

Stock Code : 2329



Orient Semiconductor Electronics, Ltd.

Annual Report 2025

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>

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Title: Senior Division Chief, Financial Support Division

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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

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Factories

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III. Common Share Transfer Agent and Register:

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

Address: 5F., No. 83, Sec. 1, Chongqing S. Rd., Taipei

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IV. Auditors:

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

Auditing Firm: PricewaterhouseCoopers(PwC) Taiwan

Address: 22F, No. 95, Minzu 2nd Road, Kaohsiung City

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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2025 Annual Report
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I. Letter to Shareholders

In 2025, the global economy faced the double challenges of new US tariffs and geopolitical fluctuations. However, with the semiconductor industry having moved past the destocking trough and continued growth in AI applications driving strong server demand, demand in the memory market rose. The Company provides IC packaging and testing services (Semiconductor Group) and professional semiconductor OEM services (Electronics Manufacturing Services Center) 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. Looking ahead to 2026, as AI applications continue to deepen, the Company's operations are expected to maintain growth momentum.

Since COP28, a more concrete and actionable global consensus on sustainable development goals has gradually taken shape. Although differences remain among countries in terms of pace and approach, sustainability continues to serve as the core direction of development. The Company believes that sustainability is not a short-term slogan, but a necessary foundation for moving toward the future and maintaining competitiveness and resilience. The Company will continue to adhere to regulatory requirements and principles of integrity, pragmatically advance sustainability goals, emphasize talent and human rights, strengthen supply chain management, and continue to develop information security management systems and digitalization. In accordance with key sustainability disclosure standards, the Company will steadily strengthen its sustainability foundation, systematically identify and mitigate operational risks, and work together with customers, shareholders, and stakeholders to create long-term sustainable value.

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.

2025 Operating Results

1. Business Plan Implementation Results

Unit: NTD thousand

Year	2025	2024	Difference	%
Operating revenue	19,683,311	16,277,445	3,405,866	20.92
Gross profit from operations	2,964,091	2,465,283	498,808	20.23
Net operating income	1,511,814	1,157,919	353,895	30.56
Non-operating income and (expenses)	148,306	318,369	(170,063)	(53.42)
Profit before income tax	1,660,120	1,476,288	183,832	12.45
Income tax expense	(249,723)	(247,680)	(2,043)	0.82
Profit for the period	1,410,397	1,228,608	181,789	14.80

The Company's 2025 operating gross profit, net operating income, non-operating income and expenses, and net income are explained as follows:

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

From the second quarter of 2025, in response to the rush order effect triggered among memory customers by U.S. tariff policies, demand for advance inventory stocking increased. With major customers strongly expediting orders, the utilization rate of packaging and testing capacity increased significantly, driving growth in the performance of the semiconductor packaging and testing business in 2025; the electronics manufacturing services business continued the momentum of the AI server wave, with sustained growth in order contribution. In summary, operating revenue in 2025 increased by 20.92% compared with last year; operating costs increased by 21.05% compared with last year in line with revenue growth; under improved capacity utilization and economies of scale, gross profit from operations increased by 20.23% compared with last year; net operating profit increased by 30.56% compared with last year.

II. Non-operating income and (expenses):

- (1) To strengthen the financial structure and support capital expenditures for plant expansion, deposit balances declined, and interest income decreased by 23.1%; meanwhile, increased long-term borrowings in response to higher working capital demand caused financial costs to rise slightly by 2.9%;
- (2) In 2024, the U.S. dollar showed an appreciation trend; by contrast, in 2025, the U.S. dollar turned from appreciation to depreciation, and the extent of depreciation in 2025 exceeded the extent of appreciation in 2024, resulting in a year-on-year decrease of 127.3% in net foreign exchange gains.

In summary, non-operating revenue decreased by 53.42% from last year's level.

III. The Company will continue to refine its core technologies and product development and expand its revenue base by optimizing its product mix. At the same time, the Company is committed to increasing capacity utilization and implementing revenue enhancement and cost-saving measures to strengthen corporate competitiveness and pursue stable profit growth.

2. Financial Income/Expenses and Profitability Analysis

Analysis item		Fiscal Year	
		Financial analysis for the most recent two years	
		2025	2024
Financial structure	Debt-asset ratio%	46.15	40.77
	Ratio of Long-term funds to Property, Plant, and Equipment (%)	163.63	197.05
Profit Ability	Return on assets%	7.08	6.54
	Return on equity (%)	12.41	10.76
	Return on equity (%)	7.17	7.55
	Profit margin before tax%	2.45	1.71

3. Research and Development

The R&D expenditure of 2025 was NT\$445,117 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 2025 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 2026, 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 NAND and LPDDR). 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 Smart glasses related products and applications.

Both memory storage (SSD/USB/DDR) 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 2026:

- 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, AMD and nVIDIA, we will put new products into mass production to meet customers' demand.
- III. 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 global energy-saving and carbon reduction targets continue to rise, supply chains are placing increasingly clear demands on environmental sustainability, carbon management, and information disclosure. Sustainability has become a core issue that cannot be overlooked in the electronics industry. In response to the implementation of Taiwan's carbon fee system and the progressive adoption of international sustainability disclosure standards such as IFRS S1 and S2, the Company will pragmatically promote environmental, social, and governance (ESG) objectives. Through systematic management, data-driven tracking, and continuous improvement mechanisms, the Company aims to reduce compliance risks and enhance overall governance quality. The Company will continue to monitor domestic and international regulatory developments and industry trends, evaluate and adopt appropriate management measures, and steadily advance its objectives.

Looking ahead to 2026, amid ongoing changes in the global political and economic environment, the industry faces both uncertainty and adjustment pressures, while also presenting opportunities for enterprises to optimize operations and strengthen competitiveness. The Company will continue to refine its product portfolio, advance smart manufacturing and digital transformation, pay close attention to stakeholder needs, and provide the most appropriate services. We sincerely thank all shareholders for their continued support, and look forward to growing together and sharing success in the coming year.

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, 2026

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 61-70	2024.06.07	3	2016.11.08	534,739	0.10%	684,739	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)	234,316,827	35.56%	0	0.00%	None	None	
	The Republic of China	Representative: Huo-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 of Chipbond Technology Malaysia Sdn. Bhd. Director of Power Portal Sdn. Bhd.	
Director	The Republic of China	Shyh-Wey Lo	Male 61-70	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 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. Director of Power Portal Sdn. Bhd.	
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 Independent director of MiTAC Holdings Corporation Independent director of Sincere Navigation Corporation	
	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%), Chang Wah Electromaterials Inc. (5.49%), Hua Cheng Investment Co., Ltd. (3.63%), Nan Shan Life Insurance Co., Ltd. (3.39%), Taipei Fubon Commercial Bank Co., Ltd. as Custodian for Fuh Hwa Taiwan Technology High Dividend ETF (3.35%), Hua Nan Commercial Bank as Custodian for Yuanta Taiwan Value High Dividend ETF (3.10%), Hong Cheng Venture Capital Co., Ltd. (1.81%), CTBC Bank Co., Ltd. as Custodian for the Employee Stock Ownership Trust of Chipbond Technology Corporation (1.67%), Shanghai Commercial & Savings Bank, Ltd. (1.26%), Wu Yun-Hsin (1.23%)

(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, N.A. as Custodian for United Microelectronics Corp. GDR Account (5.16%), Hsun Jie Investment Co., Ltd. (3.52%), Capital TIP Customized Taiwan Select High Dividend ETF Fund Account (3.11%), Silicon Integrated Systems Corp. (2.13%), Taiwan Life Insurance Co., Ltd. (1.74%), Taipei Fubon Commercial Bank Co., Ltd. as Custodian for Fuh Hwa Taiwan Technology High Dividend ETF (1.68%), Hua Nan Commercial Bank as Custodian for Yuanta Taiwan Value High Dividend ETF (1.66%), Taishin International Bank Co., Ltd. as Custodian for Cathay Taiwan ESG Sustainable High Dividend ETF (1.66%), Yan Yuan Investment Co., Ltd. (1.54%), KGI Life Insurance Co., Ltd. (1.50%)
Chang Wah Electromaterials Inc.	Wah Lee Industrial Corp. (27.27%), Shin Shin Investment Co., Ltd. (7.88%), Yuan Yao Energy Technology Co., Ltd. (5.97%), Chang Wah Technology Co., Ltd. (4.85%), Best Jet Investment Co., Ltd. (3.00%), Ichia Technologies, Inc. (1.90%), Citibank as Custodian for UBS Europe (1.74%), JPMorgan Chase Bank, Taipei Branch as Custodian for JPMorgan Securities Investment Account (1.63%), Standard Chartered Bank as Custodian for Standard Chartered Bank (Hong Kong) – Equity Trading (0.93%), JPMorgan Chase Bank as Custodian for Advanced Star Global Equity Index Fund (0.74%)
Hua Cheng Investment Co., Ltd.	Orient Semiconductor Electronics, Ltd. (100%)

Name of legal person investor	Major Shareholders of legal person shareholder
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%)
Hong Cheng Venture Capital	United Microelectronics Corporation (100%)
Shanghai Commercial & Savings Bank	Taishin Bank as Custodian for Cathay MSCI Taiwan Fund (6.20%) 、 Yuanta Taiwan High Dividend ETF Fund Account (5.17%) 、 TASSBURY INVESTMENTS CO.S.A. (4.67%) 、 BRIGHT HONEST INVESTMENT LIMITED (3.82%) 、 TILSBURY INVESTMENTS INC. (3.53%) 、 SHEEN PERFECT ENTERPRISES LIMITED (2.66%) 、 MAGNETIC HOLDINGS LIMITED (2.65%) 、 LOGAN INVESTMENTS ENTERPRISES LTD. (2.47%) 、 Hung Da Investment Co., Ltd. (1.39%) 、 New Labor Pension Fund (1.11%)

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	2
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	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 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.	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.	0
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.	(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.	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.	(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.	2
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.	(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		✓		Not applicable			✓	✓	✓	✓	✓	✓	✓	✓	✓
Director	Shi-Wei Luo		Male		✓		Not applicable			✓	✓	✓	✓	✓	✓	✓	✓	✓
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, 2026

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	684,739	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	208,000	0.03%	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	131,004	0.02%	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	146,788	0.02%	0	0.00%	Master of Human Resource, National Kaohsiung University of Applied Sciences	Independent director of Golden Long Teng Development Co., Ltd.	
Vice General Manager	The Republic of China	Min-Lang Tsai	Male	2017.07.19	131,852	0.02%	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	

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			
Vice General Manager	The Republic of China	Hung-Tai Mai	Male	2019.05.01	36,029	0.01%	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	92,494	0.01%	0	0.00%	Master of Engineering Science, National Cheng Kung University	None	
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	65,636	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	85,000	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	12,800	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	66,758	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, 2025 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					
Chairman	Yueh-Ming Tung																							
Director	Phison Electronics Corporation Representative: Huoo-Wen Gau	1,080	1,080	0	0	18,640	18,640	120	120	1.70%	1.70%	17,120 (Note 5)	17,120 (Note 5)	0	0	15,000	0	15,000	0	3.98%	3.98%	None		
	Phison Electronics Corporation Representative: Shyh-Wey Lo																							
	Shyh-Wey Lo																							
Independent Director	Chia-Hua Hsu	3,900	3,900	0	0	0	0	240	240			0	0	0	0	0	0	0	0			None		
	Philip Wei																							
	Chi-Cheng Wu																							
	Fang-Yu Wen																							
	Chien-Hui Hung																							
<p>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.</p> <p>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.</p>																								

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: Starting from May 15, 2024, the Company has distributed employee restricted stocks and salary expenses are recognize in 2025 in accordance with IFRS 2 "Share-based Payment".

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	Chia-Hua Hsu Philip Wei Chi-Cheng Wu Fang-Yu Wen Chien-Hui Hung	Chia-Hua Hsu Philip Wei Chi-Cheng Wu Fang-Yu Wen Chien-Hui Hung	Chia-Hua Hsu Philip Wei Chi-Cheng Wu Fang-Yu Wen Chien-Hui Hung	Chia-Hua Hsu Philip Wei Chi-Cheng Wu Fang-Yu Wen Chien-Hui Hung
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	None	None	None	None
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	None	None	None	None
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) Shyh-Wey Lo	Yueh-Ming Tung Chipbond Technology Corporation (Representative: Huoo-Wen Gau) Shyh-Wey Lo	Chipbond Technology Corporation (Representative: Huoo-Wen Gau) Shyh-Wey Lo	Chipbond Technology Corporation (Representative: Huoo-Wen Gau) Shyh-Wey Lo
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	8	8	8	8

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, 2025 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	18,410	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													
Vice General Manager	Hung-Tai Mai (Note 4)													

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".
 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.
 Note 4: The Vice General Manager, Hung-Tai Mai, promotion on March 1, 2025.

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)	Hung-Tai Mai	Hung-Tai Mai
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)	Jia Rong Tu	Jia Rong Tu
NT\$30,000,000 (inclusive) - NT\$50,000,000 (exclusive)	Yueh-Ming Tung	Yueh-Ming Tung
NT\$50,000,000 (inclusive) - NT\$100,000,000 (exclusive)	0	0
Over NT\$100,000,000	0	0
Total	6	6

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	38,090	38,090	2.70%
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 25, 2026, approved the distribution of 2025 employee remuneration in the amount of NT\$186,500 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	2024		2025	
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)	4.05%	4.0%	3.98%	3.98%
Supervisors	-	-	-	-
President and Vice President	6.55%	6.55%	6.76%	6.76%

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 4 times in 2025; below is the attendance of directors:

Title	Name	Attendance in person	By proxy	Rate of attendance in person (%)	Note
Chairman	Yueh-Ming Tung	4	0	100.00%	
Director	CHIPBOND TECHNOLOGY CORPORATION Representative: Huoo-Wen Gau	4	0	100.00%	
Director	Shyh-Wey Lo	4	0	100.00%	
Independent Director	Chia-Hua Hsu	4	0	100.00%	
Independent Director	Philip Wei	4	0	100.00%	
Independent Director	Chi-Cheng Wu	4	0	100.00%	
Independent Director	Fang-Yu Wen	4	0	100.00%	
Independent Director	Chien-Hui Hung	4	0	100.00%	

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
2025.02.26	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 Hsu Chia-Hua on behalf of the chairman and was approved with the consent of the 7 attending directors who were not recused.
2025.04.23	Being a party involved in the motion on distribution of remuneration to the Company's directors of 2024, 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 Chia-Hua Hsu on behalf of the chairman and was approved with the consent of the 4 attending directors who were not recused.
2025.04.23	For the Company's 2024 managerial employee compensation distribution proposal, Chairman Yueh-Ming Tung was a related party and therefore recused himself in accordance with the Rules of Procedure for Board of Directors Meetings. The motion was presided over by independent director Hsu Chia-Hua on behalf of the chairman and was approved with the consent of the 7 attending directors who were not recused.
2025.10.29	The proposal for partial cash redemption of the company's Class C preferred shares after three years involves a transaction with Chipbond Technology Corporation, a company represented by Directors Shih-Wei Luo and Huo-wen Gao, and is therefore subject to conflict of interest recusal according to the Rules of Procedure for Board of Directors Meetings. This motion was approved with the consent of 6 other Directors who did not recuse themselves from the meeting.

