also promoted communication and connection between community residents, while				

Item	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
conveying the importance of reducing resource waste and advocating responsible consumption. The Company will continue to promote the concept of repair and reuse, and work with the outside world to promote and implement practical actions for resource recycling.				
(IV) Human Rights:				
1. To take care of the disadvantaged groups, we employ a certain number of disabled and disadvantaged people; we have re-designed jobs and diversified job opportunities to provide the disadvantaged group with more job choices. In 2024, 57 people with disabilities were employed, which was equivalent to 64 employees, exceeding the legal standard by 25.5%. The company won the "Gold Exhibition Award" from the Workforce Development Agency of the Ministry of Labor in 2024. In order to provide more employment options for disadvantaged groups, the Company cooperates with a number of professional institutions, social groups and related units to assist people with disabilities to integrate into the workplace, overcome work obstacles, improve their job suitability, and jointly promote more disadvantaged groups to enter the workplace, so as to fulfill the Company's goal of care for disadvantaged groups.				
2. In line with the government's efforts to strengthen the workability of students after graduation, the Company works with 4 schools in the industry-academia cooperation program, the 3-3 rounds of specialized classes for higher education construction and education of overseas Chinese students, innovation program of the College of Semiconductor and Advanced Technology Research, and fall session of the mater program of big data analytics and information security, allowing students to adapt to the industry and workplace environment in advance, and to cultivate the Company's future technical personnel to achieve a win-win situation for both industry and academia. In order to increase the willingness of interns to stay, the Company organizes internship camps every quarter. The courses develop both soft and hard skills, creating a stage for interns to communicate, interact and actively perform, and enhance the Company’s affinity and brand recognition.				
3. The Company in 2024 continued to provide 44 campus and other lecture services (including online lectures and courses), serving a total of 1,697 participants. Through these lectures, the Company has deeply engaged with campuses, assisting students and job seekers in understanding employment trends and workplace adaptation.				

2.3.6 Climate-related information of TWSE/TPEX-listed companies

2.3.6.1 Climate-related information implementation

Item	Implementation
1. Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management.	<p>The company has set up the "Corporate Governance and Sustainability Committee" as the highest-level organization to respond to climate change. The chairman serves as the chairman, the general manager serves as the deputy chairman, and the deputy general manager of the management center serves as the management representative. senior executives serve as committee members.</p> <p>The risk management and sustainable development group is established under the committee to compile and promote the ESG work plan and coordinate the five working groups. It reviews important issues, goals and implementation status in the committee held every quarter, and reports to the board of directors at least once a year. Implementation status and results.</p>

Item	Implementation			
2. Describe how the identified climate risks and opportunities affect the business, strategy and finance of the Company (short-, medium-, and long-term).	The Company's major short-, medium-, and long-term climate risks and opportunities in 2024 are as follows:			
	1. Identification of Key Climate Risks and Adaptation Strategies			
	Risk Topic		Potential Impact on the Company	Duration of Impact
	Physical Risk	Extreme weather events (Note 1) Increase in severity and frequency	Strong winds or heavy rainfalls cause damage to plant equipment, resulting in interruptions of plant services, production line shutdowns, production impacts, failures to achieve business goals, and subsequent declines in revenue.	Short-, mid- and long-term
		Changes in rainfall (water) mode and extreme changes in climate mode	Water shortages that lead to water supply suspension and impacts on production, resulting in a decline in revenue.	Short-, mid- and long-term
	Transformation risk	Restrictions from renewable energy regulations and increasing demand	According to the law, a certain amount of renewable energy generation equipment should be installed. Those who fail to meet this requirement will need to purchase additional green electricity, which will increase capital expenditures or operating costs.	Mid-term (3~10 years)
	Policies and regulation risk	Carbon pricing mechanism	In response to the implementation of the "Climate Change Response Act", the domestic and foreign trends, the demand of the supply chain, and the potential impact of total control in Taiwan. If Orient Semiconductor Electronics is regulated or required by the	Short-term (0~3 years)
		<ul style="list-style-type: none"> The car path of the underground floor is equipped with a waterproof gate. The ground floor is equipped with sand bags to block incoming water. The equipment on the top floor is equipped with a backup that can be easily switched over if necessary. The Company has a backup system for key suppliers. Conduct material safety stock check on a monthly basis to reduce the risk of material shortage. Conduct irregular/quarterly surveys on supplier operations to monitor material supply, so as to facilitate the initiation of countermeasures. 		
		<ul style="list-style-type: none"> Work with a water truck company and the local water supplier. A wastewater and RO water recycling system is installed to increase the water utilization rate. Purchase water-saving equipment. Acquire more market information and countermeasures with peers. 		
		<ul style="list-style-type: none"> Establish a renewable energy capacity of 435 kW for East III Plant is (self-generation for self-consumption). Already purchased green power certificates of 1.4 million kWh in 2024. To purchase green power certificates of 4 million kWh in 2025. 		
		<ul style="list-style-type: none"> Establish the Corporate Governance and Sustainability Committee to set climate change management goals. Establish an ISO 50001 energy management system. The goal of energy conservation and carbon reduction for 2025 is to achieve an annual energy saving rate greater than the annual demand for electricity, with a carbon reduction of 18.8% Establish and implement management plans for energy-saving and carbon-reduction improvement: 		

Item	Implementation				
			supply chain, it will need to purchase carbon credits through the Taiwan Carbon Exchange, resulting in an increase in the Company's operating costs.		"Management Plan for Replacement of Cooling Fins in the Cooling Tower of Jing-III Plant" (S-202404), "Management Plan for Replacement of Cooling Fins in the Cooling Tower of Chung-III Plant" (S-202405).
		Enhance emission reporting obligations	The management costs will increase in response to the requirement of the competent authorities to disclose the verification of climate related information.	Short-term (0~3 years)	<ul style="list-style-type: none"> Conduct annual carbon inventory and complete the third-party verification in May of each year. Publish the annual report and sustainability report for information update and disclosure. Stakeholders such as the competent authority and customers have requested to collect, evaluate and improve on a monthly basis, and conduct annual compliance verification every year to meet the expectations of stakeholders. An operation reminder is issued on the 25th of each month, and the supervision and management of environmental, energy, safety, and water of the previous month is reviewed by the 15th of each month. Starting from 2025, the Company will report in April the effectiveness of its voluntary carbon reduction every year. Starting from 2025, the Company will file carbon fees in May every year.
	Market share	Changes in customer preferences	Selection of green materials by customers The non-use of RoHS, REACH, and conflict minerals will increase operating costs.	Mid-term (3~10 years)	<ul style="list-style-type: none"> Annually request material suppliers to declare compliance with the non-use of REACH and conflict minerals . Conduct RoHS or conflict mineral investigations according to customer needs, and give feedback to customers. If there is any part that does not meet relevant requirements, the material will be replaced after discussing with customers to meet the requirements.

Item	Implementation				
	Technology	Demand for low-carbon products and services	The gradual emphasis of global customers on the climate change issue require us to continuously understand the expectations of customers and the market. It may result in an increase in operational costs to meet customer needs.	Mid-term (3~10 years)	<ul style="list-style-type: none"> In order to meet the needs of customers and the market, the production equipment and processes must be selected from those with low energy consumption, and the current production equipment with high carbon emissions must be gradually replaced. Maintain smooth communication channels with the windows of relevant units in the plant. When receiving customer or market demands, clarify the specific requirements, provide customer demands to relevant internal units (including but not limited to the Work Safety Facility Div., Quality Assurance Div., and Sustainability Development Task Force) for joint discussions and formulation of execution plans, and track the internal progress.
(Note 1): Extreme climate events include but are not limited to typhoons, floods, and heavy rainfalls).					
(Note 2): For details, please refer to the Company's Sustainability Report.					
2. Key Climate Opportunity Issues and Adaptive Strategies					
	Opportunity issues		Potential Impact on the Company	Duration of Impact	Adaptive Management Strategies
Resource utilization efficiency	Energy efficiency improvement		The implementation of energy-saving measures will not only continuously alleviate the negative impact of operations on climate change, but also reduce electricity expenses, thereby lowering operating costs.	Mid-term (3~10 years)	<ul style="list-style-type: none"> Reduce power consumption by more than 1% to improve energy efficiency. Close all ice water pumps with the low flow and high temperature difference method. Replace lighting equipment with energy-saving lamps. Replace cooling towers' cooling fins to improve cooling tower operation efficiency. Replace outdated chillers with high efficiency models. Replace old vacuum machines with high-efficiency models.
	Switch to buildings with higher efficiencies.		Renovate old buildings to improve energy utilization rate, reduce greenhouse gas and waste emissions, improve water resource utilization rate, and reduce sewage discharge to reduce operating costs.	Mid-term (3~10 years)	<ul style="list-style-type: none"> The green building design (diamond plan) is adopted for new plants.

Item	Implementation				
	Source of Energy	Use of low-carbon energy	Building a renewable-energy power generation system will increase the Company's operating costs. However, it will reduce operating costs if used as an alternative energy source.	Mid-term (3~10 years)	<ul style="list-style-type: none">• Installed renewable energy power generation equipment in 2021~2023.• Already purchased green power certificates of 1.4 million kWh in 2024.• To purchase green power certificates of 4 million kWh in 2025.• Learn more about market information and countermeasures with peers.
	Products and Services	Develop or expand low-carbon products and services	Provide new low-carbon solutions through the R&D of low carbon technologies, and launch low-carbon solutions to meet customer needs and increase revenue.	Long-term (10 years or longer)	<ul style="list-style-type: none">• Develop low-carbon, circular, and energy-saving products in line with the ESG concept to reduce greenhouse gas emissions.• Invest in the development of low-carbon and energy-saving products, and introduce green design thinking during the development stage to continue to increase the energy-saving benefits of carbon-based products.
3.Describe the financial impact of extreme climate events and transformation actions.	Regarding extreme climate (increased severity and frequency of extreme climate events (typhoons, floods, heavy rainfall, etc.), changes in precipitation (water) patterns, extreme changes in climate patterns), and transition actions (increased demand and regulatory restrictions on renewable energy, carbon pricing mechanisms, strengthened obligations for emission reporting, changes in customer preferences, and demand for low-carbon products and services), the impact on finance is as described in item 2 above.				
4.Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	Prioritize the significance of various issues based on the internal evaluation results, and summarize the overall major climate risks and opportunities of the Company as topics for advanced and in-depth evaluation and management.				
	Management Process	Collection of climate-related risk and opportunity topics	Training and inventory taking	Identification of significant risks and opportunities	Confirmation by senior management
	Explanation	Screen relevant climate risk and opportunity topics based on the organization's operation type.	The relevant executing units understand the definitions of various climate-related risks and opportunities, analyze domestic and international regulatory, market, and technological trends, and further discuss the topics. Understand the impacts and effects of climate-related topics through factors such as the likelihood of impact, the degree of impact, and the timing of occurrence.	Based on the degree of impact (covering financial reports, operations, reputation and image evaluation indicators) and period of impact (short-term, medium-term, and long-term), identify the overall major climate risks and opportunities, and take inventory of the potential impacts of and management strategies for climate-related risks and opportunities.	Present them to the senior management for confirmation of the identified results, and integrate them into the overall risk management of the Company for control.

Item	Implementation
5.If a scenario analysis is used to evaluate the resilience in the face of climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used shall be explained.	Please refer the ESG report.
6.If there is a transformation plan in response to the management of climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transformation risks.	Please refer the ESG report.
7.If the internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.	At present, the Company has not planned internal carbon pricing.
8.If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning period, and the progress of each year should be explained; if carbon offsets or renewable energy certificates (RECs) were used to achieve the goals, the Company should explain the source and quantity of carbon reduction credits or the quantity of Renewable Energy Certificates (RECs) for which they are exchanged.	<p>The Company has continued to conduct greenhouse gas inventory and verification since 2009 to control greenhouse gas emissions and continue the improvement.</p> <p>The Company's progress of indicator and target achievements are as follows:</p> <ul style="list-style-type: none"> ● Greenhouse gas inventories are conducted for all plants annually in accordance with ISO 14064-1, and are certified by a third party. ● Greenhouse gas emission intensity was reduced by 6.3% in 2024 from the base year. ● In 2024 (February - December), green power purchase certificates (a total 1,426 sheets) were purchased for 1.4 million kWh. ● The base year is 2021. ● The Company expects to complete the greenhouse gas inventory of overseas subsidiaries in 2026.

Item	Implementation
9.Greenhouse gas inventory and assurance status, as well as reduction targets.	1. The Company’s greenhouse gas inventory and confirmation status in the most recent two years
	(1) Greenhouse gas inventory information
	State the greenhouse gas emissions (tons CO2e), intensity (tons CO2e/million dollars) and data coverage for the most recent two years.
	Greenhouse gas emissions for the most recent two years
	Unit: tons of CO2e

2.3.7 The variations and causes of variations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies:

Evaluation item	Operation status			The variations and causes of variations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	<u>Summary Description</u>	
I. The establishment of the ethical management policies and plans				
(I) Has the Company demonstrated its ethical management policies in its regulations and external documents, and stated in its Memorandum or external correspondence about the policies and practices it has to maintain business integrity? Are the Board of Directors and the management committed in fulfilling this commitment?	V		(I) The Company has established a "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" approved by the Board of Directors, which clearly stipulate the policies and practices of integrity management. The Company's integrity management policies and practices are disclosed in internal regulations, annual reports, and the Company's website. The Company's Board of Directors and management actively implement their commitment to the integrity management policies.	No significant difference.
(II) Has the Company established a risk assessment mechanism against unethical behavior, analyzed and assessed business activities within their business scope on a regular basis which are at a higher risk of being involved in unethical behavior, and established prevention programs at least covering the preventive measures specified in Paragraph 2, Article 7 "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies"?	V		(II) In Paragraph 2, Article 7 of our Ethical Corporate Management Best Practice Principles, we prohibit the Company's directors, managers, employees, people appointed, or ultimate controllers from bribery, illegal political contributions, improper charity donations or sponsorships, offering or acceptance of unreasonable gifts, hospitality, or other illegitimate interests, as well as infringement of trade secrets, trademark, patents, copyrights, or other intellectual property rights. In addition, the Company has established relevant operating procedures for employees to follow.	No significant difference.
(III) Has the Company specified operational procedures, behavioral guidelines, disciplines of violations, as well as an appeal system in the program against unethical behavior, and implemented such programs, and reviewed and revised the previous program on a regular basis?	V		(III) The Company has established the "Procedures for Ethical Management and Guidelines for Conduct" approved by the Board of Directors, which outlines the types of unethical conduct and the handling procedures, as well as the "Procedures for Handling Complaints and Whistleblowing" to ensure the notifier's privacy and security.	No significant difference.
II. The implementation of the ethical management				
(I) Does the Company evaluate the ethical records of its transaction parties and explicitly include clauses on ethical conduct in contracts signed with its transaction parties?	V		(I) Before entering into a contract with an agent, supplier, customer, or counterparty in commercial dealings, the Company shall gain a thorough knowledge of the status of their ethical management, and shall make observance of the ethical management policy of the Company part of the terms and conditions of the contract. If the counterparty in a commercial dealing is a supplier, the supplier shall be required to sign the Company's "Suppliers' Undertaking of Integrity".	No significant difference.

Evaluation item		Operation status			The variations and causes of variations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
		Yes	No	<u>Summary Description</u>	
(II)	Has the Company set up a dedicated responsible unit to promote corporate ethical management under the Board of Directors, and has such unit reported its execution in terms of ethical management policy and preventive programs against unethical behaviors and the supervision status to the Board of Directors on a regular basis (at least once a year)?		V	(II) The Company has established an "Ethical Management Unit" responsible for formulating and supervising the implementation of ethical corporate management regulations, and reports the operation and implementation to the Board of Directors on an annual basis. The implementation of ethical management in 2024 was reported to the Board of Directors on October 29, 2024. In order to implement the philosophy of ethical management, the Company held internal training on ethical management, business ethics, and insider trading prevention in 2024, which attracted 3,751 participants for a total of 3,751 hours.	No significant difference.
(III)	Has the Company established and implemented the policy to prevent the conflicts of interest and provide the suitable channels for reporting such conflicts?		V	(III) The rules of procedure for the board meeting expressly state the recusal system for the directors. If the motions proposed by the Board of Directors have conflict of interest with the directors or the legal person investors they represent, where there is a likelihood that the interests of the Company would be prejudiced, they may state their opinions and answer the questions, but they may not participate in the discussion or vote on those motions and shall recuse themselves from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. we have set up a mailbox for whistleblowing as a channel for complaints. If any illegal act is discovered, it can be reported directly to the Company and handled by dedicated personnel.	No significant difference.
(IV)	Has the Company established an effective accounting system and internal control system in order to implement ethical management, and propose relevant audit plans according to the assessment results of the risks of unethical behaviors, and review the compliance status of the prevention of unethical behaviors, or entrust an account to carry out the review?		V	(IV) To ensure the implementation of ethical management, the Company has established an effective accounting system and an internal control system. The internal auditors perform audits as per the internal audit plan and internal audit implementation rules. If any material anomalies are discovered, the internal auditors will immediately report to the chairman and independent directors while reporting to the Board of Directors for reference.	No significant difference.
(V)	Does the company regularly organize the internal and external education training activities for the ethical management?		V	(V) "Integrity, pragmatism, and sustainable development" are the Company's entrepreneurial spirit and business philosophy. We regularly organize education and training in connection with applicable policy of corporate social responsibility to enhance employees' knowledge of corporate social responsibility and regulations. Please refer to Table 1 for the 2024 social responsibility education and training results.	No significant difference.

Evaluation item	Operation status			The variations and causes of variations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	<u>Summary Description</u>	
III. The operating status of the corporate whistleblower system				
(I) Has the Company established the explicit whistleblower system, the incentive scheme and the convenient whistleblowing channels, and assign the appropriate personnel to investigate the target of the whistleblower complaint?	V		(I). The Company has established a complaint reporting system and established multiple complaint channels, including verbal responses, physical suggestion boxes, hotlines, emails and online forms, to encourage employees to raise their opinions through multiple and convenient complaint channels. Each complaint case is investigated and handled by a dedicated staff in an objective, fair and confidential manner to ensure that the reported matters can be properly improved.	No significant difference.
(II) Has the Company implemented any standard procedures and/or subsequent measures after carrying out an investigation or confidentiality measures for handling reported misconduct?	V		(II). The Company has established operating procedures for accepting reports and has established a comprehensive confidentiality mechanism to protect the rights and interests of complainants. During the investigation, all cases will be investigated and handled in a confidential manner, and the identity information of the complainant will be strictly protected to ensure that the complainant's name or other identifiable information is not disclosed.	No significant difference.
(III) Has the Company establish the measures to protect the whistleblowers against the retaliation?	V		(III). The Company has clearly defined protection clauses in its operating procedures to ensure that complainants or those assisting in investigations will not suffer any form of improper treatment or retaliation. During the investigation, case-related information and personnel information will not be disclosed to the public to protect the rights and interests of the parties involved. If the details of the case is leaked for any reason, the offender will be punished depending on the severity.	No significant difference.
IV. Reinforcing the information disclosure Has the Company disclosed its Ethical Corporate Management Best Practice Principles and effectiveness on its website and the Market Observation Post System website?	V		The Company has disclosed the "Ethical Corporate Management Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct", and "Code of Ethics" and their effects on the Company's website (https://www.ose.com.tw/about/csr/company-management) and the Market Observation Post System.	No significant difference.
V. If the Company has its own Code of Integrity pursuant to the "Ethical Corporate Management Best Practice Principles for TWSE/PTEx Listed Companies", please describe the differences between its operation and the Code: The Code of Conduct established and operated by the Company is consistent with the provisions of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies".				
VI. Other important information for understanding the integrity of the Company's operations: The Company reviews the Ethical Corporate Management Best Practice Principles in conjunction with the revision of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies". The Company has established Governance Practice Guidelines, Ethical Corporate Management Best Practice Principles, Code of Ethical Conduct, Procedures for Ethical Management and Guidelines for Conduct, and Sustainability Report. Please refer to the Company's website at www.ose.com.tw .				

Table 1: the results of 2024 CSR education and training is as follows:

Course category	Name of class	Method of lecturing	Numbers of students
Enterprise operation laws	Insider trading and misconduct in financial statements and measures to be taken	External training	1
	IS&TS Information Security and Trade Secret Annual Education and Training	Internal training	4,006
	Insider Trading Prevention Education and Training	Internal training	12
	Risk Management Education and Training	Internal training	5
	Social Engineering Information Security Education and Training	Internal training	381
	Outlook for the global economy in the second half of 2023	External training	1
	2024 Global Economic Outlook and Industry Trends	External training	1
	ISO 27001:2022 Auditor Transfer Training Course	Internal training	22
	ISO 27001:2022 Information Security Management System-led Auditor Training Course	Internal training	10
	Global Future Risks and Opportunities for Sustainable Transformation	External training	1
	How to Adjust Internal Control Systems to Meet New ESG Standards	External training	2
	Corporate Sustainable Value Enhancement and Risk Management System Improvement	External training	1
	Information Security Education and Training - Introduction to Information Security	Internal training	87
	Knowledge management evolution driven by digital transformation	External training	2
	Analysis of illegal cases involving audit/accounting personnel and the corresponding countermeasures.	External training	2
Human Rights Concept	RBA Responsible Business Alliance Code of Conduct	Internal training	5,517
	Sexual Harassment Prevention and Gender Equality in Employment Course	Internal training	21
Sustainable development	Advanced trend of ESG implementation in the semiconductor industry	Internal training	78
	ESG Goals Consensus Camp	Internal training	46
	ESG Trends and Epidemic Environment: Discussion of Global and Taiwanese Tax System Reform and Corporate Tax Governance	External training	1
	New ESG Law & Financial Statement Impacts	External training	1
	Shaping the Advantages of Green Finance - Implementing Corporate Governance and Sustainability Principles	External training	1
	BSI Corporate Net Zero Strategic Planning Certification Course	External training	1
	International Standard Training (GRI 1, SASB, TCFD, and corporate governance assessment)	Internal training	171
	Creating low-carbon products from zero waste of resources	External training	1
	Responding to the challenge of carbon price - carbon resource management	External training	1
	Sharing of Carbon Rights Acquisition Practices	External training	1
	First Step towards Net-zero Emissions: Greenhouse Gas Inventory in Action	External training	1
	Identification of corporate environmental risks - ISO environmental and energy management system	External training	1
New employees orientation	RBA terms, Trade Secrets Act, prevention of sexual harassment, ethics, Personal Data Protection Act.	Internal training	1,390

2.3.8 Other material information that helps increase the understanding of the Implementation of Corporate Governance:

Please refer to “2.3.3 Implementation of Corporate Governance and the variations and causes of variations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies- page 24.”

2.3.9 Implementation status of the internal control system

2.3.9.1 Internal control system statement: Please refer to the MOPS

<https://mops.twse.com.tw/mops/#/web/t06sg20>

(MOPS+ inquiry path: Home>Single Company>Corporate Governance>Company Regulations/Internal Control>Internal Control Statement Announcement)

2.3.9.2 If the Company assigned a CPA to audit its internal control system, it shall disclose the CPA audit report: none.

2.3.10 Material resolutions made by the shareholders' meetings and the Board Meetings in the most recent year and by the date of the annual report publication:

2.3.10.1 The general meeting of shareholders was held on June 7, 2024, the material resolutions and the implementation status in the meeting:

Category	The resolutions of the General Meeting of Shareholders	Implementation
General Meeting of Shareholders	Ratification Items 1. To adopt 2023 Business Report and Financial Statements. 2. To adopt the proposal for 2023 earnings distribution.	Ratification Items 1. Approval by voting. 2. Approval by voting. (Ex-dividend record date: July 2, 2024; payable date: July 24, 2024)
	Election Items 1. To advance the election of all Directors and Independent Directors of the Company.	Election Items 1. The re-election results have been registered with the Ministry of Economic Affairs on June 17, 2024.
	Other Proposals 1. To release non-competition restriction on Directors and representatives.	Other Proposals 1. Approval by voting.

2.3.10.2 Material resolutions in the Board Meeting:

Meeting Time	Category	Material resolutions
The 12th meeting of the 18th term January 31, 2024	Board Meeting	Discussion: 1. 2023 remuneration distribution for Employees and Directors. 2. 2023 parent company only and consolidated financial reports. 3. The effectiveness of the internal control system and provision of "Internal Control System" for 2023. 4. 2024 business plan. 5. Election of Directors and Independent Directors of the Company. 6. Convening of 2024 General Shareholders' Meeting. 7. Proposal on Bank Credit Line for 2024 Q1. 8. Re-appointed representative of subsidiary, Coreplus (HK) Limited. 9. Loan from subsidiary, Coreplus (HK) Limited, to sub-subsidiary Valueplus Technology (suzhou) Co., Ltd. for refinancing purpose. 10. Purchase of fixed assets. 11. Evaluation of the CPA's independence and appropriateness. 12. Review of the appointment and remuneration of CPAs. 13. Amendment to the "Audit Committee Charter". 14. Amendment to the "Rules of Procedure for Board of Directors Meetings"
The 13th meeting of the 18th term March 27, 2024	Board Meeting	Discussion: 1. 2023 earnings distribution. 2. Change of seats for re-election of directors and independent directors of the Company. 3. Update the reason for convening the 2024 Annual General Meeting of Shareholders of the Company. 4. Update the list of allotted people for the issuance of new restricted employee shares for 2023 on October 25, 2023.

Meeting Time	Category	Material resolutions
The 14th meeting of the 18th term April 24, 2024	Board Meeting	Discussion: <ol style="list-style-type: none"> 2024 Q1 consolidated financial statements. The second quarter of 2024 "Proposal on Bank Credit Line". The Board of Directors nominated a list of candidates for Director and Independent Director. Releasing the restrictions on the new Directors' non-competition code. Proposal to amend certain articles of the "Operating Procedures for Compiling and Verifying Sustainability Report". 2023 annual remuneration distribution to Directors. The remuneration package for managers in 2023. Managers' compensation and remuneration as well as position adjustment.
The 1st meeting of the 19th term June 7, 2024	Board Meeting	Discussion: <ol style="list-style-type: none"> Selection and Election of the Chairman of the Company.
The 2nd meeting of the 19th term July 24, 2024	Board Meeting	Discussion: <ol style="list-style-type: none"> 2024 Q2 consolidated financial statements. 2024 Q3 Proposal on Bank Credit Line. 2023 sustainability report. Revision of some provisions of the internal control systems. Revision of some provisions of the "Compensation Committee Charter." Appointment of the 6th Remuneration Committee members.
The 3rd meeting of the 19th term October 29, 2024	Board Meeting	Discussion: <ol style="list-style-type: none"> 2024 Q3 consolidated financial statements. 2024 Q4 "Proposal on Bank Credit Line". Amendment to the Related Party Transaction Management Regulations. Formulation of the "Regulations for Sustainable Information Management". Revision of some provisions of the internal control systems and implementation details of internal audits. 2025 audit plan. Review of the remuneration for newly elected directors and independent directors of the 19th board. Review of the transportation allowance for the 3rd Audit Committee members and the 6th Remuneration Committee members.
The 4th meeting of the 19th term February 26, 2025	Board Meeting	Discussion: <ol style="list-style-type: none"> 2024 remuneration distribution for Employees and Directors. 2024 parent company only and consolidated financial reports. 2024 earnings distribution. 2024 effectiveness of the internal control system and provision of "Internal Control System". Revision of some provisions of the internal control systems and implementation practices of internal audits. Revision of some provisions of the "Articles of Incorporation." 2025 business plan. 2025 Q1 Proposal on Bank Credit Line. Convening of 2025 General Shareholders' Meeting. To set a capital reduction base date to offset the Company's new restricted employee shares, which the Company has withdrawn. Evaluation of the CPA's independence and appropriateness. Review of the appointment and remuneration of CPAs. Managers' compensation and remuneration as well as position adjustment.