III. The status of Performance Evaluation on the Board of Directors: 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	2025 evaluation results
Annually	January 1, 2025 to December 31, 2025	The Board Meeting	<u>Self-evaluation on operation performance:</u> Includes the following five major aspects, a total of 44 indicators. A.Level of involvement in the Company’s operation B.Enhancement of the quality of Board decision-making C.Composition and structure of the Board of Directors D.The Directors’ Election and Their Continuing Education E.Internal control	The Company’s Board of Directors and functional committees exercise powers 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.
		individual members of Board of Directors	<u>Self-evaluation on operation performance:</u> Includes the following six major aspects, a total of 23 indicators. 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 F. Internal control	
		Audit Committee	<u>Self-evaluation on operation performance</u> Includes the following five major aspects, a total of 23 indicators. A.Level of involvement in the Company’s operation B.Awareness of the duties of the Audit Committee C.Enhancement of the quality of the Audit Committee decision-making D.Composition of the Audit Committee and selection of members E.Internal control	
		Remuneration Committee	<u>Self-evaluation on operation performance:</u> Includes the following five major aspects, a total of 19 indicators. A.Level of involvement in the Company’s operation B.Awareness of the duties of the Remuneration Committee C.Enhancement of the quality of Remuneration Committee decision-making D.Composition of the Remuneration Committee and selection of members E.Internal control	

(II). 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.

Cycle of evaluation	Period of evaluation	Scope of evaluation	Evaluation content	Evaluation results
Once every three years	From January 1, 2025 to December 31, 2025	Board Operation Status	The aspects of board performance evaluation include four major dimensions: board professional competencies, board decision-making effectiveness, the board’s attention to and supervision of internal control, and the board’s attitude toward sustainable management. Evaluation indicators include disclosure of ESG information, planning of talent development and succession, and implementation of sustainable management, among others.	External consultants conducted a written review based on responses to the Company’s board performance evaluation questionnaire and relevant documentation, supplemented by on-site interviews. Based on their methodology, the overall average score of the Board of Directors was 4.77, indicating that the Company’s board operation performance is sound.

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:

(I). 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.

(II). To implement corporate governance and improve the functions of the Company’s Board of Directors, 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 2025 was completed and the evaluation results were reported at the Board of Directors meeting dated February 25, 2026.

(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.

2.3.2 The operating status regarding the Audit Committee:

The 2025 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	4	0	100%	
Independent Director	Philip Wei	4	0	100%	
Independent Director	Chi-Cheng Wu	4	0	100%	
Independent Director	Fang-Yu Wen	4	0	100%	
Independent Director	Chien-Hui Hung	4	0	100%	

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
2025.02.26	3rd term 3rd meeting	<ol style="list-style-type: none"> 1. 2024 remuneration distribution for Employees and Directors. 2. 2024 parent company only and consolidated financial reports. 3. 2024 earnings distribution. 4. 2024 effectiveness of the internal control system and provision of “Internal Control System”. 5. Revision of some provisions of the internal control systems and implementation details of internal audits. 6. Revision of some provisions of the “Articles of Incorporation.” 7. Review of the appointment and remuneration of CPAs.
2025.04.23	3rd term 4th meeting	<ol style="list-style-type: none"> 1. 2025 Q1 consolidated financial statements. 2. Proposal for the Company to Procure and Enter into a Green Electricity Purchase Agreement. 3. 2024 annual remuneration distribution to Directors.
2025.07.30	3rd term 5th meeting	<ol style="list-style-type: none"> 1. 2025 Q2 consolidated financial statements. 2. 2024 sustainability report. 3. Proposal for expressly defining the scope of the Company’s “non-executive employees.” 4. Revision of some provisions of the internal control systems of the Company.
2025.10.29	3rd term 6th meeting	<ol style="list-style-type: none"> 1. 2025 Q3 consolidated financial statements. 2. Proposal for Partial Cash Redemption of the Company’s Class C Preferred Shares upon Maturity of Three Years. 3. Loan from subsidiary, Coreplus (HK) Limited, to sub-subsidiary Valueplus Technology (Suzhou) Co., Ltd. for refinancing purpose. 4. Proposal for the Company to Procure and Enter into a Green Electricity Purchase Agreement. 5. Proposal for the Company to Issue the First Domestic Unsecured Convertible Corporate Bonds. 6. Proposal to Amend the “Sustainability Information Management Procedures” and the “Operating Procedures for Preparation and Verification of Sustainability Reports.” 7. Revision of some provisions of the internal control systems and implementation details of internal audits. 8. 2026 audit plan. 9. Proposal on preapproval of non-assurance services provided by attesting CPAs, the CPAs’ firm, or the firm’s affiliates to the Company and subsidiaries.

(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 2025:

Date	Item of communication	Results of communication/execution
2025.02.26	The Auditor will issue an individual and consolidated financial report for the year 2024, 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 2024 financial statements.
2025.04.23	Review of the consolidated financial report for 2025 Q1 and communication with the governing body.	The Audit Committee has no objection to the results of the audit of the financial statements for 2025Q1.
2025.07.30	Review of the consolidated financial report for 2025 Q2 and communication with the governing body.	The Audit Committee has no objection to the results of the audit of the financial statements for 2025Q2.
2025.10.29	Review of the consolidated financial report for 2025 Q3 and communication with the governing body.	The Audit Committee has no objection to the results of the audit of the financial statements for 2025Q3.

(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 2025:

Date	Item of communication	Results of communication/execution
2025.02.26	Present the 2024 “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 2024.	No objections
2025.04.23	Report on the performance of internal audit execution of January to March 2025.	No objections
2025.07.30	Report on the performance of internal audit execution of April to June 2025.	No objections
2025.10.29	Report on the performance of internal audit execution of July to September 2025.	No objections
	To establish the Company's internal audit plan for 2026.	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.	

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>III. Composition and duties of the Board of Directors</p> <p>(I). Has the Board of Directors formulated a diversity policy and specific management goals and implemented them accordingly?</p> <p>(II). In addition to the Remuneration Committee and the Audit Committee required by law, has 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>V</p> <p>V</p>	<p>V</p>	<p>(I). For the Company's diversity policies for the Board of Directors, specific management objectives, and implementation status, please refer to "The operating status regarding the Audit Committee" of this annual report (Page 9-10) .</p> <p>(II). In addition to establishing the Remuneration Committee and the Audit Committee in accordance with laws and regulations, other corporate governance operations of the Company are handled by relevant departments according to their respective responsibilities. The Company will assess the need to establish other functional committees in the future based on operational requirements.</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. The Board of Directors, individual directors, and functional committees conduct annual internal performance evaluations, and at least once every three years, an external professional independent institution or an external team of experts and scholars is engaged to conduct evaluations. The results of internal or external performance evaluations shall be completed and submitted to the Board of Directors before the end of the first quarter of the following year. The implementation status for 2025 was reported to the Board of Directors on February 25, 2026.</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 25, 2026, the Board of Directors completed the relevant</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	
			<p>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 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 25, 2026.</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	
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). 2025 Implementation Situation:</p> <ol style="list-style-type: none"> (1) Handling of matters relating to Board Meetings and Shareholders' Meetings in compliance with law. (2) Production of minutes for the Board Meetings and Shareholders' Meetings. (3) Assisting Directors to assume Directorships, and their continuing education. (4) Providing information needed for Directors to perform duties. (5) Assisting Directors to comply with compliance. (6) Other matters stipulated in the Articles of Incorporation or contracts. <p>(IV). The Corporate Governance Officer completed 12 hours of continuing education in 2025, in compliance with continuing education requirements. Details of such training are provided in Table 2.</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.

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	
V. Has the Company established the channels for communication with the stakeholders (including but not limited to the Shareholders, Employees, customers and suppliers), set up the stakeholder section in the Company's website, and respond appropriately to important CSR issues concerned by the stakeholders?	V		(I). The Company has established a stakeholder section on its website to create dedicated communication channels for stakeholders, including investors, customers, suppliers, and employees. The Company also refers to the AA 1000 Stakeholder Engagement Standard (SES) to identify stakeholders and establish communication mechanisms. Based on five evaluation dimensions—dependency, responsibility, influence, diverse perspectives, and tension—the Company has identified seven major stakeholder groups: employees, customers, suppliers/contractors, investors, government authorities, communities/non-profit organizations, and media. (II). The Company continues to provide timely responses and engagement on material sustainability topics of concern to stakeholders, and regularly compiles communication outcomes and responses. The most recent report was submitted to the Board of Directors on April 23, 2025. (III). For details, please refer to the ESG section of the Company's website (https://esg.ose.com.tw) under → “Sustainability Management→Stakeholders.”	Compliance with Corporate Governance Best Practice Principles.
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 (I). Has the Company set up a website to disclose its financial 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	V 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). 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.	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	
(III). Company website)? 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 well as its operating status for each month before the specified deadline?	V		(III). The Company published and reported its annual financial report within two months after the end of a fiscal year (2025 financial reports have been uploaded to the Market Observation Post System on February 25, 2026), 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.	
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		(I). Employee rights and care for employees: Please refer to 4.5 Labor Relations (page 93) of "Operational Highlights" of this annual report. (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. (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. (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. (V). Continuing education of directors and managers: Please refer to Tables 1 and 2 below. (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	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	
			<p>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>	
<p>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 within the 6%–20% tier among all listed companies in the evaluation year (2024). The Company will continue to formulate feasible improvement plans based on evaluation indicators (to be revised to ESG evaluation starting from 2026).</p>				

Table1 : Directors' continuing education in 2025

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	2025/02/24	2025/02/24	Greater China Financial and Economic Development Association	Trump's New Tariff Policy and the Changing Global Economy	3
		2025/03/04	2025/03/04	Taiwan Corporate Governance Association	NVIDIA's Trillion-Dollar Breakthrough: New Thinking on the Semiconductor Industry Revolution Behind Artificial Intelligence	3
		2025/07/09	2025/07/09	Greater China Financial and Economic Development Association	Impacts of Trump 2.0 on the Global Economy	3
		2025/08/13	2025/08/13		Key Challenges for Taiwanese Businesses' Overseas Investment (ASEAN, India)	3
		2025/10/22	2025/10/22		Industrial Development and Future Opportunities of Generative AI	3

Title Name	Date of assumption of office	Date of further study		Organizer	Name of class	Hours
		From	To			
Director Huo-Wen Gau	2024/06/07	2025/12/03	2025/12/03	Taiwan Corporate Governance Association	Global Trend Analysis – Risks and Opportunities	3
		2025/12/19	2025/12/19		International trends and experience sharing on corporate integrity management and high-level accountability system	3
Director Shyh-Wey Lo	2024/06/07	2025/08/08	2025/08/08	Taiwan Corporate Governance Association	Basic Legal Concepts for Listed Companies	3
		2025/08/22	2025/08/22		Operation of the Remuneration Committee and Performance-Based Compensation Systems for Directors and Managers	3
Independent Director Ching-Tien Tsai	2024/06/07	2025/03/04	2025/03/04	Taiwan Corporate Governance Association	NVIDIA’s Trillion-Dollar Breakthrough: New Thinking on the Semiconductor Industry Revolution Behind Artificial Intelligence	3
		2025/05/27	2025/05/27	Greater China Financial and Economic Development Association	U.S. Dollar Hegemony from the Perspective of Financial Markets	3
		2025/07/25	2025/07/25	Securities and Futures Institute	The Century Wafer War: The Impact of TSMC’s Key Technologies and Global Deployment on the Semiconductor Industry	3
		2025/11/14	2025/11/14	Taiwan Corporate Governance Association	Digital Finance Revolution: Principles of Stablecoins and Development Trends of Blockchain Virtual Assets	3
Independent Director Philip Wei	2024/06/07	2025/01/17	2025/01/17	Taiwan Corporate Governance Association	Current Global Economic and Financial Conditions	3
		2025/04/25	2025/04/25		Design of Executive Compensation and ESG Performance Systems	3
Independent Director Chi-Cheng Wu	2024/06/07	2025/07/17	2025/07/17	Greater China Financial and Economic Development Association	Corporate Financial Decision-Making Considerations for Directors and Supervisors	3
		2025/08/13	2025/08/13		Key Challenges for Taiwanese Businesses’ Overseas Investment (ASEAN, India)	3
Independent Director Fang-Yu Wen	2024/06/07	2025/06/25	2025/06/25	Taiwan Directors Association	Co-Creating a Sustainable Future: Global ESG Trends Seminar	3
		2025/07/04	2025/07/04	The National Federation of CPA Associations of the R.O.C.	Money Laundering Control Act from the Perspective of Judicial Practice	3
		2025/07/16	2025/07/16		Legal Liabilities for Greenwashing in Sustainability Reports	3
		2025/07/22	2025/07/22		Recent Amendments to International Financial Reporting Standards and Practical Applications	3
		2025/07/24	2025/07/24		Regulations and Application Practices for Sustainability Report Assurance Providers	3
Independent Director Chien-Hui Hung	2024/06/07	2025/05/08	2025/05/08	Taiwan Corporate Governance Association	Board of Directors (Sustainable Development Committee): Annual Sustainability Governance Strategy Management	3
		2025/06/13	2025/06/13	Taiwan Investor Relations Institute	Leading Strategies for Enterprises in AI Transformation	3

Table 2: Managers' continuing education in 2025

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	2025/06/23	2025/06/23	Taiwan Corporate Governance Association	Trump 2.0, the End of Globalization, and Regional Conflicts	3
		2025/06/23	2025/06/23		Sustainable Development Committee (Chief Sustainability Officer, Task Force) Operational Practices	3
		2025/07/18	2025/07/18		Corporate Governance Officer Compliance Practices	3
		2025/10/03	2025/10/03	Securities and Futures Institute	Seminar on Prevention of Insider Trading in 2025	3
Head of Accounting Shu-Yung Chu	2018/12/01	2025/11/20	2025/11/21	National Cheng Kung University	Continuing Education Program for Accounting Supervisors	12
Chief auditor Chia-Jung Wu	2019/08/13	2025/09/03	2025/09/03	The Institute of Internal Auditors-Chinese Taiwan	Key Practice Seminar on "Sustainability Information Management" and Internal Control & Internal Auditing	6
		2025/09/19	2025/09/19		The Era of Intelligent Auditing: AI System Audits and AI-Assisted Auditing	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 2025 is as follows: <ol style="list-style-type: none"> (1) A total of 72 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 2025 . <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 163 people participated in the training (b) Total accumulated man-hours of physical courses : 19,397.5 man-hours (c) Total number of digital resource sessions: 263 (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. Implement a "comprehensive leadership assessment" to enhance the alignment between leadership behavior and organizational fit, ensuring that talent development aligns with corporate strategy. 4. Regularly track the progress of the functional development of high-potential talents and the completeness of the talent team.