2.3.11 In the most recent year and by the date of the annual report publication, the material resolutions approved by the Board Meetings for which the Directors or Supervisors expressed the adverse opinion or qualified opinion with records or with written statements, and its main content: none.

2.4 Information of CPA fee

Unit: NT\$ thousand

Name of CPA firm	Name of CPA	Audit period	Audit fee	Non-audit fee (note)	Total	Note
PwC Taiwan	Kuo-Hua Wang	2024.01.01~2024.12.31	6,650	910	7,460	
	Tsai-Yen Chiang					

(Note) Non-audit fees include NT\$480 thousand for tax compliance audit, NT\$150 thousand for bonded goods inventory, NT\$30 thousand for industrial and commercial registration, and NT\$250 thousand for sustainability report assurance services.

2.5 Replacement of CPAs: the Company did not change CPAs in 2024.

2.6 The Chairman, President or Managerial Officers in Charge of Finance or Accounting Served at the Firms or Affiliates of CPAs: None.

2.7 Changes in Shareholding of Directors, Managers and Major shareholders:

2.7.1 Changes in the shareholdings of directors, supervisors, managers and major shareholders:

Title	Name	Types of stocks	2024		As of March 31 of the current year	
			Increase (decrease) in shareholdings	Increase (decrease) in pledged shares	Increase (decrease) in shareholdings	Increase (decrease) in pledged shares
Chairman and Chief Marketing Officer	Yueh-Ming Tung	Common shares	0	0	0	0
Director	Chipbond Technology Corporation Representative: Huoo-Wen Gau	Common shares Preferred Shares C	(16,650,000)	0	0	0
Shareholders with more than 10% of shareholding	Chipbond Technology Corporation		0			
Director	Shyh-Wey Lo (Date of appointment: 2024/06/07)	Common shares	0	0	0	0
Independent Director	Chia-Hua Hsu	Common shares	0	0	0	0
Independent Director	Philip Wei (Date of appointment: 2024/06/07)	Common shares	0	0	0	0
Independent Director	Chi-Cheng Wu (Date of appointment: 2024/06/07)	Common shares	0	0	0	0
Independent Director	Fang-Yu Wen (Date of appointment: 2024/06/07)	Common shares	0	0	0	0
Independent Director	Chien-Hui Hung (Date of appointment: 2024/06/07)	Common shares	0	0	0	0
President	Jia Rong Tu	Common shares	0	0	0	0

Title	Name	Types of stocks	2024		As of March 31 of the current year	
			Increase (decrease) in shareholdings	Increase (decrease) in pledged shares	Increase (decrease) in shareholdings	Increase (decrease) in pledged shares
Senior VP and Chief Information Security Officer	Chin-Chiu Wang	Common shares	0	0	0	0
Vice President	Chen-Ling Lai	Common shares	(27,000)	0	0	0
Vice President	Min-Lang Tsai	Common shares	0	0	0	0
Vice President	Hung-Tai Mai	Common shares	(56,000)	0	0	0
Assistant Vice President	Jia Ming Yang	Common shares	0	0	0	0
Assistant Vice President	Che-Kuang Liu	Common shares	(18,000)	0	0	0
Assistant Vice President	Chen-Chung Sun	Common shares	(8,000)	0	0	0
Assistant Vice President	Tseng-Chih Chi	Common shares	0	0	0	0
Chief Financial Officer	Simon Hung	Common shares	(9,000)	0	0	0
Accounting Supervisor and Corporate Governance Officer	Shu-Yung Chu	Common shares	0	0	0	0
Director	Chipbond Technology Corporation Representative: Shyh-Wey Lo (Date of resignation: 2024/06/07)	Common shares Preferred Shares C	(16,650,000) 0	0 0	0 0	0 0
Independent Director	Ching-Tien Tsai (Date of resignation: 2024/06/07)	Common shares	0	0	0	0
Independent Director	Jerry Chiou (Date of resignation: 2024/06/07)	Common shares	0	0	0	0
Senior Vice President	Tzu Ming Liu (Date of resignation: 2024/01/01)	Common shares	0	0	0	0

2.7.2 Information on shares transferred: None.

2.7.3 Shareholding pledge information: None.

2.8 Relationship among the Top Ten Shareholders (common shares):

Name	Personal shareholdings		Shareholdings of spouse, minor children		Shareholdings by nominee arrangement		Name and relationship between the Company's top 10 shareholders who are mutually stakeholders, spouses or relatives within the second degree of kinship	
	Share	Proportion of shareholdings	Share	Proportion of shareholdings	Share	Proportion of shareholdings	Name	Relationship
Chipbond Technology Corporation	147,345,498	26.30%	0	0	0	0	None	None
JPMorgan Chase Bank as Custodian for the Special Investment Account of Starlight Total International Stock Index Fund	6,850,208	1.22%	0	0	0	0	None	None
JPMorgan Chase Bank as Custodian for the Special Investment Account of Vanguard Emerging Markets Stock Index Fund managed by the Vanguard Group	6,251,792	1.12%	0	0	0	0	None	None
ChinaTrust Commercial Bank as Custodian for the Special Trust Account of Restricted Employee Shares of Orient Semiconductor Electronics with Voting Rights and Dividend Distribution Rights	4,920,000	0.88%	0	0	0	0	None	None
JPMorgan Chase Bank as Custodian for the Special Investment Account of Starlight Total International Stock Index Fund II	3,650,000	0.65%	0	0	0	0	None	None
New-system labor pension plan	2,857,000	0.51%	0	0	0	0	None	None
Citibank as Custodian for the Special Investment Account of DFA Emerging Core.	2,782,637	0.50%	0	0	0	0	None	None
HSBC Bank (Taiwan) as Custodian for the Special Investment Account of Vanguard FTSE All-World ex-US Small-Cap ETF under the Vanguard International Stock Index Fund Series	1,689,197	0.30%	0	0	0	0	None	None
Phison Electronics Corp.	1,536,369	0.27%	0	0	0	0	None	None
Standard Chartered Bank as Custodian for the Special Investment Account of Emerging Market Small Cap Stock Index Non-lending Fund	1,494,000	0.27%	0	0	0	0	None	None

2.9 Comprehensive Shareholding of Investee Companies:

Unit: Shares; %; December 31, 2024

Investee (Note)	Shareholdings of the Company (1)		Shareholdings of directors, supervisors, managers, and business entities directly or indirectly controlled by the Company (2)		Syndicated shareholdings (1)+(2)	
	Share	Proportion of shareholdings	Share	Proportion of shareholdings	Share	Proportion of shareholdings
COREPLUS (HK) LTD.	Common 7,500,000	100%	Common 0	0	Common 7,500,000	100%
Hua-Cheng Investment Co	Common 183,750,837	100%	Common 0	0	Common 183,750,837	100%

(Note): Investments accounted for using the equity method.

III. Capital Overview

3.1 Capital and shares

3.1.1 Sources of capital

March 31, 2025

Year/month	Issuance price	Authorized capital		Paid-in capital		Note		
		Share (Thousand shares)	Amount (NT\$ thousand)	Share (Thousand shares)	Amount (NT\$ thousand)	Sources of capital	Subscription of capital stock with assets other than cash	Others
April 1996	10	200,000	2,000,000	200,000	2,000,000	Capital increase by cash NT\$353,213 thousand.	None	None
June 1996	10	420,000	4,200,000	261,325	2,613,250	Capital increase by the retained earnings NT\$ 376,000 thousand, capital increase by the capital reserve NT\$ 224,000 thousand, capital increase by the employee bonus NT\$ 13,250 thousand.	None	None
April 1997	10	420,000	4,200,000	270,949	2,709,487	Transfer of the convertible bonds to the common stock NT\$96,237 thousand.	None	None
June 1997	10	526,000	5,260,000	375,899	3,758,987	Capital increase by the retained earnings NT\$593,378 thousand, capital increase by the capital reserve NT\$436,227 thousand, capital increase by the employee bonus NT\$ 19,895 thousand.	None	None
July 1997	10	526,000	5,260,000	407,987	4,079,867	Transfer of the convertible bonds to the common stock NT\$320,880 thousand.	None	None
June 1998	10	1,000,000	10,000,000	586,876	5,868,671	Capital increase by the retained earnings NT\$943,387 thousand, capital increase by the employee bonus NT\$25,618 thousand, capital increase by the capital reserve NT\$ 650,172 thousand, transfer of the convertible bonds to the common stock NT\$169,626 thousand.	None	None
July 1999	10	1,000,000	10,000,000	710,532	7,105,324	Capital increase by the retained earnings NT\$586,867 thousand, capital increase by the capital reserve NT\$586,867 thousand, transfer of the convertible bonds to the common stock NT\$10,104 thousand, capital increase by the employee bonus NT\$52,815 thousand.	None	None
October 1999	10	1,000,000	10,000,000	810,532	8,105,324	Capital increase by cash NT\$ 1,000,000 thousand	None	None
August 2000	10	1,400,000	14,000,000	993,143	9,931,428	Capital increase by the retained earnings NT\$777,828 thousand, capital increase by the capital reserve NT\$818,767 thousand, transfer of the convertible bonds to the common stock NT\$160,684 thousand, capital increase by the employee bonus NT\$68,825 thousand.	None	None
June 2001	10	1,400,000	14,000,000	1,091,383	10,913,826	Capital increase by the capital reserve NT\$ 982,398 thousand	None	None
September 2001	10	1,400,000	14,000,000	1,241,383	12,413,826	Issuance of preferred shares for capital increase totaled NT\$1,500,000 thousand.	None	None
January 2003	10	2,000,000	20,000,000	1,391,383	13,913,826	Issuance of the common stock for capital increase totaled NT\$1,500,000 thousand at a discount.	None	None
March 2003	10	2,000,000	20,000,000	1,458,259	14,582,589	Transfer of the convertible bonds to the common stock NT\$668,763 thousand at a discount.	None	None

Year/month	Issuance price	Authorized capital		Paid-in capital		Note		
		Share (Thousand shares)	Amount (NT\$ thousand)	Share (Thousand shares)	Amount (NT\$ thousand)	Sources of capital	Subscription of capital stock with assets other than cash	Others
September 2003	10	2,000,000	20,000,000	1,601,043	16,010,425	Transfer of the convertible bonds to the common stock NT\$1,427,836 thousand at a discount.	None	None
December 2003	10	2,000,000	20,000,000	1,590,298	15,902,975	Retirement of the treasury stock NT\$107,450 thousand.	None	None
December 2003	10	2,000,000	20,000,000	1,704,902	17,049,017	Transfer of the convertible bonds to the common stock NT\$1,146,042 thousand at a discount.	None	None
February 2004	10	2,000,000	20,000,000	1,734,625	17,346,245	Transfer of the convertible bonds to the common stock NT\$297,228 thousand at a discount.	None	None
August 2004	10	2,000,000	20,000,000	861,714	8,617,141	Capital reduction NT\$8,729,104 thousand for making up the losses	None	None
December 2005	10	2,000,000	20,000,000	876,016	8,760,158	Transfer of the convertible bonds to the common stock NT\$143,017 thousand at a discount.	None	None
May 2007	10	2,000,000	20,000,000	1,056,016	10,560,158	Issuance of the common stock by the private placement for capital increase totaled NT\$1,800,000 thousand at a discount.	None	None
June 2008	10	2,000,000	20,000,000	606,016	6,060,158	Capital reduction NT\$4,500,000 thousand for making up the losses	None	None
September 2011	10	2,000,000	20,000,000	806,016	8,060,158	Issuance of the common stock for capital increase totaled NT\$2,000,000 thousand at a discount.	None	None
September 2018	10	2,000,000	20,000,000	552,329	5,523,285	Capital reduction NT\$2,536,872 thousand for making up the losses	None	None
2019/12	10	2,000,000	20,000,000	557,329	5,573,285	NT\$50,000 thousand of new restricted employee shares	None	None
July 2020	10	2,000,000	20,000,000	557,215	5,572,145	NT\$1,140 thousand of restricted employee shares are recovered and cancelled.	None	None
September 2020	10	2,000,000	20,000,000	557,115	5,571,145	NT\$1,000 thousand of restricted employee shares are recovered and cancelled.	None	None
December 2020	10	2,000,000	20,000,000	557,043	5,570,425	NT\$720 thousand of restricted employee rights share are recovered and cancelled.	None	None
January 2021	10	2,000,000	20,000,000	827,313	8,273,125	Cash capital increased through private placement of NT\$900,900 thousand of Class B preferred shares and NT\$1,801,800 thousand of Class C preferred shares. The actual subscription prices for both Class B and C preferred shares were \$11.10 per share.	None	None
April 2021	10	2,000,000	20,000,000	827,131	8,271,310	NT\$1,815 thousand of restricted employee shares are recovered and cancelled.	None	None
August 2021	10	2,000,000	20,000,000	827,082	8,270,820	NT\$490 thousand of restricted employee shares are recovered and cancelled.	None	None
November 2021	10	2,000,000	20,000,000	825,702	8,257,019	NT\$13,801 thousand of restricted employee shares are recovered and cancelled.	None	None
March 2022	10	2,000,000	20,000,000	825,687	8,256,867	NT\$152 thousand of restricted employee shares are recovered and cancelled.	None	None
July 2022	10	2,000,000	20,000,000	825,668	8,256,675	NT\$192 thousand of restricted employee shares are recovered and	None	None

Year/month	Issuance price	Authorized capital		Paid-in capital		Note		
		Share (Thousand shares)	Amount (NT\$ thousand)	Share (Thousand shares)	Amount (NT\$ thousand)	Sources of capital	Subscription of capital stock with assets other than cash	Others
						cancelled.		
September 2022	10	2,000,000	20,000,000	825,650	8,256,495	NT\$180 thousand of restricted employee rights share are recovered and cancelled.	None	None
November 2022	10	2,000,000	20,000,000	825,600	8,255,999	NT\$496 thousand of restricted employee shares are recovered and cancelled.	None	None
March 2023	10	2,000,000	20,000,000	825,578	8,255,783	NT\$216 thousand of restricted employee shares are recovered and cancelled.	None	None
January 2024	10	2,000,000	20,000,000	735,488	7,354,883	Class B preferred shares repurchased in advance for NT\$900,900 thousand were written off due to capital reduction.	None	None
113/05	10	2,000,000	20,000,000	740,488	7,404,883	NT\$50,000 thousand of new restricted employee shares	None	None
114/03	10	2,000,000	20,000,000	740,408	7,404,083	NT\$800 thousand of restricted employee shares are recovered and cancelled.	None	None

March 31, 2025; Unit: shares

Stock Class	Authorized capital (including the convertible shares of the convertible bonds)					Note
	Outstanding shares			Unissued shares	Total	
	Listed	Unlisted	Total			
Common shares	560,228,333	—	560,228,333	1,259,591,667	2,000,000,000	A private placement of securities with equity characteristics such as preferred shares
Preferred shares	—	180,180,000	180,180,000			
Total	560,228,333	180,180,000	740,408,333	1,259,591,667	2,000,000,000	

Relevant information of shelf registration: none

3.1.2 List of major Shareholders

- Common stock

March 31, 2025

Name of major Shareholders	Shares	Shareholding	Proportion of shareholdings
Chipbond Technology Corporation		147,345,498	26.30%
JPMorgan Chase Bank as Custodian for the Special Investment Account of Starlight Total International Stock Index Fund		6,850,208	1.22%
JPMorgan Chase Bank as Custodian for the Special Investment Account of Vanguard Emerging Markets Stock Index Fund managed by the Vanguard Group		6,251,792	1.12%
ChinaTrust Commercial Bank as Custodian for the Special Trust Account of Restricted Employee Shares of Orient Semiconductor Electronics with Voting Rights and Dividend Distribution Rights		4,920,000	0.88%
JPMorgan Chase Bank as Custodian for the Special Investment Account of Starlight Total International Stock Index Fund II		3,650,000	0.65%
New-system labor pension plan		2,857,000	0.51%
Citibank as Custodian for the Special Investment Account of DFA Emerging Core.		2,782,637	0.50%
HSBC Bank (Taiwan) as Custodian for the Special Investment Account of Vanguard FTSE All-World ex-US Small-Cap ETF under the Vanguard International Stock Index Fund Series		1,689,197	0.30%
Phison Electronics Corp.		1,536,369	0.27%
Standard Chartered Bank as Custodian for the Special Investment Account of Emerging Market Small Cap Stock Index Non-lending Fund		1,494,000	0.27%

- Preferred shares

March 31, 2025

Name of major Shareholders \ Shares	Shareholding	Proportion of shareholdings
Chipbond Technology Corporation	Preferred Shares C 180,180,000	100.00%

3.1.3 Dividends policy and implementation status

3.1.3.1. Dividends policy

Article 26-1, Paragraph 1 of the Company's Articles of Incorporation states the following: According to the Company's annual final accounts, the earnings shall, if any, be first provided for taxation and offset to the accumulated losses, followed by 10% of legal reserve as well as the provision or reverse of the special reserve pursuant to the laws or the regulations of the competent authority; the remaining earnings, if any, adding up the accumulated undistributed earnings in the previous years, shall be proposed by the board of director for the distribution and shall be reported to the shareholders' meeting for resolution.

The Company is situated in the changeable industrial environment and the business life cycle is still in the growing stage. The Company shall take into account the future funds demand and long-term financial plan, as well as meet the demand of cash inflow for shareholders. The distribution of the earnings in the year shall not be less than 10% of the accumulated distributable earnings; however, when the accumulated distributable earnings is less than 1% of paid-in capital, it may not be distributed; in which the cash dividends shall not be less than 10% of the total dividends.

3.1.3.2 The dividend distribution proposed on the general meeting of shareholders: The Board of Directors, on February 26, 2025, approved the distribution of cash dividends from the 2024 undistributed earnings in the amount of NT\$1.0 per share, totaling NT\$740,408,333.

3.1.3.3 Any expected material changes in the dividends policy: None.

3.1.4 Impacts of the stock grants proposed by the current shareholders meeting on the Company's operations and EPS: Not applicable.

3.1.5 Remuneration for Employees, Directors and Supervisors:

3.1.5.1. The percentage or range of remuneration for employees and directors in the Articles of Incorporation:

After the Company deducts the remuneration of the employees, the director and the supervisors from its income before tax, and also offsets the accumulated deficits, it should set aside the employees bonus at 10%~15% and the directors and supervisors bonus not more than 1% from the remaining income before tax.

The proportion of the remuneration distribution for the employees, the director and the supervisors or the bonus distribution by cash or stock should both be decided in the board meeting where at least two-thirds or more of all the members of the Board of Directors should attend and more than half of the attending members should approve the motion and the resolution should be reported in the shareholders' meeting as well.

The employees of parent or subsidiaries who receive the remuneration in the form of cash or stock should meet certain requirements.

3.1.5.2 Bases for estimating the remuneration for the employees, Directors and Supervisors of the period, bases for calculating the compensation in stock for the employees, and accounting solution for variation between actually distributed amount and estimated amount: The Company estimates a certain percentage of profits as employee remuneration and director remuneration. If the estimated amount differs from the distributed amount, the difference is accounted for as changes in accounting estimates and will be recognized in the year in which distribution is made.

3.1.5.3 Information on the adoption of the remuneration distribution by the Board of Directors:

(1) The amount of the remuneration distributed in cash or stock for the employees, directors and supervisors.

Any discrepancy between the annual recognized distributed amount and figure, the difference, reason and response should be disclosed: On February 26, 2025, the Board of Directors resolved to distribute NT\$165,800,000 for employees' remuneration and NT\$16,570,000 for directors' remuneration in cash for 2024. There is no difference between the between the estimated amounts and the amounts to be distributed in the year in which such amounts recognized in expenses.

(2) The proportion of the amount of the remuneration distributed in stock for the employees in the net income after tax in the individual financial statement of the period and the total amount of the remuneration for the employees: Not applicable.

3.1.5.4. If there is variation in the actual status of remuneration (including number of shares, amount, and stock price) distributed to the Employees, Directors, and Supervisors in the previous year, state the variation amount, causes, and settlement of variation.

(1) Remuneration for the employees: No difference.

(2) Remuneration for the Directors: No difference.

3.1.6 Status of shares buyback: none.

3.2 Corporate Bonds: none.

3.3 Preferred Stocks

March 31, 2025

Issue (Processing) Date (Note 2)		December 3, 2020 Private Placement of Preferred Shares C (Note 3)
Items		
Face value		NT\$10 per share
Issuance Price		NT\$11.10 per share
Number of Shares		180,180,000 Shares
Total amount		NT\$1,801,800,000
Rights and obligations	Distribution of dividends and bonus	Interest rate 2% per annum (non-cumulative)
	Distribution of the remaining property	Class C preferred shares has priority over common shares but not Class B preferred shares, to the extent that each share does not exceed the issue price plus the total amount of dividends payable.
	Exercise of voting rights	No voting rights and no election rights for the common shareholders' meeting.
	Others	None
Outstanding preferred shares	Recovered or transferred numbers of shares	0
	Unrecovered shares or the remaining of transferred shares	180,180,000 Shares
	Clause on recovery and transfer of shares	1. Holders of Preferred Share C may, after five years since the issuance date, be converted into common stock at the ratio of one preferred share to one common stock (conversion ratio 1:1). The rights and obligations (except for conversion restrictions and unlisted shares prescribed by laws and regulations) of the converted common stock from Preferred Share C are the same as the Company's other issued common stock. 2. There is no expiration date for Preferred Share C. Holders of Preferred Share C do not have the right to demand redemption of Preferred Share C or demand the Company for an early conversion of preferred shares to common stock. However, the Company may redeem all or part of the Preferred Share C at their original issue price at any time after three years from the date of issuance, by cash, mandatory conversion of new issue of shares or other methods permitted by laws and regulations.
2023	Maximum	This issue of privately placed preferred shares is not yet outstanding in the market and is therefore not applicable.
	Minimum	
	Average	
2024 (Note 4)	Maximum	
	Minimum	
	Average	
Other equity	Amount of shares converted or subscribed as of the printing date of the annual report	Years left before conversion date.
	Methods on issuance and conversion or stock option	Same as the foregoing recovery or conversion terms.
Effect of issue conditions on the interests of preferred shareholders, possible dilution of shareholdings and effect on the interests of existing shareholders		Class C preferred shares shall not be converted into common stock until dividends from Class C preferred shares are distributed in preference to dividends of the common stock. If Class C preferred shares is converted into common stock, the earnings per share and voting rights of common stock holders will be diluted, depending on the number of shares converted to common stock, but the dilution of earnings per share will be limited and shall not have a significant impact on shareholders' equity.

Note 1: Preferred shares include public and private placement preferred shares in process. Publicly traded preferred shares are those that have been validated (approved) by the shareholders' meeting; privately placed preferred shares are those that have been approved by the Board Meeting.

Note 2: The number of columns are adjusted according to the actual number.

Note 3: Private placements shall be marked in a prominent manner.

Note 4: Current year information as of the printing date of the annual report shall be included.

3.4 Global Depository Receipts: none.

3.5 Employee Stock Option Plan: none.

3.6 Restricting Employees from Applying New Shares:

3.6.1 As of the publication date of the annual report, the issuance of restricted stock awards that are not fully vested and the impact thereof on shareholders' rights and interests:

Type of new restricted employee shares	2023 First new restricted Employee shares
Filing Effective Date and Total Number of Shares	Total Number of Common Shares: 5,000,000 shares Issued on August 25, 2023
Date of Issuance	May 15, 2024
New restricted Employee shares issued	5,000,000 share
Number of new shares with restricted employee rights that can be issued	0 share
Issuance price	Gratuitous issuance
Ratio of the number of new shares issued with restricted employee rights to the total number of issued shares	0.68%
Vesting conditions for new restricted Employee shares	<p>Vesting condition: Employees who are still with the Company at the expiry of the following vesting periods after being granted new restricted employee shares according to these Regulations, who are not deemed by the Company to have violated the employment contract or Work Rules, and who are not subject to any disciplinary action may have their new restricted employee shares vested by the following percentage, service years, and performance criteria:</p> <p>(1) 30% for employees who have served the Company for one year after the Grant Date and are ranked "A" or above at the performance evaluation in the year immediately preceding the expiry date of a vesting period.</p> <p>(2) 30% for employees who have served the Company for two years after the Grant Date and are ranked "A" or above at the performance evaluation in the year immediately preceding the expiry date of a vesting period.</p> <p>(3) 40% for employees who have served the Company for three years after the Grant Date and are ranked "A" or above at the performance evaluation in the year immediately preceding the expiry date of a vesting period.</p>
Restricted rights for new restricted Employee shares	<p>(I) This installment of new restricted Employee shares issued by the Company shall be safeguarded by an entrusted trust institution assigned by the Company after employees receive the distribution. Employees may not ask the trustee to return new restricted employee shares for any reason or method before the fulfillment of vesting conditions.</p> <p>(II) After being granted the restricted shares and before</p>

Type of new restricted employee shares	2023 First new restricted Employee shares
	<p>meeting the vesting conditions, an employee may not sell, pledge, transfer, donate, create any right on, such restricted shares, or treat them in any other manner, except in the case of inheritance.</p> <p>(III) Before fulfillment of vesting conditions, new shares granted to employees shall have the rights, e.g., attendance, submission of proposal, speech, vote, and election at a shareholders' meeting, identical to those attached to the Company's issued common shares, and shall be subject to the trust contract.</p> <p>(IV) Before fulfillment of vesting conditions, all other rights attached to the restricted shares issued under the Regulations, including but not limited to the right to dividend, bonus, distribution of legal reserve, and capital surplus, and the preferred right to subscribe to new shares, are the same as the rights attached to the Company's issued common shares; matters relevant in this regard shall be handled by the trust contract.</p> <p>(V) For employees reaching vested conditions during the book closure date for issuance of bonus shares, book closure date for cash dividends, the subscription of new shares resulting from a cash capital increase, matters of closure date for Shareholders meeting specified in Article 165, paragraph 3 of the Company Act, or other book closure period of the record date for distribution of entitlements, the expiration date and vested date of their shares shall be handled by the trust contract or applicable laws and regulations.</p>
The custody of new restricted Employee shares:	When entrusting a trust for custody, the exercise of Shareholders' rights during the trust period shall be enforced according to the custody contract.
Method for handling with Employees who have not reached the vested conditions after being allocated or subscribed for new shares	For those who are allocated new shares with restricted employee rights in accordance with the issuance conditions, if they do not meet the vested conditions, the Company will take back all of them free of charge and cancel them.
Number of new shares with restricted employee rights that have been redeemed or purchased	80,000 share
Number of new restricted Employee shares lifted	0 share
Number of new restricted Employee shares not lifted	4,920,000 shares
Number of new restricted Employee shares not lifted to the total number of shares issued (%)	98.40%
Impact on the Shareholders' equity	The dilution of earnings per share of the Company during the vesting period is still limited and should pose no significant impact on Shareholders' equity.