2.3.4 Composition, Duties, and Operation of the Remuneration Committee:

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.	0
Independent Director Philip Wei		(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.	0
Independent Director Chi-Cheng Wu		(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		(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.	2
Independent Director Chien-Hui Hung		(10) Not having a marital relationship, or not a relative within the second degree of kinship to any other Director of the Company.	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 2 meetings (A) in 2025. 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	2	0	100%	
Member of the Committee	Philip Wei	2	0	100%	
Member of the Committee	Chi-Cheng Wu	2	0	100%	
Member of the Committee	Fang-Yu Wen	2	0	100%	
Member of the Committee	Chien-Hui Hung	2	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 6th term 2nd meeting (2025.02.26)	1. 2024 remuneration distribution for Employees and Directors. 2. Managerial officer compensation and remuneration as well as position adjustment.	All attending members approved the motion without any dissenting opinion	Was submitted to the Board Meeting and all attending Directors have approved
The 6th term 3rd meeting (2025.04.23)	1. 2024 remuneration package for managers. 2. 2024 annual remuneration distribution to Directors.	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		<ol style="list-style-type: none"> 1. To strengthen its sustainable governance mechanism, the Company established the “Corporate Governance and Sustainable Development Committee” (hereinafter referred to as the “Sustainability Committee”) in 2023 as a dedicated (or concurrently staffed) unit to promote sustainable development and to coordinate the planning and execution of the Company’s sustainability strategies. The Committee is chaired by the Chairman, with the General Manager serving as Deputy Chairman and the Vice President of the Management Center serving as the management representative. It is composed of senior executives from various centers and is responsible for cross-departmental integration and the promotion of sustainability-related decision-making. 2. The Company’s Board of Directors serves as the highest supervisory body for sustainable development. It authorizes senior management to promote relevant initiatives through the “Corporate Governance and Sustainable Development Committee,” and oversees and reviews sustainability management policies, strategic objectives, and implementation performance. 3. The Sustainability Committee serves as a cross-departmental communication platform for ESG matters. Through the operation of five task forces—namely, the Environmental Sustainability Task Force, Social Inclusion Task Force, Corporate Governance Task Force, Information Security Task Force, and Supply Chain Collaboration Task Force—it ensures that sustainability strategies are integrated into the Company’s daily operations and regularly tracks the objectives and execution effectiveness of each task force. 4. The main responsibilities of the Sustainability Committee are as follows: <ol style="list-style-type: none"> (1) Identify sustainability issues relevant to the Company’s operations and stakeholder concerns, and formulate corresponding policies and annual objectives. (2) Monitor developments in domestic and international sustainability regulations and industry trends, and adjust the Company’s response strategies in a timely manner. (3) Report to the Board of Directors at least once annually on the implementation of sustainable development and future strategic directions. The report shall include identification of material sustainability issues and annual objective planning, implementation status and outcomes of each sustainability task force, greenhouse gas management and energy-saving and carbon reduction initiatives, as well as responses to stakeholder concerns. The Board of Directors reviews relevant reports during meetings and provides timely guidance and oversight to ensure the effective implementation of sustainability strategies and objectives. The most recent reporting date was April 23, 2025. 	None

Item	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
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>To strengthen corporate governance effectiveness and improve the Company's risk management system, the Company has established the "Risk Management Policies and Procedures" and implemented them in the Company's operational management for continuous operation and improvement, promoting the implementation, decision-making, coordination, and cross-organizational risk control mechanisms of risk management. According to the risk management scope set out in the said policies and procedures, it covers various types of risks encountered in the course of operating activities and incorporates issues related to sustainable development (including climate change). Based on the principle of materiality, risk assessments are conducted on environmental, social, and governance (ESG) issues related to the Company's operations to analyze and identify risk events that may affect the Company's sustainable operations, on which relevant management strategies and response measures are formulated, and the status of risk management operations is regularly reported to the Board of Directors. The most recent report date was April 23, 2025.</p> <p>The boundary of the Company's risk assessment covers its major operating sites, including the principal plants in the Nanzih Technology Industrial Park, Kaohsiung, namely Central Plant 3, Jing Plant 3, East Plant 3, East Plant 2, Neihuan South Road Plant 1, and Neihuan South Road Plant 2. The abovementioned risk assessment boundary is consistent with the boundary for the disclosure of various environmental and social topics in the subsequent sections of this annual report.</p> <p><u>Material topic: Environmental</u> Risk assessment indicator: climate change risk Continue to promote risk identification, assessment, and tracking operations under the existing risk management system, and incorporate climate change-related risks into the overall risk management framework.</p> <p>Risk management policy or strategy:</p> <ol style="list-style-type: none"> 1. Strengthen plant resilience and response mechanisms, and enhance management effectiveness through the introduction and operation of management systems, including the operation of ISO 14001, ISO 45001, ISO 46001, and ISO 50001 management systems and continuous internal improvement, so as to improve environmental, safety and health, water resource, and energy management efficiency, and reduce the operational impact that may be caused by natural disasters, resource shortages, and climate transition requirements. 	None

Item	Implementation		Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	
			<p>2. Carry out greenhouse gas inventory and management operations (in accordance with ISO 14064-1 and other standards), and use the inventory results as a decision-making reference for promoting energy conservation and carbon reduction, equipment upgrades, and renewable energy use planning.</p> <p><u>Material topic: Social</u> Risk assessment indicator: raw materials price risk and supply chain risk 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 Risk management policy or strategy: The Company has obtained certification for the ISO 45001 (CNS 45001) and TOSHMS management systems. With respect to:</p> <ol style="list-style-type: none"> 1. Hazard identification and risk assessment are conducted for the operating environment, equipment, machinery, and services within the plant. Risk levels are determined based on hazard severity, frequency of occurrence, and probability of accidents, and corresponding management programs are established. 2. Immediate risk control measures are implemented in high-risk operating environments to reduce workplace risks. 3. For higher-risk operating areas within the plant (such as ionizing radiation, noise, hazardous chemicals, and dust), the Company provides education and training, personal protective equipment, and regular specialized health examinations to monitor and ensure employees' occupational health. <p><u>Material topic: Governance</u> Risk assessment items: financial risk and investment risk Risk management policy: The Company's policy is not to engage in high-risk, high-leverage investments. It continuously monitors market dynamics and customer demand and adjusts capital expenditures accordingly. In addition, the Company closely monitors market interest rates, evaluates borrowing rates against market rates, and makes necessary adjustments. It also</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>continuously tracks changes in international political and economic conditions, maintains communication with banks, and obtains the latest foreign exchange information to reduce exchange gains and losses.</p> <p>Risk assessment indicator: information security risks Risk Management Policy or Strategy: 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. 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. 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>	
<p>III. Environmental Issues</p> <p>(I) Has the company established an appropriate environmental management system based on the characteristics of its industry?</p>	V		<p>The Company has established and maintains management procedures and operational standards for environmental, safety and health, energy, and water usage in accordance with relevant regulations of the Ministry of Environment, the Water Resources Agency, and energy authorities (including the Air Pollution Control Act, Water Pollution Control Act, Waste Disposal Act, Toxic and Concerned Chemical Substances Control Act, Water Act, and Energy Management Act). Regular regulatory compliance audits and follow-up improvements are conducted to ensure compliance with applicable laws and regulations.</p> <p>To enhance management effectiveness, the Company has established environmental, safety and health, energy, and water resource management systems, and has obtained/maintained the following certifications: ISO 14001:2015 Environmental Management System (valid from September 24, 2025 to September 24, 2028), ISO 45001:2018 Occupational Safety and Health Management System (valid from September 9, 2025 to September 9, 2028), TOSHMS Taiwan Occupational Safety and Health Management System (valid from September 9, 2025 to September 8, 2028), ISO 50001:2018 Energy Management System (valid from December 1, 2025 to December 1, 2028), and ISO 46001:2019 Water Efficiency Management System (valid from January 12, 2026 to January 11, 2029). In addition, the Company conducts greenhouse gas</p>	None

Item	Implementation		Summary Description	Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No		
			inventories in accordance with ISO 14064-1:2018. Relevant inventory information has been disclosed in accordance with the disclosure plan (2024 data, issued on June 17, 2025).	
(II) Is the Company committed to improving energy efficiency and adopting recycled materials with low environmental impact?	V		<p>The Company has obtained ISO 50001:2018 Energy Management System certification (valid through 2028) and ISO 46001:2019 Water Efficiency Management System certification (valid through 2029), and continues to operate resource management for water and electricity in accordance with system requirements, with periodic reviews of usage and improvement effectiveness.</p> <p>The Company continues to enhance energy efficiency and reduce operating costs and transition risks through measures such as the use of renewable energy and improvements in equipment efficiency. Specific actions include the disclosed purchase of 11.566 million kWh of green electricity, installation of solar power generation systems, and promotion of replacement of energy-intensive equipment and efficiency improvements (such as optimization of chilled water systems and energy-saving improvements of cooling towers). In 2025, a total of 7 energy-saving projects were implemented, with a total investment of approximately NT\$8,524 thousand, achieving total electricity savings of approximately 395,122.6 kWh, thereby continuously enhancing overall energy and resource management performance.</p> <p>In terms of water conservation, in addition to the use of recycled water, the Company continues to plan and promote the installation of process wastewater recycling facilities and the expansion of existing systems (e.g., wastewater recycling facility installation projects within plant areas), and implements water-saving measures (such as faucet water-saving valve projects) to improve water use efficiency and reduce water resource risks.</p> <p>The Company also implements responsible production and the principles of the circular economy, and is committed to reducing environmental impacts throughout all stages of the product life cycle, including raw material acquisition, manufacturing, storage, transportation, usage, and disposal. In its operational activities, the Company promotes process technology improvements and source management to reduce raw material consumption and waste generation. It also collaborates with partners to promote resource recycling, waste reutilization, and circular reuse. In addition, the Company plans to introduce and develop environmentally friendly technologies to strengthen pollution prevention, and enhances management consistency and compliance through audits and guidance of waste treatment contractors.</p>	None
(III) Does the company assess potential risks and opportunities associated with climate change, and undertake measures in response to climate issues?	V		The Company has, based on its climate-related management framework, assessed the potential risks and opportunities that climate change may pose to its current and future operations, and continues to implement corresponding response measures. For disclosures related to climate governance structure, risk management, and strategies and targets, please refer to “(VI) Climate-related Information for TWSE/TPEX-listed Companies” in this annual report. (Page.55-64)	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 conservation, and waste reduction in accordance with the management system frameworks of ISO 14001, ISO 14064-1, ISO 46001, and ISO 50001, and incorporates these into its governance mechanisms for regular tracking and review.</p> <p>(1) Greenhouse Gas Emissions: The Company regards greenhouse gas reduction as a key management priority in response to climate change. The Corporate Governance and Sustainable Development Committee approves annual energy-saving and carbon reduction targets and implementation plans, and promotes carbon reduction initiatives through measures such as the purchase of green electricity, improvement of energy efficiency, and process optimization. Implementation status and improvement needs are reviewed on a regular basis. The Company's Zhong 3 Plant and Jing 3 Plant are emission sources subject to mandatory inventory and reporting as designated by the Ministry of Environment, while other plants are managed through voluntary inventories. The inventory scope covers Scope 1 (direct emissions), Scope 2 (energy indirect emissions), and Scope 3 (other indirect emissions), and the types of greenhouse gases inventoried are handled in accordance with regulatory requirements. In addition, the Company introduced the ISO 50001 Energy Management System in 2022. Through energy reviews, it identifies significant energy-consuming equipment and continuously optimizes management measures to improve energy efficiency. For the greenhouse gas inventory and assurance status for the most recent two years, as well as reduction targets and related action plans, please refer to "(VI) Climate-related Information for TWSE/TPEX-listed Companies." (Page.62-64)</p> <p>(2) Water resource management: The Company continues to strengthen water resource risk management and improve water use efficiency. In 2016, it completed ISO 14046 product water footprint verification for eMCP, establishing a foundational database of water use information for both the organization and its products through water footprint inventory. In 2022, the Company introduced the ISO 46001 Water Efficiency Management System and, in accordance with system requirements, conducts monthly tracking of the performance of major water-consuming equipment and water use indicators to monitor current water usage and serve as a basis for improvement. In terms of water conservation and recycled water initiatives, water-saving measures were implemented in 2024 (e.g., installation of water-saving valves on faucets at Zhong 3 Plant). In 2025, the Company continues to promote the installation and management plan of wastewater recycling facilities at Jing 3 Plant. Through management strategies such as water use optimization, water conservation, and water resource development, the Company aims to improve water utilization efficiency and recycled water volume, and gradually</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>reduce water consumption and wastewater discharge, thereby mitigating the potential impact of water resource instability on operations.</p> <p>【Targets】 In 2025, water withdrawal intensity (water withdrawal/revenue) is targeted to decrease by 16.4% compared to the base year; the wastewater recycling rate is targeted to reach 34%</p> <p>Water intake in the past two years Unit: metric tons</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th style="width: 20%;">Fiscal Year</th> <th style="width: 40%;">Total water intake</th> <th style="width: 40%;">Water intake intensity</th> </tr> </thead> <tbody> <tr> <td>2025</td> <td>1,370,965</td> <td>0.070</td> </tr> <tr> <td>2024</td> <td>1,272,884</td> <td>0.076</td> </tr> </tbody> </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: The Company's water withdrawal intensity in 2025 decreased by 28.9% compared to the base year, achieving the annual target; the wastewater recycling rate reached 34.3%, also meeting the annual target. To increase recycled water volume and reduce reliance on tap water, the Company continues to promote the construction and enhancement of recycling systems. In 2023, Zhong 3 Plant completed the second phase of its recycling system. In 2025, the wastewater recycling system for the grinding process was completed and put into operation. Through stable operational management, the reuse rate of process water has been increased, total water withdrawal reduced, and water resource resilience strengthened, thereby supporting the Company's sustainable development objectives.</p> <p>(3) Waste management: The Company is committed to environmental protection and continues to promote waste reduction and resource reutilization. Relevant performance is regularly reviewed by the Corporate Governance and Sustainable Development Committee, and the effectiveness of the management system is ensured through internal and external audit mechanisms. The waste management system has been certified under the ISO 14001 Environmental Management System. In waste management, priority is given to on-site reuse and recycling. Waste generation is reduced through process improvements, raw material reduction, and source management measures, thereby enhancing resource circulation efficiency and achieving the objectives of waste reduction and sustainable utilization.</p>	Fiscal Year	Total water intake	Water intake intensity	2025	1,370,965	0.070	2024	1,272,884	0.076	
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																
			<p>【Waste Generation in the Most Recent Two Years】</p> <table border="1"> <thead> <tr> <th>Fiscal Year</th> <th>Hazardous Waste (metric tons)</th> <th>Non-hazardous Waste (metric tons)</th> <th>Total Weight (metric tons)</th> <th>Waste Intensity (metric tons / NT\$ million revenue)</th> </tr> </thead> <tbody> <tr> <td>2025</td> <td>144.10</td> <td>2,630.88</td> <td>2,774.90</td> <td>0.141</td> </tr> <tr> <td>2024</td> <td>143.20</td> <td>2,328.00</td> <td>2,471.20</td> <td>0.152</td> </tr> </tbody> </table> <p>Description of goal achievement: The target recycling rate for general waste in 2025 was 37.0%, while the actual performance reached 44.3%, achieving the annual management target. In addition, waste intensity decreased compared to the previous year, indicating continuous improvement in waste management and resource utilization efficiency. Going forward, the Company will continue to enhance resource circulation performance through improved waste classification management and recycling measures.</p>	Fiscal Year	Hazardous Waste (metric tons)	Non-hazardous Waste (metric tons)	Total Weight (metric tons)	Waste Intensity (metric tons / NT\$ million revenue)	2025	144.10	2,630.88	2,774.90	0.141	2024	143.20	2,328.00	2,471.20	0.152	
Fiscal Year	Hazardous Waste (metric tons)	Non-hazardous Waste (metric tons)	Total Weight (metric tons)	Waste Intensity (metric tons / NT\$ million revenue)															
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2024	143.20	2,328.00	2,471.20	0.152															
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		<p>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.</p> <p>2. Human rights protection management approaches:</p> <table border="1"> <thead> <tr> <th>Concerned Issues</th> <th>Management</th> </tr> </thead> <tbody> <tr> <td>Human Rights Assessment</td> <td>Each year, the Company utilizes the Responsible Business Alliance (RBA) risk assessment questionnaire to conduct self-assessments across labor, health and safety, environment, ethics, and management system dimensions.</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> </tbody> </table>	Concerned Issues	Management	Human Rights Assessment	Each year, the Company utilizes the Responsible Business Alliance (RBA) risk assessment questionnaire to conduct self-assessments across labor, health and safety, environment, ethics, and management system dimensions.	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. 	None									
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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	
			<p>Guarantee of Labor Conditions</p> <p>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.</p>	
			<p>Prohibition of Forced Labor</p> <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. 	
			<p>Prevention of Workplace Misconduct, Sexual Harassment, and Discrimination</p> <p>The Company is committed to creating a safe, respectful, and friendly working environment, and adopts a zero-tolerance policy toward any form of workplace misconduct, sexual harassment, or discrimination. To ensure effective prevention and proper handling mechanisms, the Company has established the "Guidelines for the Prevention of Unlawful Infringement in the Course of Duty," the "Measures for the Prevention of Sexual Harassment, Complaint Handling, and Disciplinary Actions," and the "Procedures for Complaint and Whistleblowing Handling" as the basis for handling related incidents, ensuring that employees' rights and interests are fully protected.</p> <p>In addition, the Company conducts annual training programs on the prevention of workplace misconduct, sexual harassment, and discrimination to continuously enhance employees' awareness of these issues.</p> <p>At the same time, the Company has established diverse and confidential communication and grievance channels, including dedicated hotlines, email addresses, and physical employee suggestion boxes, to provide employees with secure avenues to express opinions and file complaints.</p>	
			<p>Gender Equality</p> <p>Employees with childcare needs after childbirth may apply for unpaid parental leave until their child reaches the age of three. The Company has established the "Employee Unpaid Leave Management Regulations" to govern such arrangements. In addition, the Company provides lactation (breastfeeding) rooms equipped with facilities that comply with regulations, offering a safe and private environment for female employees with postpartum breastfeeding needs, as well as designated parking spaces for pregnant employees.</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	
			<p>Provide a safe and healthy working environment</p> <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>	
			<p>Measures to Protect Young Workers</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. 	
			<p>Disability and Foreigner-Friendly Measures</p> <ul style="list-style-type: none"> • 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. • Establish a reasonable accommodation application mechanism for persons with disabilities to provide care and assistance to disadvantaged groups. • Provide expats with daily life support and organize quarterly events to build cohesion and enhance employee experience. 	
			<p>Provide education and training</p> <p>To ensure that all employees are familiar with the Company's human rights policy and related measures, the Company communicates human rights issues and related concepts through on-the-job training and assessments. In 2025, a total of 6,202 participant attendances were recorded, with total training hours of 6,202 hours, and a training participation rate of 100% among all employees.</p>	