3.6.2 As of the publication date of the annual report, the names of the managers who have obtained restricted stock awards and the names of the top ten employees with the most restricted stock awards and the details of their restricted stock awards:

Units: shares/NT\$ thousand

Title	Name	Number of new restricted employee shares granted	Ratio of the number of new restricted employee shares granted to the total number of issued shares	Vested Restricted Shares				Unvested Restricted Shares			
				Number of vested shares	Issue price	Total purchase price	Ratio of the number of vested restricted shares to the total number of issued shares	Number of unvested shares	Issue price	Total purchase price	Ratio of the number of unvested restricted shares to the total number of issued shares
Managerial officers and Employees	CMO	Yueh-Ming Tung	0.42%	0	0	0	0	2,330	0	0	0.42%
	President	Jia Rong Tu									
	Senior VP	Chin-Chiu Wang									
	VP	Min-Lang Tsai									
	VP	Chen-Ling Lai									
	VP	Hung-Tai Mai									
	Assistant Vice President	Jia Ming Yang									
	Assistant Vice President	Tseng-Chih Chi									
	Assistant Vice President	Chen-Chung Sun									
	Assistant Vice President	Che-Kuang Liu									
	Senior Director	Simon Hung									
	Director	Shu-Yung Chu									

3.7 Status of New Shares Issuance in Connection with Mergers and Acquisitions: none.

3.8 Financing Plans and Implementation: None.

IV. Operational Highlights

4.1 Business Activities

4.1.1 Business scope

4.1.1.1. Business scope of the Company includes:

- (1) Integrated circuit and semiconductor parts
- (2) Electronic, computer, communication circuit Boards
- (3) Hardware, software, system, and peripheral equipment of computer and communication products.
- (4) R&D, design, manufacturing, assembly, processing, testing and after-sale services for all the aforementioned products.
- (5) Import and export business (except special approval business)

4.1.1.2 Proportion of operations

Product item	proportion of operations (%)
	2024
Plastic integrated circuit	53.00
EMS	47.00
Total	100.00

4.1.1.3. The current products(services) of the Company and the new products(services) we plan to develop:

- (1) IC packaging and testing services

The items of services include: Packaging and testing services for IC and semiconductor parts.

- (2) Electronics manufacturing services (EMS/CEM)

The items of services include: PCB Assembly, Box build and System integration, and the Company also provides the customers with Prototype and Pilot run services to advance the products introduction.

4.1.2 Current status of the industry

4.1.2.1. Current status and development of the industry

Semiconductor Group

(1) NAND Flash:

Although inflation has been under control in 2024 and central banks around the world have continued to cut interest rates, the global economic recovery has been less than expected due to the continued Russia-Ukraine war, the Sino-US technology war, the Israel-Kazakhstan war and a series of other events. In addition, the inventory liquidation of electronic products has been slower than expected. In the first half of 2024, due to the continuous production cuts by various original equipment manufacturers, the price of mainstream 512Gb flash memory has risen to US\$4.5, which has also caused distributors to be more conservative in stocking up. In the second half of 2024, as the original equipment manufacturers continued to restore their production capacity but the terminal demand continued to be sluggish, the price of Flash continued to fall to US\$3.2.

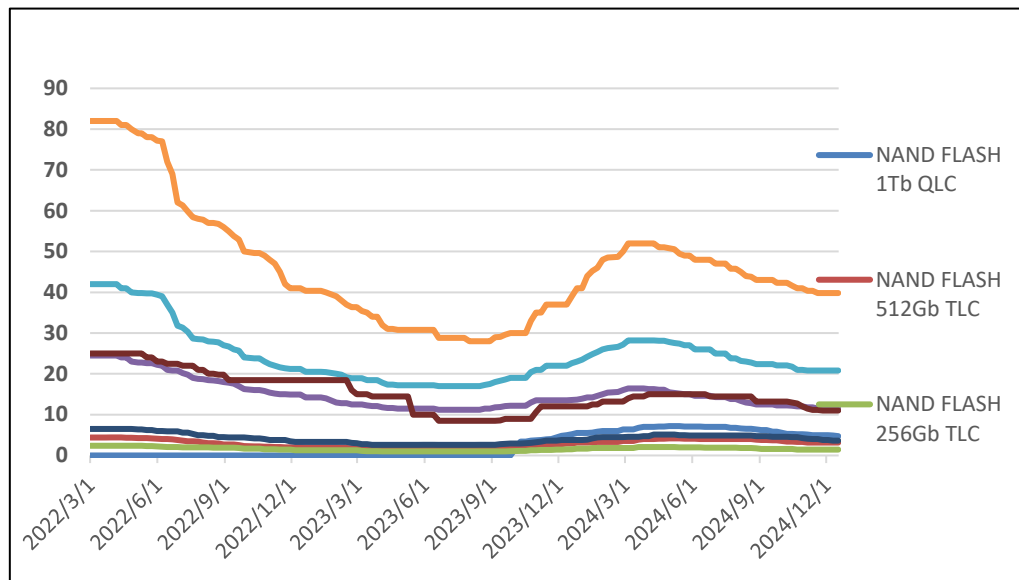


Figure 1 (Product Market Price)

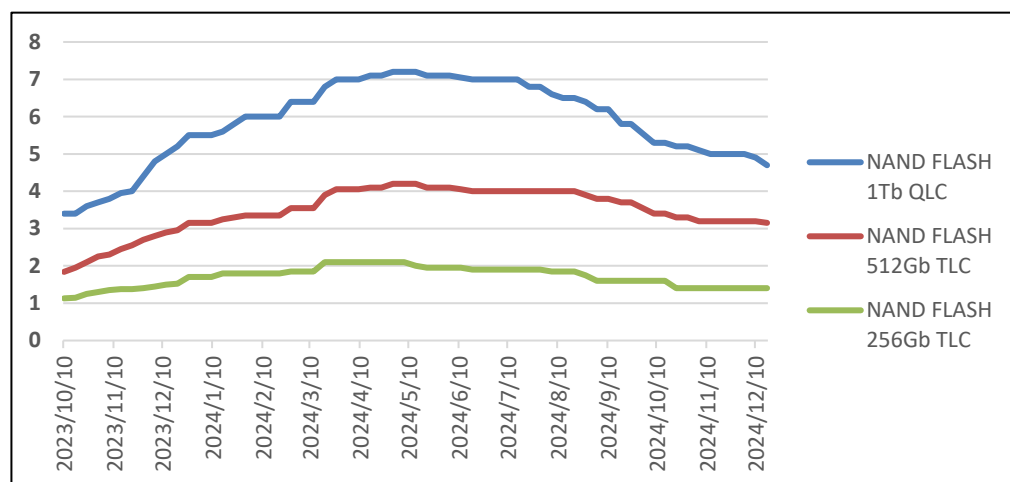


Figure 2 (NAND Flash price index trend)

In 2024, the 3D NAND flash remains a popular product in the market, and competitors are able to mass produce 100-plus-layer NAND flash. 3D NAND Flash with more than 200 layers was successfully introduced into mass production in the second half of 2024. In 2025, it is expected that more than 300 layers of verification will be carried out.

Although the Russia-Ukraine war and the China-US technology war have not yet been resolved, the original manufacturers have announced that they will reduce production by 15% in the first half of 2025 in order to maintain profits. Flash prices are expected to bottom out and rebound. However, market demand remains sluggish and customers are cautiously adjusting their replenishment strategies, so the first half of the year will be difficult for the packaging industry. As for the political and economic situation, China's subsidy policy to stimulate consumption and the various policies of the new US government are likely to promote market demand; in addition, NAND Flash original manufacturers may begin to restore production capacity in the future because prices have risen to their target prices. For the packaging and testing industry, the second half of 2025 will have the opportunity to usher in a wave of stable growth.

NAND Flash itself has the advantages of small size, light weight and low power consumption, which makes products such as notebook computers abandon the use of traditional hard drives and instead use SSDs as storage devices. The rise of AI servers has driven the share of SSDs. According to the statistical results of IEK (as figure 3), SSD accounts for 59% in the overall proportion, and increase of 7% compared with 2023. In 2025, in addition to the continued surge in demand for AI systems and big data management, the de-stocking effect will enable SSD to maintain a certain growth momentum, which will relatively increase the demand for Flash BGA.

As for mobile memory (eMMC/eMCP/eUFS), the pressure from the Russia-Ukraine war and the Sino-US technology war has not been relieved in 2024, coupled with the economic and political uncertainties in the global election year, which has led to a continued sluggish demand for mobile phones. However, as the mainstream capacity of mobile phones has increased, IEK's statistics show that the proportion of mobile phone memory in NAND Flash applications has slightly increased from 31% in 2023 to 33% in 2024. In 2025, with the implementation of the mainland China's subsidy policy for mobile phones and the elimination of uncertainties after the new US government takes office, there will be a wave of explosive growth in mobile phone memory. The eMMC segment is also expected to continue to grow due to the rising demand for smart white household appliances, so that eMMC demand will not decrease due to the switch to eUFS in mobile phones.

As for memory cards, due to political and economic uncertainties in recent years, the momentum of end-customer demand has continued to weaken. The proportion of memory cards in NAND Flash applications has continued to decline from 1.8% in 2023 to 1.4% in 2024. In 2025, due to factors such as market demand and changes in consumer usage habits, the share of memory cards will expect a wave of growth.

Self-driving is the key point for the automobile development. Applications such as sensors, radar, AI, navigation, road condition analysis, multimedia entertainment and computing platforms have turned cars into mobile data centers. The NAND Flash enjoys the advantages of high efficiency, reliability, stability and durability, it will become the best choice for the storage in the automobile industry. As AI-assisted driving has gradually become standard equipment in vehicles, the proportion of vehicle memory has reached 1.4%. It is estimated that as the proportion of electric vehicles continues to increase, the automotive memory will become the top three NAND flash applications in terms of demand.

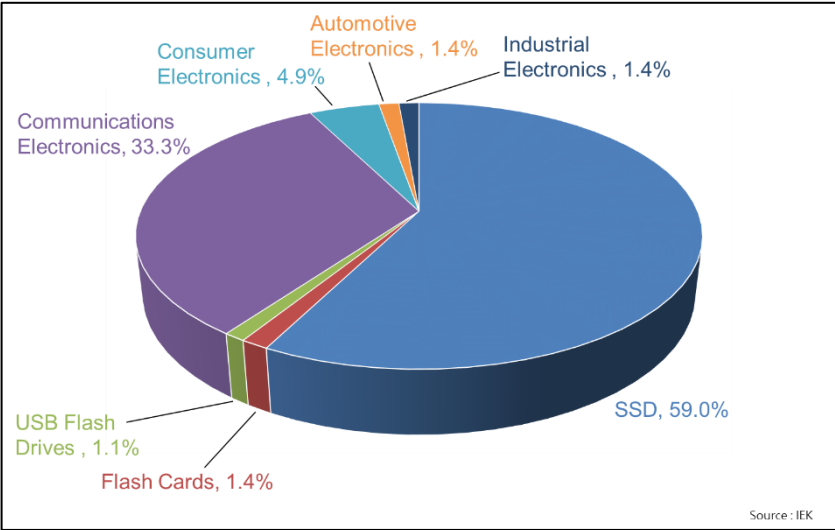


Figure 3 (proportion of Flash applications)

(2) For other IC:

According to the World Semiconductor Trade Statistics (WSTS), although the world continued to be affected by factors such as the Russia-Ukraine War, the Israel-Hamas War, and the US-China Technology War in 2024, the continued growth of AI applications has led to the global semiconductor industry output value of US\$611.2 billion in 2024, a significant increase of 16% over 2023. As the demand for AI continues to grow in 2025, it is estimated that the global semiconductor output value will reach US\$687.4 billion. In 2024, Taiwan's overall semiconductor output value will be boosted by the growth in AI demand, and the overall output value will reach NT\$530.01 billion, a 22% increase from 2023. In 2025, Taiwan's overall semiconductor output value is expected to exceed NT\$6 trillion, a 16.5% increase from 2025, thanks to the reasonable level of inventory reduction and the continued development of related fields such as AI, high-performance computing and 5G led by advanced process technology.

Electronics Manufacturing Services Group

(1) For SSD cards:

In 2024, due to the slowdown in global economic growth and inflation in Europe and the United States, consumer market demand has slowed down. However, whether the subsequent market demand will continue to be affected by inflation in Europe and the United States, the slowdown in the mainland market and geopolitics remains to be seen.

(2) For petroleum exploration:

The Ukraine-Russia war continued in 2024, and demand in the second half of the year changed significantly, but is expected to remain the same as in 2023.

(3) For servers:

Digital transformation is one of the key factors for enhancing competitiveness. The demand for data processing by artificial intelligence (AI), the Internet of Things (IoT), 5G mobile broadband, and AI will continue to grow substantially, driving the demand for computing servers to increase year by year. In 2024, the enhanced performance of AI applications boosted the demand for AI servers. In 2025, it is estimated that demand for AI servers will continue to rise, while demand for traditional servers will remain flat.

4.1.2.2 Relationship of upstream, midstream, and downstream in the Industry

The key parts of flash memory include flash memory and memory controller. The Company can support all the products produced by the top six global flash memory suppliers currently, we also have built the direct communication channels with some flash memory suppliers, we can understand the current situation of the flash memory in the market and its technology development in the future by communicating with them directly. In addition, in terms of the memory controller, the Company have cooperated closely with the domestic/foreign memory controller companies with cost advantage and strong functionalities, so we enjoy certain advantages in the quality, cost and customer support.

4.1.2.3 Trends and competition situation of products

We will continue to focus on adjusting its marketing position and restructuring internal organizations, creating the Company's core value. We strive to further develop the niche market of flash memory packaging by investing a large amount of capital expenditure and production resources. At present, the monthly shipments can reach more than 20~30 million pieces. Looking ahead to the future, the Company will meet clients' demand for quality, productivity, and cost of flash memory packaging based on the changes in the needs of the market with our competitive advantages listed below.

(1) Technique integration and quality yield rate:

It is necessary not only to adopt FEOL of packaging but also SMT manufacturing process for flash memory. The Company has the technique and production capacity of the packaging for semiconductor and the assembly for the electronics, we can finish manufacturing the products rapidly. Furthermore, as the Company adopts one-stop production process, the Company enjoys advantage on controlling of the quality yield rate relatively.

(2) Complete supply chain lowers the material cost constantly

In terms of flash memory cards, the key parts of flash memory cards include flash memory and memory controller. The Company irregularly discusses with the top six global flash memory suppliers and memory controller suppliers about the future trends of the products, and it also regularly discusses with the related memory controller suppliers about the relevant techniques. We will also form a complete supply chain with relevant material suppliers and continue to seek low-cost materials and processes through collaborative development between both sides.

(3) Complete products development team:

The Company will continue to investment on software and hardware of product development, while at the same time assisting in flash memory-related customers to conduct the electrical and thermal analysis and help them develop the relevant customized products.