Item	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor												
	Yes	No	Summary Description													
(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 outcome in Employees' remuneration?	V		<p>1.The Company has formulated and implemented reasonable employee benefit measures. Please refer to “Labor relations” (page 93).</p> <p>2.As per Article 26 of the Company's Articles of Incorporation, the Company shall allocate 10% to 15% of its current year’s profit as remuneration to employees, of which not less than 35% shall be distributed as remuneration to non-executive employees, and not more than 1% shall be distributed as remuneration to directors based on the current year’s profit. However, if the Company has accumulated losses, the amount of loss should be covered first.</p> <p>3.Salary adjustment system:</p> <p>(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> <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) Gender wage gap:</p> <p>2025 male-female salary ratio</p> <table border="1"> <thead> <tr> <th>Employee category</th> <th>Male salary</th> <th>Female salary</th> </tr> </thead> <tbody> <tr> <td>Production position</td> <td>1.04</td> <td>1</td> </tr> <tr> <td>Professional position</td> <td>1.19</td> <td>1</td> </tr> <tr> <td>Administration position</td> <td>1.34</td> <td>1</td> </tr> </tbody> </table> <p>Note 1:According to the 2025 laws and regulations of Taiwan, the basic salary is NT\$28,590. 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 non-executive 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 monthly bonuses according to the achieving status of the Company's operational goals in the month.</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>	Employee category	Male salary	Female salary	Production position	1.04	1	Professional position	1.19	1	Administration position	1.34	1	None
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Item	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor																												
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			<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 benchmarks. All salary determinations are reasonable and better than legal requirements.</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th colspan="3">Male and female employee ratio</th> </tr> <tr> <th>Category</th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>Administration position</td> <td>59.16%</td> <td>40.84%</td> </tr> <tr> <td>Number of people in the plant</td> <td>35.79%</td> <td>64.21%</td> </tr> </tbody> </table> <p>Description:</p> <ol style="list-style-type: none"> 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. The administrative staff and production technicians are mostly female, and the ratio of female employees is higher than that of male employees. <table border="1" style="margin-left: 40px;"> <thead> <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> </thead> <tbody> <tr> <td></td> <td>27.4%</td> <td>47.4%</td> <td>19.8%</td> <td>5.4%</td> </tr> </tbody> </table> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th>Nationality Percentage (%)</th> <th>Taiwan nationals</th> <th>Foreign nationals</th> </tr> </thead> <tbody> <tr> <td></td> <td>60.64%</td> <td>39.36%</td> </tr> </tbody> </table>	Male and female employee ratio			Category	Male	Female	Administration position	59.16%	40.84%	Number of people in the plant	35.79%	64.21%	Age Percentage (%)	Under 30 years old	30-45 years old	45-55 years old	Over 55 years old		27.4%	47.4%	19.8%	5.4%	Nationality Percentage (%)	Taiwan nationals	Foreign nationals		60.64%	39.36%	
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(III) Has the Company provided the employees with a safe and healthy work environment	V		To ensure a safe and healthy working environment for all employees, the Company upholds its core philosophy of “integrity, pragmatism, and sustainable operation,” and regards occupational safety and health management as a key foundation for corporate sustainability. The Company	None																												

Item	Implementation		Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	
and arranged regular safety and health education for employees?			<p>not only strictly complies with domestic occupational safety and health regulations, but also proactively aligns with advanced international standards and implements ISO management system principles. In practice, the Company is committed to strengthening the “intrinsic safety” of production activities. Through hazard identification and preventive mechanisms, it actively reduces potential risks in the working environment, with the primary objective of preventing occupational injuries and diseases. At the same time, the Company emphasizes communication and coordination with employees, encourages full participation in safety consultations, integrates occupational safety and health performance with production operations, and builds a healthy and safe professional workplace.</p> <p>1. Safety and Health Working Environment Measures and Implementation</p> <p>The Company has established an occupational safety and health management system and implements disaster prevention and continuous improvement through hazard identification and risk/opportunity assessment and control, self-inspections, environmental safety inspections, workplace environment monitoring, and education and training. In accordance with legal requirements, the Company convenes the Environmental, Safety, Health, Energy, and Water Management Committee on a quarterly basis to discuss the implementation status of occupational safety and health management programs, internal and external audits of the environmental safety and health system, corrective and preventive measures, and employee communication matters. In 2025, a total of 6 safety and health improvement proposals were submitted.</p> <p>To strengthen operator protection management, the Company conducts workplace environment monitoring twice annually, and allocates resources to promote occupational disease prevention. Quantitative indicators are established to enhance occupational safety and health performance and effectively control risks. In addition, all fire safety equipment across plant areas is regularly maintained. Fire safety inspection reports are submitted annually in accordance with regulations and inspections are conducted by the competent authorities. Security guards, access control systems, surveillance, and alarm systems are installed at major entry and exit points. Traditional paper-based inspection sign-offs have been replaced by an inspection app combined with NFC devices to integrate inspection records and enable real-time reporting of abnormal events, thereby enhancing plant safety. Each unit also conducts regular environmental safety, health, energy, and water inspections and carries out statutory self-inspections to further strengthen plant safety and security. The Company has also installed and maintained first-aid equipment (including AEDs,</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>wheelchairs, stretchers, and first-aid kits), and established a health management center, health stations, and lactation rooms to provide employee health support.</p> <p>2. Safety and Health Education Policy and Implementation In 2025, a total of 8,865 participant attendances were recorded for occupational safety and health education and training for new and existing employees. In addition, 67 sessions of safety and health training were conducted in accordance with legal requirements or organizational needs, with 5,563 participant attendances, including hazardous operation supervisor training, evacuation drills, fire safety training, and radiation worker training, to enhance employees' safety awareness and emergency response capabilities.</p> <p>3. Certification Status and Coverage The Company has established an occupational safety and health management system and obtained ISO 45001:2018 certification (valid through 2028) and TOSHMS certification (valid through 2028), covering occupational safety and health management activities at the Company's major operating sites. Continuous improvement of occupational safety and health performance is achieved through system operation.</p> <p>4. Occupational Accident Statistics, Ratios, and Improvement Measures In 2025, the disabling injury frequency rate (FR) was 1.33, slightly higher than 1.16 in 2024, and did not meet the annual target (FR < 0.55). A total of 14 occupational accidents occurred in 2025, affecting 0.25% of the total workforce at year-end. Among these, there were 2 major occupational accidents, affecting 2 individuals (0.04% of the total workforce). Although the target of limiting major occupational accidents to fewer than 2 cases was met, the Company identified deficiencies in its occupational safety controls. In response to major occupational accidents, immediate inspections of machine safety interlock components have been initiated, and more stringent operating standards have been established. In daily operations, supervisors are also required to pay attention to employees' physical and mental conditions to ensure workplace safety.</p> <p>5. Number of Fire Incidents, Casualty Ratio, and Improvement Measures for the Year The Company had no fire incidents in 2025 (0 fire incidents; 0 casualties; casualty ratio to total employees: 0%). To address the potential occurrence of fire accidents, the Company has established and implemented the "ISO-AC-0015 Fire Emergency Response Procedures" under its ISO 45001 Occupational Safety and Health Management System. The procedures specify operational requirements for fire prevention, reporting, emergency response, evacuation, and recovery. In conjunction with regular maintenance of fire safety</p>	

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	Yes	No	Summary Description	
			<p>equipment, statutory fire safety inspection filings, and fire drills, the Company continues to strengthen plant fire emergency response capabilities and risk control to ensure employee safety and operational stability.</p> <p>6. External Recognition and Health Promotion Initiatives The Company was recognized as a top 10% performer in the 2025 “Proactive Evaluation of Occupational Health and Safety Performance Disclosure in Corporate Sustainability Reports” organized by the Occupational Safety and Health Administration, Ministry of Labor. In addition, the Company participated in the “19th Excellent Engineering Golden Safety Award Selection – Private Sector Engineering Category” organized by the Occupational Safety and Health Administration, Ministry of Labor, and in 2025 the new building construction project of Plant 1 received an Honorable Mention, with the Company recognized as the owner’s representative. In addition, the Company’s occupational health service nurses conduct workplace risk identification. For medium- and high-risk groups identified after annual health examinations—such as those with hypertension, cardiovascular risk, or abnormal work overload—the Company provides health care and case follow-up together with on-site service physicians. It has also established reporting and follow-up health care procedures for occupational and traffic injuries, as well as emergency medical support and reporting mechanisms. To promote employee health, the Company regularly organizes health promotion activities such as cancer screenings, medical lectures, weight-loss competitions, technology-assisted fitness programs, stress-relief aromatherapy, and dietitian-led nutrition seminars, and continuously evaluates and optimizes their effectiveness. It also promotes online mileage challenges, 10,000-step daily walking campaigns, and diverse sports clubs to enhance employees’ physical fitness and physical and mental well-being. The Company has also obtained the Ministry of Health and Welfare’s 2025 certification for passing the “Healthy Workplace Promotion Self-Assessment” and the 2025 Smoke-Free Workplace Label.</p>	
(IV) Has the Company established an effective career development plan for employees?	V		<p>1. Employee Development Is Key to the Sustainable Growth of the Enterprise The Company is committed to creating a diverse and enriching learning environment. It has introduced the Talent Quality-management System (TTQS) and closely linked it to the Company’s business strategy to establish a systematic strategic training framework. Following the evaluation cycle of Plan, Design, Do, Review, and Outcome, the Company promotes continuous improvement in training quality and has twice consecutively received TTQS Gold certification, demonstrating its strong commitment to strengthening employee</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>capabilities and corporate competitiveness, and laying a solid foundation for sustainable operations.</p> <p>2. Systematic Talent Development Framework The Company has established a complete training roadmap based on job functions, covering new employees, engineering and technical positions, administrative support positions, and management positions, and provides three major categories of courses: offline training, online training, and self-development training.</p> <ul style="list-style-type: none"> • Annual total training hours: 189,374.14 person-hours; managerial positions: 50.10 hours; non-managerial positions: 32.90 hours. Each year, the Company identifies competency gaps based on organizational, departmental, and individual career development needs, plans and implements reinforcement and development programs, and provides employees with a comprehensive training roadmap to support career growth and corporate sustainability. 	
(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		<p>The Company has established management systems and operating procedures in accordance with relevant laws and regulations and customer requirements regarding customer health and safety, marketing and labeling, and customer privacy in relation to its products and services. Customer rights are safeguarded through customer service channels and complaint mechanisms.</p> <p>1. Customer Health and Safety, Marketing and Labeling</p> <p>(1) The Company complies with regulations related to products and hazardous substances and adheres to customer supply chain requirements.</p> <p>(2) The Company has implemented the IECQ QC080000 Hazardous Substance Process Management System, establishing a prohibited and restricted substances management mechanism. Control over raw materials and process substances is conducted in accordance with customer and regulatory requirements. In conjunction with manufacturing and shipment inspection mechanisms, the Company continuously ensures that products comply with relevant specifications and labeling requirements.</p> <p>(3) Implementation status: No violations of regulations concerning product health and safety occurred in 2025.</p> <p>2. Customer Privacy and Personal Data Protection</p> <p>(1) The Company collects, processes, and uses customer data in accordance with applicable personal data protection laws and contractual requirements.</p> <p>(2) Policy/system and content: The Company has established internal management regulations for customer data protection and adopts necessary management and</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>protective measures to prevent unauthorized access, use, leakage, or improper disclosure, thereby safeguarding customer rights and maintaining trust relationships.</p> <p>(3) Implementation status: Relevant operations are carried out by responsible units in accordance with internal procedures, and data protection requirements are enforced throughout business interactions and information transmission processes.</p> <p>3. Complaint Procedures and Issue Response Mechanisms (Including Customer Rights Protection)</p> <p>The Company has established customer service channels to receive customer feedback, complaints, and product/service-related issues. These are recorded, tracked, responded to, and improved in accordance with internal procedures to ensure timely handling and minimize impact on customers. In addition, the Company has established a “Code of Ethical Conduct” and set up internal and external whistleblowing/complaint mailboxes (internal: 580@ose.com.tw / external: csr@ose.com.tw) to provide stakeholders with channels to report improper conduct.</p>	
(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 rights issues, and tracked suppliers' performance?	V		<p>To strengthen supply chain management and sustainability risk control, the Company has established “Supplier Management Regulations,” which clearly define procedures for supplier selection, evaluation, auditing, guidance, and subsequent management. These are regularly reviewed and improved based on operational needs. In addition to quality and delivery management, supplier management policies also incorporate environmental (E), occupational safety and health, and labor and human rights (S) compliance requirements, and are implemented through qualification review, risk assessment, audits/guidance, and training mechanisms.</p> <p>1. Environmental Requirements and Compliance</p> <p>The Company requires suppliers to comply with relevant environmental protection and hazardous substance management regulations. Environmental management documentation and review criteria are incorporated into supplier selection and management processes. When selecting new suppliers, suppliers are required to complete basic information and provide environmental management or supporting documentation (including hazardous substance management and necessary environmental management system documentation). Only those that meet the requirements upon evaluation are included in the qualified supplier list and subject to subsequent management. Depending on supplier category and risk attributes, suppliers may be required to provide certification or supporting documentation for environmental management systems (such as ISO 14001) or valid government-issued registration documents.</p> <p>2. Occupational Safety and Health, Labor and Human Rights Requirements and Compliance</p> <p>The Company requires suppliers and contractors to comply with relevant occupational safety and health and labor and human rights regulations. Suppliers and 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	
			<p>meeting specified criteria are required to sign a “Supplier Integrity Commitment” and integrity policy statement. In addition, the Company conducts annual CSR risk assessments and qualification reviews of suppliers and contractors to ensure compliance with fundamental human rights principles, including freedom of association, prohibition of child labor, prohibition of forced labor, and non-discrimination. Furthermore, depending on the type of operations and risk attributes, contractors may be required to provide supporting documentation for occupational safety and health management systems (such as ISO 45001).</p> <p>3. Implementation Status: Audits, Guidance, and Capability Enhancement Through the Company’s supplier evaluation/audit mechanisms and supplier guidance programs, deficiencies and improvement progress are tracked. Where necessary, education and training or exchange activities are arranged to enhance supply chain management effectiveness and strengthen suppliers’ compliance capabilities in quality, environmental protection, occupational safety and health, and human rights.</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. The Company’s sustainability reports for previous years are publicly available on the Company’s website: https://esg.ose.com.tw/en/download/</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: In 2023, the Company established the “Sustainable Development Best Practice Principles”, which covers the implementation of corporate governance, the development of a sustainable environment, the maintenance of social welfare, and the enhancement of corporate social responsibility information disclosure.</p>				

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	Yes	No	Summary Description	
<p>VII. Other important information that facilitates the understanding of the promotion of sustainable development:</p> <p>(I) CDP Questionnaire Disclosure and Rating Results: The Company participates in CDP by publicly responding to the questionnaire as a corporate entity. In 2025, the Climate Change rating remained at C; the Water Security rating improved to B (from C to B). Going forward, the Company will continue to strengthen data governance, internal controls, and cross-departmental improvement tracking to enhance disclosure quality and management effectiveness.</p> <p>(II) The community participation, social contribution, social services and so on:</p> <ol style="list-style-type: none"> 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 /2024 Accident Prevention Measures Quality Award” by the Export Processing Zone. 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 2025, a total of 38 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 4 seminars were held in the 2025 workshop, serving a total of 60 participants. 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>(III) Social welfare:</p> <ol style="list-style-type: none"> 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 2025, a film education program was held at Dashu Elementary School in Dashu District, attracting a total of 118 students. The program provided local students with new opportunities to explore the world of visual media. Going forward, the Company will continue to promote corporate social responsibility and integrate educational resources, enabling more students in remote areas to unlock their potential through film and enrich their learning journeys and artistic perspectives. 2. Arbor Day Series Event – “Qiaotou Sugar Exploration: Planting Trees in the Sugarcane Fields” Sustainability is not an abstract concept, but a set of actionable choices that can be understood and implemented in daily life. To deepen forest conservation and climate action, the Company organized an environmental education activity at the Qiaotou Sugar Refinery of Taiwan Sugar Corporation on Arbor Day in 2025. Through practical actions supporting ecological conservation and sustainable development, and by integrating local characteristics and diverse learning formats, a total of 70 participants—including 49 employees and 21 family members—joined the event, enhancing their understanding of environmental and climate issues and strengthening action awareness. The activity included a guided tour on the park’s mini train, introducing participants to the history of the sugar industry and surrounding natural ecology. It also featured professional guided sessions at the Taiwan Sugar Carbon Sink Pavilion, explaining forest carbon sequestration mechanisms and their importance in addressing climate change, thereby enhancing awareness of climate adaptation and ecological balance. In addition, the event included a DIY activity using household waste (such as milk bottles) as planters for sugarcane soil pots. Through hands-on experience, participants were guided to incorporate resource reuse and circular economy concepts into daily life. 				

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	Yes	No	Summary Description	
			<p>By integrating environmental education, on-site experience, and practical daily application, the Company continues to expand the impact of its sustainability initiatives. Forest conservation and climate responsibility are extended beyond the corporate level into employees' families and everyday lives, contributing positively to long-term ecosystem health and sustainable development.</p> <p>3. Beach Cleanup Activity – “Preserving the Blue Ocean, Sustaining Peace of Mind”</p> <p>From a piece of plastic on the beach to a fishing-net tote bag given new value, sustainability takes shape through action. Upholding its strong commitment to marine conservation, the Company organized a sustainability initiative focused on ocean conservation at Yong’an Diamond Beach Park in November 2025. A total of 39 participants—including 28 employees and 11 family members—joined the beach cleanup environmental education activity, taking concrete action to address marine pollution and resource waste.</p> <p>The activity began with a beach cleanup, where participants worked in groups to remove coastal waste and personally experience the pressures faced by the marine environment. This was followed by a DIY fishing-net tote bag activity, where, under the guidance of local craftsmen, discarded fishing nets were transformed into practical items, deepening understanding of the circular economy and responsible consumption. The final stop included a visit to the Painted Salt Field Village, where participants gained insights into local culture and the wisdom of harmonious coexistence with the environment through mural storytelling. This allowed sustainability to become not only an action, but also a shared experience that can be understood, felt, and remembered.</p> <p>(IV) Human Rights:</p> <p>1. Upholding the concepts of social inclusion and diversified employment, the Company actively hires persons with disabilities and other disadvantaged groups, and provides diverse and friendly job opportunities through job redesign. In 2025, the Company employed 58 employees with disabilities. The legally weighted headcount reached 68, and the average annual employment ratio reached 20.8%, exceeding the statutory requirement. Through cooperation with multiple professional institutions, social organizations, and relevant entities, the Company assists persons with disabilities in integrating into the workplace, reducing barriers to work adaptation, enhancing job suitability, and jointly promoting greater workplace participation by disadvantaged groups. To address the needs of employees with disabilities, the Company established the “Reasonable Accommodation Management Procedures for Persons with Disabilities” and implemented them on January 8, 2025, in order to provide care and assistance to disadvantaged groups.</p> <p>2. In line with the government’s efforts to strengthen students’ employability after graduation, the Company actively promotes industry-academia collaboration and works with seven schools to implement diversified talent cultivation programs. These programs include the Industry-Academia Collaboration Special Program, the Dual-Track Vocational High School Overseas Chinese Student Program, the Career Coaching Program, the Semiconductor and Key Technology Research Academy Innovation Program, Packaging Competency Certification, the STEM and Women Talent Development Program for Colleges and Universities, the Semiconductor Packaging and Testing Program, the 104 TOP Career Academy, the Industry Academy Program, and the Employment Program. Through systematic curriculum planning and practical internship mechanisms, the Company helps students connect early with industry needs, gain in-depth understanding of workplace environments and professional practice, and at the same time build a foundation of future key technical and professional talent for the enterprise, thereby achieving a win-win outcome between industry and academia. In addition, the Company organizes internship camps on a quarterly basis. The courses incorporate both soft and hard skill development, creating a platform for interns to interact, communicate, and demonstrate initiative, thereby enhancing their identification with and affinity toward the Company.</p> <p>3. In 2025, the Company continued to provide campus and career lectures, with a total of 41 sessions and 1,401 participants. These activities assist vocational high school students, university students, and job seekers in understanding industry knowledge, employment trends, and workplace adaptation, with the aim of narrowing the gap between academic learning and practical application, broadening horizons, and strengthening career competitiveness.</p>	

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

2.3.6.1 Climate-related information implementation

Item	Implementation													
<p>1. Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management.</p>	<p>1. 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>2. 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> <p>3. In 2025, the above governance structure and operating mechanisms continued the practices of the previous year without material adjustments. Any material changes in the future will be updated and disclosed in accordance with regulations.</p>													
<p>2. Describe how the identified climate risks and opportunities affect the business, strategy and finance of the Company (short-, medium-, and long-term).</p>	<p>The Company's major short-, medium-, and long-term climate risks and opportunities in 2025 are as follows:</p> <p>1. Identification of Key Climate Risks and Adaptation Strategies</p> <table border="1" data-bbox="454 603 1989 1406"> <thead> <tr> <th colspan="2" data-bbox="454 603 837 679">Risk Topic</th> <th data-bbox="837 603 1234 679">Potential Impact on the Company</th> <th data-bbox="1234 603 1350 679">Duration of Impact</th> <th data-bbox="1350 603 1989 679">Adaptive Management Strategies</th> </tr> </thead> <tbody> <tr> <td data-bbox="454 679 616 1406">Physical Risk (1)</td> <td data-bbox="616 679 837 1406">The severity and frequency of extreme climate events (such as typhoons, floods, and heavy rainfall) have increased.</td> <td data-bbox="837 679 1234 1406">This may cause damage to plant equipment and production interruptions, thereby affecting production line utilization, delivery schedules, and revenue performance.</td> <td data-bbox="1234 679 1350 1406">Short-, mid- and long-term</td> <td data-bbox="1350 679 1989 1406"> <ul style="list-style-type: none"> • Plant/facility preparedness: Waterproof flood barriers are installed at basement entrances and activated when necessary; sandbags and related protective measures are prepared to reduce the risk of equipment damage caused by flooding. • Equipment/production line backup: Backup and switchable mechanisms are implemented for critical equipment (including switching/replacement where necessary) to reduce the impact of downtime. • Operational response: The Company monitors natural disaster warnings and supervisors arrange shifts and assign personnel in advance to facilitate emergency response. • Supply chain resilience: A supplier contingency mechanism has been established (e.g., multiple sources of supply); monthly safety stock inventories are conducted; supplier operations and supply conditions are surveyed regularly/quarterly and countermeasures are activated. • External coordination: A regular coordination/contact mechanism is maintained with water authorities. • Process water management: Measures such as in-plant wastewater and RO water recycling systems are promoted to improve water use efficiency and recycling/reuse. • Water shortage response: In line with local water supply conditions, emergency water supply/scheduling measures are activated when necessary. • Equipment and market information: Water-saving equipment is evaluated/purchased; market information is continuously monitored and countermeasures are developed. </td> </tr> </tbody> </table>				Risk Topic		Potential Impact on the Company	Duration of Impact	Adaptive Management Strategies	Physical Risk (1)	The severity and frequency of extreme climate events (such as typhoons, floods, and heavy rainfall) have increased.	This may cause damage to plant equipment and production interruptions, thereby affecting production line utilization, delivery schedules, and revenue performance.	Short-, mid- and long-term	<ul style="list-style-type: none"> • Plant/facility preparedness: Waterproof flood barriers are installed at basement entrances and activated when necessary; sandbags and related protective measures are prepared to reduce the risk of equipment damage caused by flooding. • Equipment/production line backup: Backup and switchable mechanisms are implemented for critical equipment (including switching/replacement where necessary) to reduce the impact of downtime. • Operational response: The Company monitors natural disaster warnings and supervisors arrange shifts and assign personnel in advance to facilitate emergency response. • Supply chain resilience: A supplier contingency mechanism has been established (e.g., multiple sources of supply); monthly safety stock inventories are conducted; supplier operations and supply conditions are surveyed regularly/quarterly and countermeasures are activated. • External coordination: A regular coordination/contact mechanism is maintained with water authorities. • Process water management: Measures such as in-plant wastewater and RO water recycling systems are promoted to improve water use efficiency and recycling/reuse. • Water shortage response: In line with local water supply conditions, emergency water supply/scheduling measures are activated when necessary. • Equipment and market information: Water-saving equipment is evaluated/purchased; market information is continuously monitored and countermeasures are developed.
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	Risk Topic		Potential Impact on the Company	Duration of Impact	Adaptive Management Strategies
	Physical Risk (2)	Changes in rainfall (water) mode and extreme changes in climate mode	During periods of water stress, the Company may face insufficient water supply or water restrictions, resulting in supply interruptions and production impacts, which may in turn affect revenue performance.	Short-, mid- and long-term	<ul style="list-style-type: none"> • External coordination: A regular coordination/contact mechanism is maintained with water authorities. • Process water management: Measures such as in-plant wastewater and RO water recycling systems are promoted to improve water use efficiency and recycling/reuse. • Water shortage response: In line with local water supply conditions, emergency water supply/scheduling measures are activated when necessary. • Equipment and market information: Water-saving equipment is evaluated/purchased; market information is continuously monitored and countermeasures are developed.
	Transformation risk	Restrictions from renewable energy regulations and increasing demand	In response to renewable energy regulatory requirements and increasing customer and market demand, the Company needs to increase the proportion of renewable energy used. However, due to site constraints at plant locations, self-built renewable energy capacity may be insufficient, requiring the purchase of green electricity and/or related certificates from external sources to meet demand, which may increase operating costs or capital expenditures.	Mid-term (3-8 years)	<ul style="list-style-type: none"> • The Company continues to promote renewable energy installations and energy management measures (such as installing solar power generation systems and improving energy efficiency). • The proportion of renewable energy use is increased through the purchase of green electricity (the Company purchased 11.566 million kWh of green electricity in 2025). • In accordance with the annual procurement plan, green electricity procurement volume in 2026 will be adjusted on a rolling basis based on the annual plan, supply conditions, and internal assessments.
	Policies and regulation risk (1)	Carbon fees / carbon cost (Carbon pricing)	With the gradual implementation of carbon fee systems and related carbon reduction regulations, the Company's operating costs (such as carbon fee expenses) and capital expenditures (such as replacement of energy-saving equipment, carbon reduction projects, and renewable energy installations) may increase. The Company has, through the Corporate Governance and Sustainability Committee, coordinated the promotion of carbon reduction targets and management measures. Through management mechanisms such as energy-saving and carbon reduction projects, energy efficiency improvements, voluntary reduction plans, and shadow carbon pricing, the Company strengthens carbon cost assessment and management to reduce carbon cost risks.	Short-term (0-2 years)	<ul style="list-style-type: none"> • The Corporate Governance and Sustainability (ESG) Committee coordinates the promotion of climate/carbon reduction targets and management measures and regularly reviews implementation status. • The Company has introduced and maintains ISO 50001 Energy Management System and ISO 46001 Water Resource Efficiency Management System, among others. Through the operation of these management systems, it enhances resource/energy use efficiency and reduces emissions and cost risks. • Through energy-saving and carbon reduction projects, replacement of energy-intensive equipment, and increased use of renewable energy (including green electricity procurement and solar energy installations), the Company improves energy efficiency and reduces emissions to address carbon cost risks such as carbon fees. • Shadow carbon pricing is applied to incorporate potential carbon costs into investment and energy-saving project evaluations, serving as a reference for equipment replacement and energy-saving investment decisions. • In 2025, Plant 3 and Jing 3 Plant proposed voluntary reduction plans and obtained approval, reducing emissions through voluntary reduction measures and addressing cost risks such as carbon fees.