4.1.3 Current status of technology and R&D

4.1.3.1. R&D expenses invested

Unit: NT\$ thousand

Item \ Fiscal Year	2023	2024
R&D expenses	386,747	405,993
Operating revenue	16,690,436	16,277,445
R&D expenses as a percentage of revenue	2.32%	2.49%

4.1.3.2. Technologies or products developed successfully

◆ Semiconductor Group

- (1) Ultra-thin wearable memory devices were verified and introduced into mass production.
- (2) Completion of the development and verification of high heat dissipation package.
- (3) Complete eUFS 4.x product verification and mass production.
- (4) Complete the verification of the recovered gold cables.
- (5) Completed DDR5 for Flip Chip verification.

◆ Electronics Manufacturing Services Group

- (1) Cooperate with the government policy and direction and successfully cooperate to complete the mission of satellite launch.
- (2) The technique of manufacturing process over IPC class 3 for manufacturing standard regulation enters the mass production stage, and is applied to the petroleum exploration, aerospace and satellite industries and so on.
- (3) Development and application of SSD production line automation, introduction of OEM production of full range of DDR products.

4.1.4 Long-term and short-term business plans

4.1.4.1. Short-term business plan:

Semiconductor Group: The short-term business plan will mainly focus on constant further development for the customer relationship, creating strategic partners, utilizing the current resources completely, strengthening the reduction of cost and select the niche market with caution. The main competitive products are lead frame products (QFN), CSP products, Flash, and LPDDR-related products.

Regarding Electronic Manufacturing Services (EMS) Group, there are three focus areas: (1) SSD cards, (2) special electronic products whose manufacturing standard regulation exceeds IPC-610 Class 3, which is applied to the medical, aerospace and other special fields, and (3) other niche products or future star products like Netcom, AOIT and e-sports.

4.1.4.2. Long-term business plan:

The long-term business plan will focus on continuing development on the niche products (like electric cars and wireless communication products) in combination with the technique of the semiconductor packaging, testing and electronic assembly, and strengthening the relationship with the customers to bring more profits.

4.2 Market and Sales Overview

4.2.1. Market analysis

4.2.1.1. Regions of sales (offer) of major products (services)

Unit: NT\$ thousand

Fiscal Year Area		2023		2024	
		Sales amount	%	Sales amount	%
Foreign sales	America	3,145,890	18.85	3,746,657	23.02
	Asia	4,183,478	25.06	3,687,521	22.65
	Others	2,849,089	17.07	1,997,085	12.27
Sub-total		10,178,457	60.98	9,431,263	57.94
Domestic sales		6,511,979	39.02	6,846,182	42.06
Total		16,690,436	100.00	16,277,445	100.00

4.2.1.2. Market share

Unit: NT\$ 100 million

Industry category	Fiscal Year	OSE packaging revenue	Output value of packaging industry in Taiwan	Market share
IC packaging	2022	90.70	4,660	1.95%
	2023	100.03	3,931	2.54%
	2024	79.05	4,233	1.87%

Source: TSIA; Institute of Industrial Technology Research Institute IEK (February 2025).

4.2.1.3. Market demand, supply, and growth status in the future

◆ Semiconductor Group

The future growth of the semiconductor will still be driven by the mobile communication. In addition, the automotive electronics, 5G and AI will also blow up continually. We will strengthen the development of CSP/ BGA market and improve the production efficiency; we will further enhance the development of memory market (especially LPDDR and DDR). the Company will also expand the development of IoT and automotive electronics-related markets to maintain its combativeness and boost its revenue sources.

◆ Electronics Manufacturing Services Group

The major growth in the future for the Company's Electronics Manufacturing Services Group mainly comes from three major product lines:

- (1) Continued demand of SSD cards and DDR products.
- (2) Increase of the high-end class 3 technology, allowing extensive production application range.
- (3) The enterprise digitalization results in the increase of data or materials. In addition, the increase of data is also driven by IoT, 5G mobile broadband services, improvement of AI technique and application, the accumulated data will become bigger and bigger, which results in the growing demand for computing servers year by year.

4.2.1.4. Niche for competition

- (1) Rapid integration and complete R&D team.
- (2) Combine with packaging, testing and SMT technology to create the synergy.
- (3) Construct the highly integrated MIS to become the customer's "virtual factory."
- (4) The excellent NPI services optimize the design complying with the production to lower the cost for the customers in the early stage of the product development.
- (5) The strict and careful management for the materials and work-in-process inventory lowers the inventory risk for the customers.

4.2.1.5. Advantages, disadvantages, and responsive strategy in the long-term development

◆ Advantages

- (1) The big companies of device integration will increase the proportion of outsourcing constantly to drive the demand for the packaging and testing.
- (2) The international packaging companies conduct the merger continually, so the customers look for other packaging companies for the cooperation.
- (3) The global original equipment manufacturers focus on the core abilities like the brand and R&D, and outsource the manufacturing for the products.
- (4) The demand for mobile communication products continue increasing, which cause the demand for the key peripherals to grow as well.
- (5) The strong demand for the server motherboard, SIP module, PDA, smartphone assembly Board and the products for the leading companies in the niche market will drive the demand for packaging, testing and EMS in the market.
- (6) [The introduction of AI PC will drive the demand for flash memory.
- (7) The development of IoT and smart home causes the related products to become the mainstream in the coming five years, driving the growth of the entire semiconductor industry.
- (8) [The construction of 5G communication is about to be finished, so there will be a machine-replacing wave and the demand for semiconductor will increase day by day.

◆ Disadvantages

- (1) The products life cycle becomes shorter and the functions get more complicated day by day, it is not easy to get back the return on investment on the machines and equipment.
- (2) The competition of the price and the increase of the materials cost cause the margin pressure.
- (3) Due to the impact of geopolitics worldwide, some customers in Taiwan and foreign countries request the Company not to use materials from mainland China, driving relevant materials cost up and profits down.
- (4) In response to the rapid drop for the price of the electronic products, many customers find the low manufacturing cost solutions in China, so many Taiwanese products in the mid and low price range are no longer competitive because of the manufacturing cost.
- (5) Customers reduced placed orders because they were destocking, driving our revenue down.

◆ Responsive strategy

- (1) Controlling the cost strictly and decreasing the expenditures.
- (2) Taking advantage of R&D ability to enter the niche market and build the threshold for new technologies.
- (3) Making good use of the decision-making for the investments in manufacturing equipment and fixed assets to maximize the marginal effect.
- (4) Utilizing the effect of flextime to provide the accurate real-time production information, services for products technologies and knowledge.
- (5) Using the technology for multiple layer stacking, so the customers can acquire the memory cards with low cost and high price.
- (6) Bringing out the functionality and the flexibility of the logistics management for the supply chain and strengthen the partnership with the suppliers.
- (7) The strict and careful management for the material inventory to lower the materials inventory risk.
- (8) Using the local materials in Taiwan or look for the alternative materials for spreading the risks.
- (9) Continue to develop new markets.

4.2.2 Important uses and production process of major products

4.2.2.1. Important uses of major products

◆Semiconductor Group

The major product is IC device packaging which is applied to the computer, communication, network, consumer electronics, telecommunication internet, industrial controller, digital camera, and so on.

◆Electronics manufacturing services (EMS) Group

It provides the professional electronics manufacturing services (EMS), the OEM products is mainly applied to the servers, SIP modules, instruments and large industrial equipment, storage systems, petroleum exploration, and satellite-related uses.

4.2.2.2. Production process of major products

(1) Production process of packaging products

Die sawing→ Die bonding→ Wire bonding→ Molding→ Marking→ Trimming→ Testing→ Packaging

(2) Production process of electronic products

Parts processing→ SMT assembly → Parts insertion → Auto-soldering→ Auto-cleaning and drying
→ Testing→ Case assembly→ Testing→ Packaging→ Shipping

4.2.3 Supply status of major materials

Major material's details	Supply source
PCB	China, Taiwan, USA
Connector	China
AU wire	Korea
Compound	China、Japan、Taiwan
Lead frame	Taiwan
Substrate	China、Taiwan

4.2.4 Major purchases and sales customer lists in the last two years

4.2.4.1. The supplier code, sales amount, and proportion of sales which accounted for at least 10% of the total sales amount in any of the past two years and the reasons for the increase or decrease:

Unit: NT\$ thousand

2023				2024			
Name	Amount	Proportion in annual net sales [%]	Relationship with the issuer	Name	Amount	Proportion in annual net sales [%]	Relationship with the issuer
Company A	3,050,510	18.27	None	Company A	5,230,767	32.14	None
Company B	3,100,340	18.58	None	Company B	2,437,018	14.97	None
Company C	2,088,048	12.51	None	Company C	1,734,583	10.66	None
Company D	1,860,363	11.15	None	Company D	1,784,081	10.96	None
Others	6,591,175	39.49		Others	5,090,996	31.27	
Net sales	16,690,436	100.00		Net sales	16,277,445	100.00	

Main reasons for changes: Sales amount and sales percentage changed main due to changes in customers' demand. Generally speaking, since the Company sells to a wide variety of customers, it does not face the risk of sales concentration or any other anomaly.

4.2.4.2. The vendor code, purchase amount, and proportion of purchase which accounted for at least 10% of the total net purchase amount in any of the past two years and the reasons for the increase or decrease:

Unit: NT\$ thousand

2023				2024			
Name	Amount	Proportion in annual net purchase [%]	Relationship with the issuer	Name	Amount	Proportion in annual net purchase [%]	Relationship with the issuer
Company a	1,235,946	16.40	None	Company a	2,039,598	24.97	None
Company b	837,277	11.11	None	Company b	589,259	7.21	None
Others	5,462,634	72.49		Others	5,540,558	67.82	

Both of the Company's Semiconductor Group and EMS Group belong to the foundry without the own brands, the raw materials are mostly standardized products and it has many suppliers for the raw materials so it does not need to concern about the shortage. The Company will consider the quality and the price first when purchasing unless the customers designate the suppliers. According to the overall purchase proportion, there is no risk for the excessive concentration. Besides, the Company keeps close relationship for the strategic cooperation with the major suppliers and the source of supply is more than two companies at any time. In general, the supply status is stable and there is no abnormal situation.

4.3 Human Resources

Employee		Fiscal Year	2023	2024
Number of Employees	Fiscal Year Employee		3,076	3,029
	Fiscal Year Employee		2,126	2,116
	Fiscal Year Employee		5,202	5,145
Average age			37.27	37.62
Average seniority			8.51	8.62
Education distribution %	Doctor		0.02%	0.02%
	Master		5.67%	6.16%
	University/College		67.82%	69.80%
	Senior high school		23.63%	21.38%
	Less than Senior high school		2.86%	2.64%

4.4 Environmental Protection Expenditure

The losses (including compensation) and penalty due to the environment pollution in the most recent year and by the date of the annual report publication:

Date of penalty and number	Law violated and reasons	Content of penalty	Improvement measures
2024.05.10 Kao-Shi-Huan-Ju-Tu-Zi No. 11334174300	The Company imported chemicals containing the first category toxic chemical substance "Nonylphenol (listing number: 165-01; controlled concentration: 5w/w%)" without obtaining an import license for the aforementioned toxic chemical substance.	NT\$1,100 thousand	1. The "Class A Toxic Chemicals Specialist Training" is conducted by industry management personnel to enhance their professional sensitivity 2. Review monthly whether there are any toxic chemicals or chemicals of concern that have been missed.

4.5 Labor Relations

4.5.1 The measures of employee welfare, retirement system and its implementation status, and labor-management agreements:

4.5.1.1. The measures of Employee welfare:

Orient Semiconductor Electronics considers the talents to be the most valuable assets for the enterprises, the Company will review the supply/demand status for the talents market and remuneration to provide the remuneration appropriate to the value of the talents, and it will also distribute the incentive bonus based on company's operating performance to achieve the purpose of encouragement and talents retention.

- (1) Establish the employee Welfare Committee to implement all the welfare measures for the employees.
- (2) If the employee is dead, disabled, injured or sick due to the occupational accidents, he will be compensated according to the regulation regarding the compensation for accidents in the Labor Standards Act.
- (3) Establish the Occupational Safety and Health Committee and management unit to be in charge of the matters of the occupational safety, health and the employee medical checkup.

- (4) Implement the employee education training to increase the professional knowledge for the employees so they can be devoted to their works.
- (5) Provide all kinds of subsidies for the marriage, death, hospitalization, child birth.
- (6) Welfare restaurants provide employees with convenient, hygienic, nutritious and affordable meals, and supermarkets are set up to provide diversified services.
- (7) Provide the work environment with safety, comfort and clean.
- (8) The employees can apply for an unpaid military leave or an unpaid parental leave.
- (9) The Company implements the corporate medical insurance and accident insurance for its entire employees.
- (10) Establish the nursery room in the Company to provide the postpartum employees with the excellent environment for nursing.
- (11) Construct a health station inside the company to give employee health consultation services.
- (12) Hold domestic and overseas travels, family days, speeches and year end banquets for the employees.
- (13) Encourage and assist the employees to set up the clubs and hold relevant activities.
- (14) The Company provides gift certificates for the three main holidays, scholarships, and birthday gifts for employees.
- (15) Provide the leaves that are better than the regulations of the Labor Standards Act such as leaves for helping deal with wedding affairs.
- (16) Give gifts to the senior employees for their hard work.
- (17) Hold labor-management meetings regularly to harmonize labor relations.
- (18) We establish diverse communication channels, to allow colleagues (line leaders, section chiefs, and new employees) to directly express their opinions to the Company and have their problems solved through fair, confidential, and effective handling procedures; and we plan two-way communication with senior managers and Coffee Sessions to enable employees to directly convey their ideas to senior managers.
- (19) In order to encourage employees, the Company regularly organizes events to select excellent employees and publicly awards them. By encouraging the employees who meet the core value of the Company, they will also further inspire other employees.
- (20) Periodically survey employees' recognition of and satisfaction with the Company. In 2024, the Company conducted an "Employee Experience Questionnaire" on all employees, with the content covering corporate image, work experience, corporate social responsibility, employee satisfaction, level of devotion to work, and work development and interpersonal relations, in order to fully grasp employees' thoughts and needs to serve as an important basis for improving the workplace environment and labor-management relations.