Item	Implementation				
	Risk Topic		Potential Impact on the Company	Duration of Impact	Adaptive Management Strategies
	Policies and regulation risk (2)	Enhance emission reporting obligations	As requirements for greenhouse gas inventory, registration, verification, and disclosure become more stringent, compliance operations and third-party verification costs may increase. Failure to complete inventory/registration within the required timeframe or failure to meet data quality requirements may result in penalties and affect corporate governance ratings and external stakeholder trust.	Short-term (0-2 years)	<ul style="list-style-type: none"> Greenhouse gas inventory operations are conducted in accordance with standards such as ISO 14064-1 to establish a consistent and traceable data management foundation. All Company plants have completed the ISO 14064-1:2018 greenhouse gas inventory for Scope 1 to Scope 3 for 2024 and have undergone third-party verification; the 2025 greenhouse gas inventory is currently in progress. Through the operation of existing management systems (such as ISO 50001) and internal audit/management review mechanisms, the Company strengthens data collection processes, evidence retention, and disclosure quality to reduce compliance risks. In alignment with regulatory requirements and the disclosure timelines of annual and sustainability reports, the Company conducts rolling reviews of inventory and verification planning to ensure timely and compliant disclosures.
Market share	Changes in customer preferences	Due to increasing customer requirements for green product design and material compliance, materials used in products and their sources must comply with international environmental regulations (such as RoHS and REACH) and customer-specific requirements. At the same time, customer expectations regarding supply chain ESG management are increasing, and suppliers may be required to provide greenhouse gas emission information/inventory data (e.g., carbon inventory data, carbon reduction actions, and questionnaire responses such as CDP). Failure to meet regulatory requirements or customer expectations may increase compliance and data collection costs and may affect product qualification, order acquisition capability, market competitiveness, or revenue performance.	Mid-term (3-8 years)	<ul style="list-style-type: none"> RoHS or conflict minerals investigations are conducted in accordance with customer requirements, and relevant data responses/supporting documentation are provided. Material suppliers are required annually to provide declarations confirming compliance with REACH and non-use of conflict minerals. If materials do not meet specifications/requirements, the Company assists customers in evaluation and recommends replacement with compliant materials. In response to customer ESG/carbon management requirements, the Company compiles and provides greenhouse gas emission information/inventory data and explanations of management measures (e.g., responses to CDP or customer questionnaires), and continuously strengthens data governance and traceability. 	

Item	Implementation				
	Risk Topic		Potential Impact on the Company	Duration of Impact	Adaptive Management Strategies
	Technology	Increased demand for circular/ recyclable materials	Due to increasing customer and market requirements regarding the circular economy and material recyclability, material selection for products or packaging may need to comply with recyclable design, use of recycled materials, material traceability, and relevant environmental regulations. Failure to meet customer specifications or implementation timelines may increase costs related to material validation, supply chain management, and compliance operations, and may affect product introduction, delivery schedules, or market competitiveness.	Mid-term (3-8 years)	<ul style="list-style-type: none"> Continuously collect and monitor customer specifications and trends for circular/recyclable materials as a basis for material selection and change evaluation. Annually require material suppliers to provide declarations regarding material composition/source, recyclability, or use of recycled materials, and strengthen data traceability. For materials that do not meet requirements, assist in evaluating alternative material solutions and confirm feasibility and validation requirements with customers to reduce implementation risks.
2. Key Climate Opportunity Issues and Adaptive Strategies					
	Opportunity Topic		Potential Impact on the Company	Duration of Impact	Adaptive Management Strategies
	Resource utilization efficiency	Energy efficiency improvement	The Company's manufacturing processes mainly rely on electrical energy. By improving the efficiency of systems such as air conditioning, cooling, and lighting, energy consumption and operating costs can be reduced, dependence on externally purchased energy can be lowered, and operational resilience and the ability to respond to climate-related transition requirements can be enhanced.	Mid-term (3-8 years)	<ul style="list-style-type: none"> Set and promote annual energy-saving targets (such as annual electricity-saving rates), regularly track improvement performance, and prioritize high energy-consuming equipment for improvement. Promote efficiency improvement measures for air conditioning/cooling systems, including improvements to chillers and related pumps, as well as energy-saving upgrades to cooling tower fans and heat dissipation fins. Promote replacement of lighting equipment and energy-saving lighting improvement programs (implemented in phases by plant/level). (Where applicable) Conduct electricity usage reviews through energy management mechanisms, identify major energy-consuming equipment, and continuously implement improvements to enhance energy efficiency.
		Switch to buildings with higher efficiencies.	Through the adoption of high-efficiency building designs in new construction or renovations, energy use efficiency can be improved, greenhouse gas emissions and operating costs can be reduced, and water resource utilization efficiency can be enhanced, thereby improving overall plant system performance and long-term operational resilience.	Mid-term (3-8 years)	<ul style="list-style-type: none"> Introduce energy-saving design concepts in new/renovated plants (e.g., planning based on green building concepts), incorporating energy efficiency and resource efficiency considerations at the design stage. When planning building and plant systems, prioritize high-efficiency equipment and optimized control strategies to reduce operational energy consumption.

Item	Implementation				
	Opportunity Topic		Potential Impact on the Company	Duration of Impact	Adaptive Management Strategies
	Source of Energy	Use of low-carbon energy	By increasing the proportion of renewable energy and low-carbon electricity usage, the Company can reduce carbon costs and compliance risks associated with emissions from externally purchased electricity, respond to customer and market expectations for supply chain decarbonization, and enhance operational resilience and market competitiveness. However, renewable energy installation and procurement may involve increased capital expenditures, procurement costs, and management efforts.	Mid-term (3-8 years)	<ul style="list-style-type: none"> Continue to promote the use of renewable energy: enhance renewable energy utilization through self-built solar power generation systems and existing renewable energy deployment/use planning. Annual implementation and disclosure: In 2025, the Company disclosed the purchase of 11.566 million kWh of green electricity (or green electricity certificates). In 2026, renewable energy procurement strategies will be adjusted on a rolling basis based on market supply conditions, cost-effectiveness, and internal evaluations, with priority given to improving energy efficiency and the effectiveness of existing reduction measures. Continuously monitor market information and policy trends, evaluate procurement strategies and cost impacts, and reduce transition risks.
	Products and Services	Develop or expand low-carbon products and services	In response to climate change and customer sustainability requirements, demand for low-carbon, energy-saving, or circular-related products/processes may increase. Through low-carbon technology development and process improvements, product competitiveness can be enhanced, order acquisition opportunities increased, and environmental impacts across the product life cycle reduced. However, research and development and validation efforts may increase development costs and implementation management requirements.	Long-term (8 years or longer)	<ul style="list-style-type: none"> Continue to invest in the development and introduction of low-carbon/energy-saving/circular technologies, and incorporate green design concepts during the development stage to improve product energy efficiency and environmental performance. Conduct material/process evaluations and documentation management in accordance with customer requirements, and respond to customer audits or questionnaire requirements regarding low-carbon information and environmental compliance (where applicable).
3. Describe the financial impact of extreme climate events and transformation actions.	<p>In view of the increasing severity and frequency of extreme climate events (such as typhoons, floods, and heavy rainfall), as well as transition actions (such as carbon fee mechanisms and other carbon cost measures, emission inventory/verification and disclosure requirements, increased renewable energy usage, and customer requirements for material compliance and supply chain ESG information), the Company assesses that the financial impacts may primarily be reflected in the following areas:</p> <ol style="list-style-type: none"> Operating costs (OPEX): Increased energy costs, carbon costs, and compliance-related operational costs; increased repair, maintenance, and emergency response costs due to extreme climate events. Capital expenditures (CAPEX): Investments in energy-saving and carbon reduction projects, equipment replacement, renewable energy installation/procurement, and enhancement of plant resilience. Revenue and operational resilience: Extreme climate events may cause production or supply disruptions and affect delivery schedules; failure to meet customer specifications or sustainability requirements may affect order acquisition and market competitiveness. <p>The identification of related risks and opportunities and corresponding response strategies have been described in the aforementioned “Climate Risk Identification and Adaptation Strategies” and “Climate Opportunity Issues and Adaptation Strategies.” The Company will continue to track the above matters through its existing governance and management mechanisms, and, in accordance with regulatory requirements and the Company’s disclosure plan, will progressively strengthen the quantitative assessment and disclosure of financial impacts.</p>				

Item	Implementation				
<p>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</p>	<p>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.</p>				
	<p>Management Process</p>	<p>Collection of climate-related risk and opportunity topics</p>	<p>Training and inventory taking</p>	<p>Identification of significant risks and opportunities</p>	<p>Confirmation by senior management</p>
	<p>Explanation</p>	<p>In accordance with the Company's operational and management structure, climate-related risks and opportunity topics potentially relevant to each unit are collected to form a preliminary list.</p>	<p>In accordance with the Company's operational and management structure, climate-related risks and opportunity topics potentially relevant to each unit are collected to form a preliminary list.</p>	<p>Assessment and ranking are conducted based on the degree of impact (including operations, finance, reputation, etc.) and the time horizon of impact (short-term/medium-term/long-term) to identify the Company's overall material climate risks and opportunities.</p>	<p>The identified and ranked results are submitted to senior management for confirmation and are incorporated into the Company's overall risk management mechanism for control and tracking.</p>
<p>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.</p>	<p>To assess operational resilience in response to climate change, the Company refers to commonly adopted international scenario analysis frameworks. Scenario assumptions are established for extreme weather events (physical risks) and policy/market changes (transition risks), and analyses are conducted on potential impacts on operating costs, capital expenditures, and operational resilience. Relevant key parameters and quantitative methodologies will be progressively established and refined in accordance with the Company's disclosure plan. For related details, please refer to the Company's Sustainability Report.</p>				
<p>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.</p>	<p>The Company continues to promote energy conservation and carbon reduction, increased use of renewable energy, and related management measures, and tracks implementation status in accordance with its governance and management mechanisms. For disclosures on related transition actions and indicators/targets, please refer to the Company's Sustainability Report.</p>				

Item	Implementation
<p>7.If the internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.</p>	<p>The Company has adopted “Shadow Carbon Pricing” as a reference factor for evaluating investments and energy-saving projects, incorporating potential carbon costs into the financial assessment of equipment replacement and investment projects to enhance the completeness of capital expenditure and carbon reduction decision-making. The shadow carbon price is currently set at NT\$300/tCO_{2e} as the evaluation benchmark, with scenario settings referenced against domestic carbon fee mechanisms and carbon price development trends aligned with the Paris Agreement 1.5°C scenario. In practical application, by integrating parameters such as energy costs and electricity emission factors, the electricity savings achieved through energy-saving equipment are converted into carbon reduction benefits and potential carbon cost savings, which are incorporated into return on investment (ROI) evaluations as a reference for equipment replacement and energy-saving investment decisions. In the future, in line with the Company’s governance and disclosure plans, the Company will continue to review the assumptions and scope of application of shadow carbon pricing and progressively refine its internal management mechanisms.</p>
<p>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>	<p>The Company continues to promote greenhouse gas inventory and verification operations to understand emission status and use it as a basis for reduction management. The indicators set by the Company and the annual progress of achievement are as follows:</p> <ul style="list-style-type: none"> • Inventory and verification operations: All plant sites conduct greenhouse gas inventories annually in accordance with ISO 14064-1 and obtain third-party verification (assurance). • Scope: Scope 1 and Scope 2 (Scope 3: voluntary disclosure). • Base year: 2021. • Reduction targets/timeline: Managed in accordance with the Company’s ESG target management. • Annual progress (2025): <ul style="list-style-type: none"> ✓ Reduction of Scope 1 and Scope 2 emissions compared to the base year: 4.32% ✓ Reduction in greenhouse gas emission intensity compared to the base year: 22.47% • RECs / renewable energy usage: <ul style="list-style-type: none"> ✓ In 2025, 11,566 renewable energy certificates (RECs) were purchased, corresponding to green electricity usage of 11,566,331 kWh (period: January 1 to December 31; purpose: to increase the proportion of renewable energy usage). ✓ Carbon offset usage: The Company has not used carbon offsets. <p>Future plan: It is expected that the greenhouse gas inventory of overseas subsidiaries will be completed in 2026.</p>

Item	Implementation																												
9.Greenhouse gas inventory and assurance status, as well as reduction targets.	<p>1. The Company’s greenhouse gas inventory and confirmation status in the most recent two years</p> <p>(1) Greenhouse gas inventory information</p> <p>State the greenhouse gas emissions (tons CO₂e), intensity (tons CO₂e/million dollars) and data coverage for the most recent two years.</p> <p>A.Since 2007, the Company has conducted annual greenhouse gas inventories for the parent company entity to fully understand greenhouse gas usage and emissions, and to verify the effectiveness of reduction actions.</p> <p>B.The scope of disclosures required under the Sustainability Development Roadmap for TWSE/TPEX-listed companies is as follows:</p> <p>a.Parent company: Inventory shall commence from 2024 and be completed and disclosed, together with assurance status, no later than 2026.</p> <p>b.Subsidiaries included in the consolidated financial statements: Inventory shall commence from 2025 and be completed and disclosed, together with consolidated inventory information and assurance status, no later than 2027.</p> <p>c.The greenhouse gas data disclosed below covers the parent company, encompassing all operating sites within the Kaohsiung Nanzih Technology Industrial Park.</p> <table border="1" data-bbox="591 727 1856 1123"> <thead> <tr> <th colspan="2" rowspan="2"></th> <th colspan="2">2024</th> <th colspan="2">2025 (Note)</th> </tr> <tr> <th>Emissions (metric tons CO₂e)</th> <th>Intensity (metric tons CO₂e / NT\$ million in revenue)</th> <th>Emissions (metric tons CO₂e)</th> <th>Intensity (metric tons CO₂e / NT\$ million in revenue)</th> </tr> </thead> <tbody> <tr> <td rowspan="3">The Company</td> <td>(Scope 1) Direct greenhouse gas emissions</td> <td>465.0945</td> <td rowspan="3" style="text-align: center;">/</td> <td>817.8490</td> <td rowspan="3" style="text-align: center;">/</td> </tr> <tr> <td>Scope 2 Indirect greenhouse gas emissions</td> <td>77,092.6031</td> <td>79,670.6530</td> </tr> <tr> <td>Sub-total</td> <td>77,557.6976</td> <td>80,488.5020</td> </tr> <tr> <td colspan="2">Total</td> <td>77,557.6976</td> <td>4.76</td> <td>80,488.5020</td> <td>4.09</td> </tr> </tbody> </table> <p>(Note): As of the annual report publication date, complete greenhouse gas assurance opinions for 2025 have not yet been obtained. Complete assurance information will be disclosed in the sustainability report.</p>			2024		2025 (Note)		Emissions (metric tons CO ₂ e)	Intensity (metric tons CO ₂ e / NT\$ million in revenue)	Emissions (metric tons CO ₂ e)	Intensity (metric tons CO ₂ e / NT\$ million in revenue)	The Company	(Scope 1) Direct greenhouse gas emissions	465.0945	/	817.8490	/	Scope 2 Indirect greenhouse gas emissions	77,092.6031	79,670.6530	Sub-total	77,557.6976	80,488.5020	Total		77,557.6976	4.76	80,488.5020	4.09
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	<p>(2) Greenhouse gas confirmation information</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #d9e1f2;"> <th colspan="5">Description of assurance status for the most recent two years, including scope of assurance, assurance institution, assurance standards, and assurance opinion.</th> </tr> </thead> <tbody> <tr> <td colspan="5">All plant sites of the Company have completed greenhouse gas inventories for Scope 1 to Scope 3 for 2024, and third-party verification has been conducted by DNV in accordance with ISO 14064-3:2019. As of the annual report publication date, the 2025 verification process is still in progress, and complete assurance information will be disclosed in the sustainability report.</td> </tr> <tr> <th style="width: 10%;">YEAR</th> <th style="width: 15%;">Scope of assurance</th> <th style="width: 10%;">Assurance institution</th> <th style="width: 30%;">Assurance standards</th> <th style="width: 35%;">Assurance opinion</th> </tr> <tr> <td style="text-align: center;">2025</td> <td style="text-align: center;">Parent company</td> <td style="text-align: center;">DNV</td> <td style="text-align: center;">ISO 14064-1:2018 (inventory) ISO 14064-3:2019 (verification)</td> <td style="text-align: center;">Verification in progress; assurance report not yet obtained (complete assurance information will be disclosed in the sustainability report).</td> </tr> <tr> <td style="text-align: center;">2024</td> <td style="text-align: center;">Parent company</td> <td style="text-align: center;">DNV</td> <td style="text-align: center;">ISO 14064-1:2018 (inventory) ISO 14064-3:2019 (verification)</td> <td style="text-align: center;">Limited assurance report from a third party has been obtained.</td> </tr> </tbody> </table> <p>2. Greenhouse gas reduction targets, strategies and specific action plans (Describe the greenhouse gas reduction base year and its data, reduction targets, strategies and specific action plans, and the status of achievement of the reduction targets.)</p> <p>In accordance with the Climate Change Response Act and relevant carbon fee regulations, the Company promotes voluntary reduction measures: for plants whose greenhouse gas emissions have reached the levy threshold (Plant 3 and Jing 3 Plant), voluntary reduction plans have been proposed and approved by the competent authority, and corresponding reduction measures are implemented to reduce emissions and address carbon fee cost risks.</p> <p>◆ Voluntary reduction plan targets, strategies, and plans: The Company adopts 2022 as the base year for the plan. Through measures such as improving energy efficiency and reducing energy consumption, the target is set as follows: from 2025 (the year the voluntary reduction plan was proposed) to 2030, the combined Scope 1 and Scope 2 emissions shall be reduced by 6% compared with the base year (based on the principle of continuous annual improvement, i.e., a 1% reduction per year).</p> <p>◆ Annual implementation status and carbon fee impact:</p> <ol style="list-style-type: none"> 1. The Company has implemented voluntary reduction programs and corresponding reduction measures in accordance with regulations. 2. Based on a preliminary assessment, the achievement of reduction targets is as follows: Jing 3 Plant met the annual target, while Plant 3 did not meet the annual target. 3. For plants that failed to meet the target, the Company has initiated a management mechanism to conduct rolling reviews of the causes of non-compliance and to strengthen improvement measures, including equipment replacement, process energy-saving improvements, and related management actions, in order to enhance reduction performance in subsequent years. 4. The potential impact of carbon fees has been incorporated into cost and reduction strategy evaluations, and carbon fee declaration and subsequent management are carried out in accordance with regulatory requirements. 	Description of assurance status for the most recent two years, including scope of assurance, assurance institution, assurance standards, and assurance opinion.					All plant sites of the Company have completed greenhouse gas inventories for Scope 1 to Scope 3 for 2024, and third-party verification has been conducted by DNV in accordance with ISO 14064-3:2019. As of the annual report publication date, the 2025 verification process is still in progress, and complete assurance information will be disclosed in the sustainability report.					YEAR	Scope of assurance	Assurance institution	Assurance standards	Assurance opinion	2025	Parent company	DNV	ISO 14064-1:2018 (inventory) ISO 14064-3:2019 (verification)	Verification in progress; assurance report not yet obtained (complete assurance information will be disclosed in the sustainability report).	2024	Parent company	DNV	ISO 14064-1:2018 (inventory) ISO 14064-3:2019 (verification)	Limited assurance report from a third party has been obtained.
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Item	Implementation			
	◆ Status of achievement of reduction targets :			
	Target name	2025 actual	2025 target	Achieved or not
	Greenhouse gas emission verification coverage rate for manufacturing plants	100%	100%	Yes
	Greenhouse gas emission verification coverage rate for manufacturing plants	22.46%	18.0%	Yes
	Reduction in greenhouse gas emission intensity compared to the base year (2021)	4.30%	18.0%	No

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.

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) 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.
(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 a dedicated "Ethical Management Unit" responsible for formulating and supervising the implementation of ethical management-related regulations, and reports its operations and implementation status to the Board of Directors on an annual basis. The implementation status of ethical management for 2025 was reported to the Board of Directors on October 29, 2025. To implement the philosophy of ethical management, the Company conducted internal training in 2025 on topics including ethical management, professional ethics, and insider trading prevention. A total of 5,459 participants attended, with a total of 5,459 training 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.

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>	
(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 2025 social responsibility education and training results.	No significant difference.
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.

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>	
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/TPEX 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 2025 CSR education and training is as follows:

Course category	Name of class	Method of lecturing	Numbers of students
Enterprise operation laws	Key Practice Seminar on “Sustainability Information Management” and Internal Control & Internal Auditing	External training	3
	2025 IFRS Sustainability Disclosure Standards Promotion Seminar	External training	2
	CompTIA Network+ International Network Certification Course	External training	2
	Continuing Education Program for Accounting Supervisors	External training	1
	Decoding ISO 9001:2026 Revision — Key Changes, Impacts, and Corporate Response Measures	External training	1
	Advanced Information Security Course – Penetration Testing	External training	2
	2025 Corporate Governance Practice Program	External training	1
	Special Seminar for Finance and Accounting Executives – Key Topics for the First Half of 2025 (Kaohsiung Session, 2025/3/20)	External training	1
	CYBERDAY 2025 Information Security Industry Day	External training	1
	EC-Council CHFI Computer Hacking Forensic Investigator Certification Course	External training	1
	EC-Council CPENT Certified Penetration Testing Professional Course	External training	1
	IFRS S1/S2: Practical Application for Integrating Annual Reports and ESG Reports	External training	4
	Impacts of Trump 2.0 on Taiwan’s Economy	External training	1
	Trump’s New Tariff Policy and the Changing Global Economy	External training	1
	Corporate Governance Officer Compliance Practices	External training	1
	Key Challenges for Taiwanese Businesses’ Overseas Investment	External training	1
	The Era of Intelligent Auditing: AI System Audits and AI-Assisted Auditing	External training	3
	Current Global Economic and Financial Conditions	External training	1
	NVIDIA’s Trillion-Dollar Breakthrough: New Thinking on the Semiconductor Industry Revolution Behind Artificial Intelligence	External training	1
	Common Labor Dispute Case Awareness Training	Internal training	458
Insider Trading Prevention Education and Training	Internal training	12	
Risk Management Education and Training	Internal training	223	
Social Engineering Information Security Education and Training	Internal training	671	
Sustainable development	“Winning Through Resilience and Value Co-Creation – New ESG Transformation Landscape” Corporate Forum	External training	1
	2026 ESG Evaluation Promotion Seminar	External training	1
	2025 Lenovo Supplier ESG Forum	External training	1
	ESG Disclosure Practices and AA1000 Sustainability Assurance Professional Certification Program	External training	1
	ISO 14067 Product Carbon Footprint Lead Verifier Training Course	External training	1
	CPC Tainan Salon 2.0: Smart Decision-Making and a Sustainable Future	External training	1
	Electronics Industry Net Zero Strategy Meeting – Industrial Net Zero Alliance	External training	1
	2025 5th Taiwan Climate Action Expo (TAIWAN COP 5) and Forum Series	External training	1
	2025 4th Asia-Pacific Sustainability Expo	External training	6
	SMEs Moving Toward Net Zero and ESG Transformation Seminar	External training	1
	Comprehensive Carbon Reduction Strategy Program	External training	1

Course category	Name of class	Method of lecturing	Numbers of students
	Southern Talent Sustainability Exhibition – Energy-Saving Smart Transformation	External training	1
	From Dual Transformation to ESG Sustainable Management	External training	1
	3-Day Greenhouse Gas Inventory Seed Training Program	External training	1
	Greenhouse Gas Inventory Practical Workshop	External training	1
	Green Factory Label Workshop	External training	1
	Green Technology Talent Training Program	External training	3
	Green Facility Junior Personnel Training – Sustainable Material Management Mechanisms and Planning	External training	1
	Green Facility Junior Personnel Training – Hydrogen Energy, Bioenergy, CCUS and Negative Emission Technologies	External training	1
	Green Facility Junior Personnel Training – Wastewater Monitoring and IoT Applications	External training	1
	Green Facility Junior Personnel Training – Waste and Material Recycling and Value Enhancement Technologies	External training	1
	New Future of Environmental Sustainability: Social Resilience on the Ark of Biodiversity	External training	1
Human Rights Concept	2025 ATD Asia-Pacific Conference and Exhibition Participation	External training	1
	3rd Taiwan Diversity and Inclusion Leadership Forum	External training	1
	Corporate Sustainability and Employee Care Seminar – Trends and Value-Added Services of Employee Welfare Trusts	External training	1
	RBA Responsible Business Alliance Code of Conduct	Internal training	6,202

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 May 29, 2025, the material resolutions and the implementation status in the meeting:

Category	The resolutions of the General Meeting of Shareholders	Implementation
General Meeting of Shareholders	<p>Ratification Items</p> <ol style="list-style-type: none"> To adopt 2024 Business Report and Financial Statements. To adopt the proposal for 2024 earnings distribution. <p>Discussion:</p> <ol style="list-style-type: none"> Revision of some provisions of the “Articles of Incorporation.” 	<p>Ratification Items</p> <ol style="list-style-type: none"> Approval by voting. Approval by voting. (Ex-dividend record date: July 2, 2025; payable date: July 23, 2025) <p>Discussion:</p> <ol style="list-style-type: none"> The motion was approved by voting. The change has been registered at the Ministry of Economic Affairs on June 11, 2025.

2.3.10.2 Material resolutions in the Board Meeting:

Meeting Time	Category	Material resolutions
<p>The 4th meeting of the 19th term February 26, 2025</p>	<p>Board Meeting</p>	<p>Discussion:</p> <ol style="list-style-type: none"> 1. 2024 remuneration distribution for Employees and Directors. 2. 2024 parent company only and consolidated financial reports. 3. 2024 earnings distribution. 4. 2024 effectiveness of the internal control system and provision of “Internal Control System”. 5. Revision of some provisions of the internal control systems and implementation practices of internal audits. 6. Revision of some provisions of the “Articles of Incorporation.” 7. 2025 business plan. 8. 2025 Q1 Proposal on Bank Credit Line. 9. Convening of 2025 General Shareholders’ Meeting. 10. To set a capital reduction base date to offset the Company’s new restricted employee shares, which the Company has withdrawn. 11. Evaluation of the CPA's independence and appropriateness. 12. Review of the appointment and remuneration of CPAs. 13. Managers' compensation and remuneration as well as position adjustment.
<p>The 5th meeting of the 19th term April 23, 2025</p>	<p>Board Meeting</p>	<p>Discussion:</p> <ol style="list-style-type: none"> 1. 2025 Q1 consolidated financial statements. 2. 2025 Q2 "Proposal on Bank Credit Line". 3. Proposal for the Company to Procure and Enter into a Green Electricity Purchase Agreement. 4. 2024 annual remuneration distribution to Directors. 5. The compensation package for managers in 2024.
<p>The 6th meeting of the 19th term July 30, 2025</p>	<p>Board Meeting</p>	<p>Discussion:</p> <ol style="list-style-type: none"> 1. 2025 Q2 consolidated financial statements. 2. 2025 Q3 Proposal on Bank Credit Line. 3. 2024 sustainability report. 4. Proposal for expressly defining the scope of the Company’s “non-executive employees.” 5. Revision of some provisions of the internal control systems and implementation details of internal audits.
<p>The 7th meeting of the 19th term October 29, 2025</p>	<p>Board Meeting</p>	<p>Discussion:</p> <ol style="list-style-type: none"> 1. 2025 Q3 consolidated financial statements. 2. 2025 Q4 "Proposal on Bank Credit Line". 3. Proposal for Partial Cash Redemption of the Company’s Class C Preferred Shares upon Maturity of Three Years. 4. To set a capital reduction base date to offset the Company’s new restricted employee shares, which the Company has withdrawn. 5. Loan from subsidiary, Coreplus (HK) Limited, to sub-subsiary Valueplus Technology (Suzhou) Co., Ltd. for refinancing purpose. 6. Proposal for the Company to Procure and Enter into a Green Electricity Purchase Agreement. 7. Proposal for the Company to Issue the First Domestic Unsecured Convertible Corporate Bonds. 8. Proposal to Establish the Company’s “Corporate Value Enhancement Plan.” 9. Proposal to Amend the “Sustainability Information Management Procedures” and the “Operating Procedures for Preparation and Verification of Sustainability Reports.” 10. Revision of some provisions of the internal control systems and implementation details of internal audits. 11. 2026 audit plan. 12. Proposal on preapproval of non-assurance services provided by attesting CPAs, the CPAs’ firm, or the firm’s affiliates to the Company and subsidiaries.

Meeting Time	Category	Material resolutions
The 8th meeting of the 19th term February 25, 2026	Board Meeting	<p>Discussion:</p> <ol style="list-style-type: none"> 1. 2025 remuneration distribution for Employees and Directors. 2. Proposal for Determining the Scope of Non-executive Employees and Their Remuneration Distribution for 2025. 3. 2025 parent company only and consolidated financial reports. 4. 2025 earnings distribution. 5. 2025 effectiveness of the internal control system and provision of "Internal Control System". 6. Revision of some provisions of the internal control systems and implementation practices of internal audits. 7. 2026 business plan. 8. Convening of 2026 General Shareholders' Meeting. 9. 2026 Q1 Proposal on Bank Credit Line. 10. Proposal for "Structural Budget Increase and Plant Facility Investment Plan" for Plant 1. 11. Purchase of fixed assets. 12. Proposal to Set the Conversion Record Date for Conversion of Privately Placed Class C Preferred Shares Issued in 2020 into Common Shares. 13. Proposal for Public Offering Registration and Listing Application for Common Shares Converted from Privately Placed Class C Preferred Shares Issued in 2020. 14. To set a capital reduction base date to offset the Company's new restricted employee shares, which the Company has withdrawn. 15. Evaluation of the CPA's independence and appropriateness. 16. Review of the appointment and remuneration of CPAs.