4.5.1.2. Further study and educational training for Employees:

- (1) We value our human resources and put lots of effort on talent cultivation and plan the annual education and training program for employees according to the organizational development and the Company's annual strategic targets and select the development focus of the year.
- (2) By establishing OSE e-Academy, a digital learning platform, we provide colleagues with diverse learning methods and environments, enabling them to learn new knowledge according to their needs without being constrained by time and space and grasp their learning status and progress.
- (3) Establish standardized orientation, pre-employment training, and professional training programs in conjunction with a counselor system for new recruits to help them adapt to the working environment and quickly integrate into the team.
- (4) Aside from internal learning resources, we also provide colleagues with subsidies for external workshops or pursuit of further academic advancement.
- (5) Establish an internal lecturer training system to train employees to serve as internal lecturers of the company to impart professional knowledge and skills, and to recognize the "Golden Teacher Award" every year to thank the lecturers for their enthusiastic teaching.
- (6) Implement the dual-career project to provide technical training and multiple general education courses for the students who participate in Industry-Academe Collaboration Program.
- (7) Encourage employees to show their best at work. The Company promotes its continuous improvement programs (CIP) and provides relevant trainings. In carrying out CIP events, the Company encourages employees to continue improving their performance and quality and pass down what they know onto other employees.

- (8) Conducted education and training for 95,018 times in 2024. We offered education and training to a total of 198,519.81 hours, the training expenses totaled NT\$4,654,682, and the satisfaction score was 87.2 points, enabling employees to develop their professional abilities according to their positions and demonstrate such abilities at work.

Employee category	Gender	Number of Persons	Training hours	Average training hours	Total expense (NT\$)
Technical position	Male	522	14,176.54	27.2	4,654,682
	Female	2,506	63,143.95	25.2	
Professional position	Male	1,067	60,141.52	56.4	
	Female	562	32,305.25	57.5	
Administration position	Male	282	17,728.64	62.9	
	Female	206	10,638.25	51.6	
Total		5,145	198,134.15	38.5	

4.5.1.3. Retirement system:

To ensure employees are protected upon retirement, Huatai applies both the Labor Standards Act and the Labor Pension Act. Employees can also choose to continue being subject to the relevant provisions of the Labor Standards Act. For such employees, the company calculates retirement payments based on their years of service and the average salary of the 6 months prior to retirement, contributing an amount equal to 10% of the total salary to a retirement fund on a monthly basis. This fund is deposited in a dedicated account at the Bank of Taiwan under the name of the Labor Retirement Reserve Supervision Committee. As for the labor pension system defined by the Labor Pension Act, the company contributes an amount equal to 6% of each employee's monthly salary to their individual accounts at the Labor Insurance Bureau.

Employees who meet the requirements for voluntary retirement as stated in Article 53 of the Labor Standards Act may apply for retirement at any time.

Before the end of each year, we estimate the balance of the account for the labor retirement reserve. If the balance is not sufficient to cover the pension for employees who are expected to meet the retirement criteria in the following year, we will make up for the difference before the end of March of the following year and submit it to the Supervisory Committee of Labor Retirement Reserve for review.

4.5.1.4. Other important agreements:

- (1) Develop and improve the employee complaint system, and provide multiple communication channels such as employee suggestion boxes, complaint hotlines, and complaint mailboxes, so as to allow employees to fully express their opinions.

- (2) The Company may exchange opinions with the corporate labor union staff at any time.

4.5.2 Losses suffered from labor disputes in the most recent year and as of the date of printing of the annual report (including labor inspection results in violation of the Labor Standards Act, which shall include the date of penalty, the number of the penalty received, the provision of the violation, the content of the violation, and the content of the penalty):

Date of penalty	Number of penalty received	Violation of laws and regulations	Contents of violation	Amount of penalty
2024/12/25	Jing-Yuan-Huan-An-Zi No. 1130025388	Article 24, Paragraph 1 of the Labor Standards Act	Wages for extended working hours were not paid as required.	200,000
		Article 32, Paragraph 2 of the Labor Standards Act	The extended working hours of workers, together with the normal working hours, shall not exceed twelve hours a day.	

4.5.3 The estimated amount of current and potential future liabilities and contingency measures, and if the amount cannot be reasonably estimated, the fact that it cannot be reasonably estimated: The Company will comply with relevant laws and regulations to ensure that the rights and interests of all employees are protected. It is estimated that no losses occurred due to the labor disputes under the implementation of all the welfare measures by the Company to improve the working environment in the future.

4.6 IT Security Management

4.6.1 Information security risk management framework

The Company has officially established the "Information Security Governance Committee" in August 2023 to guide, evaluate and monitor its information security management. The Company's board of directors has approved the appointment of the senior vice president of the information center as the Chief Information Security Officer to manage and review the information security system. There is also a security supervisor to carry out the planning, implementation, inspection and improvement of the company's information security system.

Facing the increasingly severe network environment, the importance and requirements of information security have become more stringent. In order to cope with future regulations and situations, the Information Security Management Department was established in November 2023 as a dedicated department for information security in the company. In accordance with the law, more than two dedicated information security personnel are appointed. Their job responsibilities include information security warning management, vulnerability management, information security system and equipment management, information security event monitoring, information security incident handling, and information security event identification. Produce information security reports regularly, report to the Chief Information Security Officer every week, report to the President every two weeks, and the Chief Information Security Officer reports to the Chairman every month.

4.6.2 Information security policy

1. Formulate information security management measures in accordance with laws and regulations, provide appropriate protection measures for the Company's information assets, and ensure confidentiality, integrity, availability, and compliance.
2. Regularly evaluate the impact of various man-made natural disasters on the Company's information assets, and formulate disaster prevention measures and disaster recovery plans for important and key information assets.
3. Supervise employees' information security protection work and establish a correct concept of information security protection.
4. Require all employees and clients or suppliers who use the Company's computer system to strictly comply with the Company's information security regulations. Any violation will be subject to relevant legal liabilities.

The Company's cyber security policy is "to preserve the confidentiality, integrity, availability, and compliance of the Company's cyber security systems lest human errors, vandalism, and natural disaster occur and lead to improper use, leak, tampering, damage, disappearance of the Company's cyber security system and assets, which bears on the Company's operations and impairs the Company's interests." The Company will introduce the ISO27001 Information security management system in 2023. In doing so, it will strengthen its ability to deal with information security events and protect the assets of the Company and customers.

4.6.3 Management plan and resources invested in information and communications security management

Management plan	Execution results
Improve information security defense	<ol style="list-style-type: none"> 1. Upgrade internal/external network firewalls to strengthen network protection and segmentation, in order to enhance security control measures for key basic services and improve protection capabilities. 2. Regularly conduct vulnerability analysis and penetration testing of information security systems, and strengthen and repair them. 3. Develop emergency response plans for cyber security incidents and conduct regular drills, assess the impact and losses based on the severity of the incident, and take corresponding notification and recovery actions.
Improve management procedures	<ol style="list-style-type: none"> 1. Strengthen the control plan of mobile devices in production areas. 2. Introduce a knowledge management system to continuously improve processes.
Enhance network, endpoint and application security.	<ol style="list-style-type: none"> 1. Improve anomaly detection and protection capabilities of terminal devices. 2. Information systems strengthen privilege management mechanisms to protect privileged identities, credentials and passwords. 3. Establish and implement core system recovery time and backup safety mechanisms.
Expand the application of intelligent technology	<ol style="list-style-type: none"> 1. Accelerate the development process through artificial intelligence. 2. Automate highly repetitive and standardized workflows to save manpower, time and resources and lower error rates.
Legal compliance and certification standards introduction	<ol style="list-style-type: none"> 1. Continue to maintain ISO/IEC 27001:2022 information security management system requirements, follow international standards for information security management, and establish the confidentiality, integrity and availability of the information security management system. 2. According to the requirements of the Information and Communications Security Management Act, policies are reviewed and followed every year.
Control potential risks	<ol style="list-style-type: none"> 1. Through the professional services of professional information security companies, we conduct enterprise information security analysis and risk assessment to further strengthen information security related protection. 2. Review the Business Continuity Plan (BCP) exercises annually to restore key operating items to normal status within the recovery target time.
Universal education and training	<ol style="list-style-type: none"> 1. Conduct social drills (phishing mails) every quarter to strengthen staff's ability to identify phishing mails. This exercise was conducted six times in 2024, with a total of 14,143 participants. 2. We will provide education and promotion on this operating procedure and related laws to directors, managers and employees at least once a year, and provide information security education and training to new and existing employees, as well as irregular information security promotion. In 2024, the total number of people who participated in cybersecurity training programs reached 5,156, and the total training hours reached 15,468 hours. 3. In 2024, the external training of information security personnel obtained relevant international certifications (such as: CISSP Information Security System Expert Certification, EC-Council CEH Hacker Technology Expert Certification, EC-Council CPENT Penetration Testing Expert Certification, Blue Team Information Security Threat Analysis-EC-Council CTIA Certification).
Supply Chain Security Risk Management	<ol style="list-style-type: none"> 1. Senior executives participated in co-founding the "Taiwan Information Security Executives Alliance" to formulate industry standards through cross-enterprise alliances to strengthen overall supply chain information security protection. 2. Actively cooperate with supply chain risk rating services and jointly follow third-party risk scoring and risk situation services.

4.6.4 Please specify the losses and potential impacts caused by material information security incidents and countermeasures in the last year and up to the publication date of the annual report. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be specified: None.

4.7 Significant Contracts: List the parties to the supply and sales contracts, technical cooperation contracts, engineering contracts, long-term loan contracts and other significant contracts affecting shareholders' equity, their main contents, restrictive clauses and dates of expiration as of the printing date of the annual report:

Type of contract	Counterparty	Contract period	Major contents	Restriction
Land lease	Bureau of Industrial Parks, Ministry of Economic Affairs (B.I.P)	2018.07.01~2030.02.28	1. Leasing 10 plots of land in the Kaohsiung Nanzih Technology Industrial Park from others (based on the lease agreements); the actual leased area is 72,231m ² 2. Rental and payment	
Investment and construction	Bureau of Industrial Parks, Ministry of Economic Affairs (B.I.P)	2021.08.12~2024.12.31	1. Invested in the establishment of plants on the land leased from the Kaohsiung Nanzih Technology Industrial Park 2. Plant building guarantee deposit	Note 1
Construction contracting	SEI-CO SHA ENGINEERING CORP.	113.3.12~Warranty expiration	Clean room construction at HQ7F	
Construction contracting	Verizon Construction	2023.06.02~2024.04.02	1. Contents and payment terms for the construction of main structure and diaphragm wall at Plant Jing-1. 2. Inspection and warranty	
Construction contracting	Verizon Construction	2024.02.01~Warranty expiration	1. Contents and payment terms for the construction of main structure and diaphragm wall at Plant Jing-1 2. Inspection and warranty	
Purchase	HWAN TAI SOLAR CO., LTD.	113.01.01~132.12.31	Renewable energy power procurement, fixed price, guaranteed power supply	
Bank credit contract	First Bank	2023.09.25~2030.09.25	Medium-term borrowings	Restricted to plant construction

Note 1: The land lease agreement (4,276m²) of the land lot 600 leased by the Company from the B.I.P should be terminated before December 31, 2024, and after the ownership of the registered buildings on the land should be transferred to the B.I.P for free, the Company obtained the lease agreement on land lot No. 605 (11,085m²)

V. Financial Status, Operating Results and Risk Management

5.1 Financial Status (Consolidated)

Unit: NTD thousand

Fiscal Year Item	2024	2023	Increase(decrease) amount	Proportion of change	Analysis of change (Note)
Current assets	10,691,745	10,620,661	71,084	0.67%	
Property, plant and equipment	6,455,962	5,081,550	1,374,412	27.05%	(I)
Intangible assets	51,556	80,670	(29,114)	(36.09%)	
Other assets	2,336,454	2,684,127	(347,673)	(12.95%)	
Total assets	19,535,717	18,467,008	1,068,709	5.79%	
Current liabilities	6,814,117	5,739,264	1,074,853	18.73%	
Non-current liabilities	1,151,547	1,453,901	(302,354)	(20.80%)	(II)
Total liabilities	7,965,664	7,193,165	772,499	10.74%	
Equity attributed to owners of the parent company	11,570,053	11,273,843	296,210	2.63%	
Capital	7,404,883	7,354,883	50,000	0.68%	
Capital reserve	476,203	238,387	237,816	99.76%	(III)
Retained earnings(loss)	3,943,319	3,546,487	396,832	11.19%	
Other equity	(245,352)	134,086	(379,438)	(282.98%)	(IV)
Total equity	11,570,053	11,273,843	296,210	2.63%	

(Note): Analysis for proportion of change between the current and the previous period which reaches 20% and the amount is considerable.

Analysis for proportion of change:

- (I). Property, plant and equipment increased by NT\$1,374,412 thousand compared to the same period last year, mainly due to the construction of a factory and the addition of production machinery and equipment.
- (II). Non-current liabilities decreased by NT\$302,354 thousand compared to the same period last year, mainly due to the transfer of retirement funds to the Bank of Taiwan's designated account in accordance with regulations, which resulted in a decrease of NT\$147,332 thousand in net defined benefit liabilities-non-current, and a decrease of NT\$122,122 thousand in long-term borrowings.
- (III). Capital reserve increased by NT\$237,816 compared to the same period last year mainly due to the compensation costs of issuing new shares with restricted employee rights in 2024 exceeded the premium on the par value of the shares.
- (IV). Other equity decreased by NT\$379,438 thousand compared with the same period last year, mainly due to the after-tax impact of unrealized gains and losses on financial assets held by subsidiaries measured at fair value through other comprehensive income, which decreased by NT\$206,981 thousand due to valuation, and the issuance of new shares with restricted employee rights in 2024, which decreased other equity by NT\$184,008 thousand.

5.2 Financial Performance(Consolidated)

Unit: NTD thousand

Item	2024	2023	Increase(decrease) amount	Proportion of change	Analysis of change (Note)
Operating revenue	16,277,445	16,690,436	(412,991)	(2.47%)	
Operating margin	2,465,283	3,315,300	(850,017)	(25.64%)	(I)
Operating income	1,157,919	2,074,147	(916,228)	(44.17%)	(I)
Non-operating income and expenses	318,369	144,148	174,221	120.86%	(II)
Net income (loss) before tax	1,476,288	2,218,295	(742,007)	(33.45%)	(II)
Net income	1,228,608	1,881,210	(652,602)	(34.69%)	(II)
Other comprehensive income /loss (net of tax) of current period	(153,620)	267,022	(420,642)	(157.53%)	(IV)
Total comprehensive income attributed to the owner of parent company	1,074,988	2,148,232	(1,073,244)	(49.96%)	
EPS (Note)	1.71	2.66			

Note: Analysis for proportion of change between the current and the previous period which reaches 20% and the amount is considerable.

Analysis for proportion of change:

(I) Operating margin, net operating income (loss):

Although the demand in the semiconductor supply-chain market has gradually recovered, the market has not yet fully stabilized. Affected by factors such as global inflation, interest rate hikes and geopolitics, the demand for consumer electronic application products has slowed, the price of upstream original wafers has increased, and customers are watching the market changes, resulting in conservative orders. As a result, the performance of the semiconductor packaging and testing business in 2024 has cooled, and operating income has decreased compared to 2023. Although the revenue from semiconductor packaging and testing has decreased, the electronic manufacturing service business has continued to grow in 2023, thanks to the injection of orders from the AI server wave. This will reduce the gross profit and net profit of this period.

(II) Non-operating income and (expenses):

- (1) The Company continued to strive for improving its financial structure. Due to the interest rate hike by the Central Bank and the increase in time deposits, interest income increased by NT\$3,799 thousand. In addition, due to the redemption of Type B preferred shares, the dividend of preferred shares decreased, which reduced financial costs by NT\$18,138 thousand and net interest income increased by NT\$21,937 thousand.
- (2) The trend of the USD exchange rate in 2023 changed from appreciation to depreciation, and the trend of the USD exchange rate in 2024 was appreciation. The appreciation rate of the U.S. dollar in 2024 was much greater than the depreciation rate in 2023, resulting in an increase of net foreign exchange gains by NT\$174,668 thousand.
- (3) In 2024, the impairment loss on property, plant and equipment and the decrease in dividend income resulted in a decrease of NT\$22,384 thousand in other income and benefits.

(III) To sum up, the net profit before tax in 2024 decreased by NT\$742,007, and the net profit in this period decreased by NT\$652,602 thousand.

(IV) Other comprehensive income /loss (net of tax) of current period

- (1) The re-measurement of the defined benefit plan resulted in the evaluation loss, which increased by NT\$101,666 thousand compared with the same period of last year.
- (2) The stock price of the reinvested company in which the subsidiary held equity instruments measured at fair value through other comprehensive income fell in current period compared to the same period of last year, so the unrealized valuation gain decreased by NT\$524,541 thousand compared with the same period of last year.
- (3) In conclusion, other comprehensive income decreased by 157.53% compared to the same period of last year.

5.3 Cash Flow

5.3.1 An analysis of changes in cash flows for the most recent year is presented below.

Unit: NTD thousand

The amount of cash in the beginning of the period	Net cash flow from operating activities for this year	Net cash flows from investing activities for this year	Net cash flows from fundraising activities for this year	Effects of exchange rate changes on the balance of cash held in foreign currencies	Cash surplus A + B - C
3,909,728	3,274,524	(1,967,105)	(788,539)	16,736	4,445,344

Analysis of changes in cash flows for 2024:

- (1) Operating activities: Cash inflows from operating activities were mainly due to the increase in net profit for 2024.
- (2) Investing activities: The net cash outflow from investing activities was mainly due to the acquisition of machinery and equipment, and plant construction in 2024.
- (3) Financing activities: The net cash outflow from financing activities was mainly due to the payment of cash dividends in 2024.

5.3.2 Analysis of cash liquidity for the coming year:

Unit: NTD thousand

Cash balance in the beginning of the year A	Projected net cash flow provided by operating activities in the whole year B	Projected cash outflow in the whole year C	Projected cash balance A+B-C
4,445,344	2,429,400	4,113,252	2,761,492

Analysis interpretation:

The Company project that the cash inflow from the operating activities in the coming year is about NT\$2,429,400 thousand, cash outflow in the whole year is about NT\$4,113,252 thousand, cash balance at the end of the year is about NT\$2,761,492 thousand.

5.4 Major Capital Expenditures and the Impact on Finance and Business

5.4.1 Use status of major capital expenditures and source of the capital

Unit: NTD thousand

Plan	Actual or planned source of capital	Total capital amount	Actual or planned use status of capital		
			2022	2023	2024
PP&E	Self-owned funds or bank loans	3,910,178	1,092,284	859,072	1,958,822

5.4.2 The impact on finance and business:

5.4.2.1 Production capacity is expanded to respond to market changes and clients' needs.

5.4.2.2 Increase the automatic production equipment to lower the dependence on the manpower, reduce the production procedure and improve the production quality.

5.5 Investment Policy

The Company's reinvestment policy is mainly to support the Company's efforts to cultivate its business and to increase shareholders' equity through investment income; currently, the Company has established the "Criteria for Acquired or Disposed of Assets" in order to keep track of the financial and business status of its investment. In addition, the internal control system provides the regulation of "Subsidiaries Supervision Provisions" in order to supervise the subsidiaries to establish relevant procedures for major financial and business matters, and to supervise the implementation or establishment of subsidiary risk management mechanisms in accordance with the law, in order to maximize operating performance.

Investment plans for the coming year will be carefully evaluated and submitted to the Board Meeting for approval, depending on the overall industry conditions, and the Company's business development needs.

5.6 Risks Management

5.6.1 The influence of changes in Interest rates, foreign exchange rates and inflation on corporate losses of profits, and future countermeasures:

5.6.1.1. In response to the change of international political and economic situation, it keeps in touch with banks to acquire the latest relevant information and take the countermeasures such as conversion of the liabilities currency, expediting the re-payment for the foreign currency liabilities to achieve the effect of hedging.

5.6.1.2. The receiving and paying of the foreign currency resulting from the sales and purchases transactions will offset mutually to lower the risks of foreign currency exchange losses.

5.6.2 Policies, main reasons for profits or losses and future countermeasures with respect to engaging in high-risk, high-leverage investments, loaning to others, endorsements and guarantees and derivatives transactions:

5.6.2.1. Based on the principle of prudence and pragmatic business philosophy, the Company focuses on the development of its core business and does not engage in high-risk, high-leverage investments. All investments are carried out in accordance with the Company's "Asset Acquisition and Disposal Procedures" and after prudent evaluation.

5.6.2.2. In fiscal year 2024, the Group's funds loaned to others were handled and risks assessed in accordance with the "Fund Loan Operation Procedures" of the Company and its subsidiaries. The balance of loan funds at the end of 2024 was NT\$65,560 thousand, accounting for 0.57% of the net value of 2024, and was not in excess of the limit.

5.6.2.3. In fiscal year 2024, the Group provided endorsements and guarantees for others in accordance with the Company's "Endorsement and Guarantee Operating Procedures" and assessed risks.

5.6.2.4. The Company has established "Derivatives Trading Processing Procedures" to regulate related operations. The Company did not engage in any derivatives trading in 2024.

5.6.3 Future R&D plan and estimated R&D expenses:

In 2024, the Company's total expenditure on research & development was NT\$405 million. In the future the Company will continue to develop advanced technology, to increase the value of its existing production capabilities through the use of new technologies, and to strengthen its competitiveness in the market for high-end products and new application products. In 2025, the Company expects to invest roughly NT\$447 million in research & development; however, such amount may be adjusted whenever needed based on the market conditions in the world and the actual operational conditions of the Company. A summary of the Company's future major research and development plans is as follows:

Project Name	Description	Current progress	Expected mass production time
Recycled materials	In response to the demand for ESG material recycling, it is expected to carry out related verification of recycled packaging materials.	Under verification	2025
Ultra-thin Inductors	In response to the customer's product (eUFS) power supply and product size restrictions, it is expected to develop ultra-thin inductance through related designs and processes.	To be massively-produced by customers	2025
3D Package	Develop 3D packaging products in response to customers' needs for high-computing products in the future.	Under development	2025
High heat dissipation packaging system	In response to the high-speed demand of electronic products, semiconductors generate high heat due to high speed, which in turn affects the functional operation of the product. The Company expects itself to create high heat-dissipation packaging systems to improve semiconductors whose performance is hampered by heat.	Under verification by the client	2024
Ultra-thin memory	In order to satisfy the demand of thinner products for wearable devices such as the Metaverse AR / VR in the coming years, thin products with a high capacity of memory will be developed.	Under development	2024
FCWBGA	Flip chip process is used to meet the high-speed requirements of DDR5.	To be verified by client	2025
Fan out Package	Developed based on customer AI processor needs.	Under customer verification	2025

5.6.4 The influence of change for important domestic or foreign policies and laws on finance, business and the countermeasures:

The Company pays close attention at any time to any policies and laws that will possibly affect the business and operations of the company to adjust the company's internal system. There is no occurrence on the change for the important domestic/foreign policies and laws and their effects on finance and business in the most recent year and by the date of the annual report publication.

5.6.5 The influence of changes in technology (including information and communication security risks) and industry on corporate finance, business and countermeasures:

5.6.5.1. The Company's business mainly focuses on semiconductor packaging and testing services, electronic manufacturing services, it continues collecting the business information regarding the changes of technology industry and strengthen the management and R&D teams to keep the technical lead in the industry and grasp the effect of this part on our business and finance.

5.6.5.2. With the constant improvement of the techniques in the semiconductor industry, the Company is devoted to R&D of products and market development in response to the changes of technology and industry to assist the company's finance and business in a positive way.

5.6.5.3. With the development of information technology, the information security challenges faced by enterprises are more daunting. To reduce the risk of information security, the Company has established an information security risk management framework, formulated an information security policy, and adopted specific management approaches to reduce the risk of information security, thereby protecting the Company's important assets and information.

5.6.6 The influence of changes in corporate image on corporate risk management and countermeasures:

The Company has established the extensive countermeasures for corporate risk management including the procedure for establishing project response team when it is necessary. If the Company encounters crisis may cause the change in corporate image, it will immediately establish the response team and take the necessary countermeasure to minimize the personal injury, business interruption and finance impact and maintain the operation smoothly.

5.6.7 The expected benefits and potential risks of mergers and acquisitions and countermeasures: N/A

5.6.8 The expected benefits and potential risks of plant expansion and countermeasures: The cost-effectiveness of the expansion of the Company's plants is evaluated by the responsible unit as per the overall development plan. It is expected to provide clients with more immediate and complete services, seize business opportunities and the benefits of cost control. The plant expansion plan is regularly evaluated and reviewed before and after capital expenditure to minimize the potential negative impact.

5.6.9 Risks of supplier or client concentration and countermeasures: The Company strives to diversify its suppliers and customers, and there is no risk of concentration of suppliers and customers that may present potential risks to the Company.

5.6.10 The influence and risk of the massive transaction or conversion of shares of the Directors, Supervisors or dominant Shareholders holding over 10% of the stakes and countermeasures: none.

5.6.11 The influence and potential risks of management right change and countermeasures: none.

5.6.12 For litigious or non-litigious events, list the major litigious events, non-litigious events or administrative remedies with confirmed verdicts or in progress of the Company and its Directors, Supervisors, General Managers, actual person-in-charge, and Shareholders holding over 10% of the stakes, subsidiaries and affiliates. When the results of such events and remedies may have potential influence on the shareholders' equity or stock price, disclose the fact in dispute, the amount in dispute, the start date of event, principal parties involving in the event, and the handling status by the date of annual report publication: none.

5.6.13 Other important risks and countermeasures:

The influence of unexpected abnormality for information system on the company operation and protection and control measures:

- (1) In the information system infrastructure, after considering high availability and backup load, the Company established off-site communication connection, host off-site backup plans, and consolidate cloud service providers and other mechanisms, and strive to reduce service interruptions caused by equipment abnormalities. In addition to strengthening backup media protection, the Company also strengthened data security so it can start recovery smoothly and maintain the data requirements for its operation and maintenance;
- (2) The Company has the specialized teams of the development and maintenance for company's major systems, production systems, ERP systems. In addition to the protection of all the major procedures from operating smoothly, the information system can adjust according to the change of the Company to ensure the constant operation and the flexible extension for the Company. Moreover, the system interruption resulting from abnormality of human or system development vendor can be reduced because of the protection and management of major information system by specialized teams.
- (3) Since the annual regular audit is requested by internationally well recognized enterprises, including business secrets, laws and regulations, manufacturing process, information system and so on, the Comply can adjust the system, management and control measures to comply with their requirement and the operation requirement. Currently, it continues auditing and improving the information system to lower the operating impacts and recover the operations rapidly when the risk occurs and reduce the losses of the customers and maintain the operations of the Company.

5.7 Other Important Matters : None.

VI Special Disclosure

6.1 Summary of Affiliated Companies:

For the most recent year's "Affiliate Consolidated Business Report," "Affiliate Consolidated Financial Statements," and "Affiliate Report" prepared in accordance with the "Guidelines for the Preparation of Affiliate Consolidated Business Reports, Affiliate Consolidated Financial Statements, and Affiliate Reports" :

Please refer to MOPS https://mopsov.twse.com.tw/mops/web/t57sb01_q10

(MOPS+ inquiry path: : Home>Single Company> File Download > Dedicated area of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises)

6.2 Private Placements Securities in 2024 and as of the Date of Annual Report: None.

6.3 Other Necessary Supplements: None.

6.4 Events regulated in Article 36-3-2 of the Securities and Exchange Act: None.

Orient Semiconductor Electronics, Ltd.

Chairman : Yueh-Ming Tung



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