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	2025.01.01~2025.12.31	6,550	1,040	7,590	
	Tsai-Yen Chiang					

(Note) Non-audit fees include NT\$480 thousand for tax compliance audit, NT\$150 thousand for bonded goods inventory, NT\$160 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 2025.

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	2025		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	150,000	0	0	0
Director	Chipbond Technology Corporation Representative: Huo-Wen Gau	Common shares Preferred Shares C	87,075,329 (180,180,000)	0	(104,000) 0	0
Shareholders with more than 10% of shareholding	Chipbond Technology Corporation					
Director	Shyh-Wey Lo	Common shares	Director	0	0	0
Independent Director	Chia-Hua Hsu	Common shares	0	0	0	0
Independent Director	Philip Wei	Common shares	0	0	0	0
Independent Director	Chi-Cheng Wu	Common shares	0	0	0	0
Independent Director	Fang-Yu Wen	Common shares	0	0	0	0
Independent Director	Chien-Hui Hung	Common shares	0	0	0	0
President	Jia Rong Tu	Common shares	120,000	0	0	0
Senior VP and Chief Information Security Officer	Chin-Chiu Wang	Common shares	69,000	0	0	0
Vice President	Chen-Ling Lai	Common shares	33,000	0	0	0
Vice President	Min-Lang Tsai	Common shares	69,000	0	0	0
Vice President	Hung-Tai Mai	Common shares	36,000	0	0	0
Assistant Vice President	Jia Ming Yang	Common shares	36,000	0	0	0
Assistant Vice President	Che-Kuang Liu	Common shares	36,000	0	(36,000)	0
Assistant Vice President	Chen-Chung Sun	Common shares	27,000	0	(5,000)	0
Assistant Vice President	Tseng-Chih Chi	Common shares	25,574	0	0	0
Chief Financial Officer	Simon Hung	Common shares	13,000	0	(2,000)	0
Accounting Supervisor and Corporate Governance Officer	Shu-Yung Chu	Common shares	24,000	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	234,316,827	35.56%	0	0	0	0	None	None
Mega Bank in custody for investment account of KTC-SUN CORPORATION	11,924,671	1.81%	0	0	0	0	None	None
Citibank (Taiwan) Commercial Bank entrusted with custody of iShares	9,885,000	1.50%	0	0	0	0	None	None
J.P. Morgan Securities Limited Investment Account under custody of JPMorgan Chase Bank, N.A., Taipei Branch	5,367,936	0.81%	0	0	0	0	None	None
Citi Bank is entrusted the custody of UBS Europe SE Investment Account	4,792,094	0.73%	0	0	0	0	None	None
JPMorgan Chase Bank as Custodian for the Special Investment Account of Starlight Total International Stock Index Fund	4,099,208	0.62%	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	3,530,792	0.54%	0	0	0	0	None	None
Citibank (Taiwan) Commercial Bank entrusted with custody of Barclays Capital Securities Limited investment account	3,511,000	0.53%	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	3,192,000	0.48%	0	0	0	0	None	None
New-system labor pension plan	2,329,000	0.35%	0	0	0	0	None	None

2.9 Comprehensive Shareholding of Investee Companies:

Unit: Shares; %; December 31, 2025

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 203,494,997	100%	Common 0	0	Common 203,494,997	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, 2026

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
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

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
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 cancelled.	None	None
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
May 2024	10	2,000,000	20,000,000	740,488	7,404,883	NT\$50,000 thousand of new restricted employee shares	None	None
March 2025	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
November 2025	10	2,000,000	20,000,000	659,004	6,590,043	Cancellation of Restricted Employee Shares Amounting to NT\$2,240 thousand and Capital Reduction through Cancellation of Class C Preferred Shares Amounting to NT\$811,800 thousand.	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
March 2026	10	2,000,000	20,000,000	658,976	6,589,763	NT\$280 thousand of restricted employee shares are recovered and cancelled.	None	None

March 31, 2026; 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	559,976,333	99,000,000	658,976,333	1,341,023,667	2,000,000,000	
Total	559,976,333	99,000,000	658,976,333	1,341,023,667	2,000,000,000	

Relevant information of shelf registration: none

3.1.2 List of major Shareholders

March 31, 2026

Name of major Shareholders	Shares	Shareholding	Proportion of shareholdings
Chipbond Technology Corporation		234,316,827	35.56%
Mega Bank in custody for investment account of KTC-SUN CORPORATION		11,924,671	1.81%
Citibank (Taiwan) Commercial Bank entrusted with custody of iShares		9,885,000	1.50%
J.P. Morgan Securities Limited Investment Account under custody of JPMorgan Chase Bank, N.A., Taipei Branch		5,367,936	0.81%
Citi Bank is entrusted the custody of UBS Europe SE Investment Account		4,792,094	0.73%
JPMorgan Chase Bank as Custodian for the Special Investment Account of Starlight Total International Stock Index Fund		4,099,208	0.62%
JPMorgan Chase Bank as Custodian for the Special Investment Account of Vanguard Emerging Markets Stock Index Fund managed by the Vanguard Group		3,530,792	0.54%
Citibank (Taiwan) Commercial Bank entrusted with custody of Barclays Capital Securities Limited investment account		3,511,000	0.53%
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		3,192,000	0.48%
New-system labor pension plan		2,329,000	0.35%

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 25, 2026, approved the distribution of cash dividends from the 2025 undistributed earnings in the amount of NT\$1.0 per share.

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 25, 2026, the Board of Directors resolved to distribute NT\$186,500,000 for employees' remuneration and NT\$18,640,000 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:

3.2.1. Status of corporate bonds

March 31, 2026

Type of Corporate Bonds	First Domestic Unsecured Convertible Corporate Bonds
Issue (Processing) Date	March 18, 2026
Par value	NT\$100,000 per bond
Place of Issuance and Trading	Domestic issuance
Issuance price	Issued at 102% of par value
Total	NT\$2.5 billion
Interest rate	Coupon rate: 0%
Term	3 years; maturity date: March 18, 2029
Guarantor	Not applicable
Trustee	KGI Bank Co., Ltd.
Underwriter	KGI Securities Co., Ltd.
Legal Counsel	Han Chen Law Offices, Attorney Ya-Wen Chiu
Certified Public Accountant	Not applicable

Repayment Method	Except where bondholders convert the bonds into common shares of the Company in accordance with Article 10 of the “Terms and Conditions for Issuance and Conversion of the First Domestic Unsecured Convertible Corporate Bonds,” or where the Company redeems early pursuant to Article 18 of the same, or repurchases and cancels the bonds through securities dealers, the Company shall redeem the bonds in cash at par value upon maturity. Payment shall be made within ten business days (inclusive) after the maturity date.
Outstanding Principal	NT\$2.5 billion
Redemption or Early Repayment Terms	Please refer to the “Terms and Conditions for Issuance and Conversion of the First Domestic Unsecured Convertible Corporate Bonds.”
Restriction	None
Credit Rating Agency, Rating Date, and Result	Not applicable
Other equity	Amount of conversion (exchange or subscription) into common shares, overseas depositary receipts, or other securities as of the annual report publication date: No conversions have occurred as of the publication date.
	Issuance and Conversion (Exchange or Subscription) Terms Please refer to the “Terms and Conditions for Issuance and Conversion of the First Domestic Unsecured Convertible Corporate Bonds.”
Terms governing issuance, conversion, exchange or subscription, and the potential dilutive effect of the issuance conditions on equity and their impact on the rights and interests of existing shareholders	Based on the total issued shares of 658,976,333 shares registered with the Ministry of Economic Affairs as of the publication date, assuming full conversion of the bonds into approximately 48,733 thousand common shares (NT\$2,500,000 thousand ÷ 51.3), the estimated dilution ratio is approximately 6.89%, which has no material impact on shareholder interests.
Custodian Institution for Underlying Securities	Not applicable

3.2.2 Convertible Bond Information

Type of Corporate Bonds (Note 1)	First domestic unsecured convertible corporate bonds	
Item	Fiscal Year For the current year up to March 31, 2026 (Note 4)	
Market price of convertible bonds (Note 2)	Highest	NT\$ 135.70
	Lowest	NT\$ 112.20
	Average	NT\$ 123.78
Conversion price	No conversions have occurred as of the publication date.	
Issue (processing) date and initial conversion price	Issue date: March 18, 2026 Initial conversion price: NT\$51.3	
Method of fulfillment of conversion obligation(Note 3)	No conversions have occurred as of the publication date.	

Note 1: The number of columns are adjusted according to the actual number.

Note 2: For overseas corporate bonds with multiple trading venues, information shall be disclosed separately by trading venue.

Note 3: Delivery of existing shares or issuance of new shares.

Note 4: Information shall be presented up to the date of publication of the annual report.

3.3 Preferred Stocks

March 31, 2026

Issue Date (Note)		December 3, 2020 Private Placement of Preferred Shares C
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	November 13, 2025: Cash redemption of 81,180,000 shares February 25, 2026: Conversion into 99,000,000 common shares
	Unrecovered shares or the remaining of transferred shares	0
	Clause on recovery and transfer of shares	<p>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.</p> <p>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.</p>
2024	Maximum	This issue of privately placed preferred shares is not yet outstanding in the market and is therefore not applicable.
	Minimum	
	Average	
2025	Maximum	
	Minimum	
	Average	
Other equity	Amount of shares converted or subscribed as of the printing date of the annual report	As of February 25, 2026, fully converted into privately placed common shares totaling 99,000,000 shares, amounting to NT\$990,000,000
	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.

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 meeting the vesting conditions, an</p>

Type of new restricted employee shares	2023 First new restricted Employee shares
	<p>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	332,000 share
Number of new restricted Employee shares lifted	1,476,000 share
Number of new restricted Employee shares not lifted	3,192,000 share
Number of new restricted Employee shares	0.48%

Type of new restricted employee shares	2023 First new restricted Employee shares
not lifted to the total number of shares issued (%)	
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	2,350	0.36%	705	0	0	0.11%	1,645	0	0	0.25%
	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										

Note: Total number of issued shares refers to the number of shares registered with the Ministry of Economic Affairs.

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

3.8 Financing Plans and Implementation:

The Company issued its first domestic unsecured convertible corporate bonds in 2026. The status of implementation of the fund utilization plan is as follows:

3.8.1. Project details:

1. Approval reference number: Financial Supervisory Commission, letter dated January 9, 2026 (Ref. No. Jin Guan Zheng Fa Zi No. 1140368712)
2. Total funding required for the project: NT\$2,550,000 thousand.
3. Source of funds: Issuance of first domestic unsecured convertible corporate bonds, with a par value of NT\$100 thousand per bond, total issuance of 25,000 bonds, total par value of NT\$2,500,000 thousand,

term of 3 years, coupon rate of 0%, issued at 102% of par value, with total proceeds of NT\$2,550,000 thousand.

4. Project items and expected schedule of fund utilization:

Unit: NT\$ thousand

Project items	Expected completion date	Total capital amount	Expected schedule of fund utilization	
			2026	
			Q1	Q2
Repayment of bank borrowings	2026 Q1	1,548,000	1,548,000	–
Replenishment of working capital	2026 Q2	1,002,000	–	1,002,000
Total		2,550,000	1,548,000	1,002,000

5. Expected benefits:

(1)Repayment of bank borrowings

Of the total funds raised, NT\$1,548,000 thousand will be used to repay bank borrowings. In addition to reducing interest expenses, this will lower dependence on financial institutions, strengthen the financial structure, and enhance debt-servicing capacity. Based on the estimated repayment amount and applicable interest rates, it is estimated that interest expenses of NT\$23,752 thousand can be saved in 2026, and NT\$28,502 thousand can be saved annually thereafter.

(2)Replenishment of working capital

Of the total funds raised, NT\$1,002,000 thousand will be used to replenish working capital to support procurement needs and daily operating turnover. Based on the Company's current borrowing rate of approximately 1.825%, it is estimated that interest expenses of NT\$13,715 thousand can be saved in 2026, and NT\$18,287 thousand can be saved annually thereafter. This will prevent interest expenses from eroding profits and strengthen the financial structure.

3.8.2.Implementation:

Unit: NT\$ thousand

Project items	Implementation status			Variance from schedule, reasons, and improvement plans
	Amount utilized	Planned	Actual	
Repayment of borrowings	Amount utilized	Planned	1,548,000	The Company completed repayment of borrowings in the first quarter of 2026, with execution progress reaching 100.00%.
		Actual	1,548,000	
	Implementation progress (%)	Planned	100.00	
		Actual	100.00	
Replenishment of working capital	Amount utilized	Planned	1,002,000	Scheduled for use in the second quarter of 2026 for working capital replenishment.
		Actual	0	
	Implementation progress (%)	Planned	100.00	
		Actual	0	
Total	Amount utilized	Planned	2,550,000	As of the end of the first quarter of 2026, the fund utilization plan has been executed in accordance with the originally scheduled progress.
		Actual	1,548,000	
	Implementation progress (%)	Planned	100.00	
		Actual	60.71	

The funds raised from the issuance of the Company's first domestic unsecured convertible corporate bonds have been utilized in accordance with the originally planned schedule, and the status of fund utilization has been reported quarterly to the Market Observation Post System (MOPS) in compliance with regulations.

3.8.3. Evaluation of implementation effectiveness

In March 2026, the Company issued its first domestic unsecured convertible corporate bonds and raised NT\$2,550,000 thousand, which were used for repayment of borrowings and working capital replenishment. Of this amount, NT\$1,548,000 thousand was allocated to the repayment of borrowings and was fully executed in March 2026, while the remaining funds are being utilized in accordance with the planned schedule. The plan is expected to reduce the Company's dependence on financial institutions, decrease annual interest expenses going forward, and strengthen the financial structure.

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 \ Year	2024		2025	
	Amount	Percentage	Amount	Percentage
Industry classification	8,551,302	52.53%	11,545,301	58.66%
Packaging and testing	7,569,521	46.50%	7,977,649	40.53%
Other	156,622	0.97%	160,361	0.81%
Total	16,277,445	100.00%	19,683,311	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.

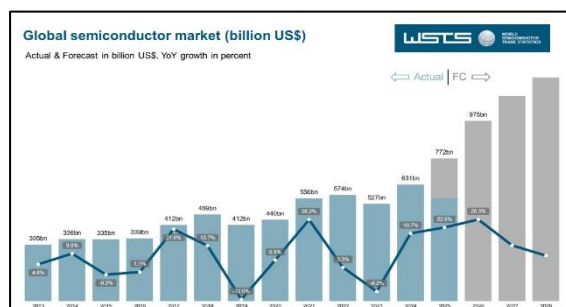
4.1.2 Current status of the industry

4.1.2.1. Current status and development of the industry

Semiconductor Group

IC packaging and testing is a critical segment of the semiconductor industry value chain, serving as a bridge between IC design and final applications by connecting upstream and downstream processes. Driven by continued investment in AI data centers, demand for logic chips such as memory and graphics processing units (GPUs) is expected to maintain strong growth. Based on robust global chip sales in 2025, the World Semiconductor Trade Statistics (WSTS) estimates that the global semiconductor market will reach US\$772 billion in 2025, representing a year-on-year increase of 22.5%. The market is expected to grow further by 26.3% in 2026 to reach US\$975 billion. Logic and memory products are expected to be the primary growth drivers in 2026, with anticipated annual growth rates of 32.1% and 39.4%, respectively.

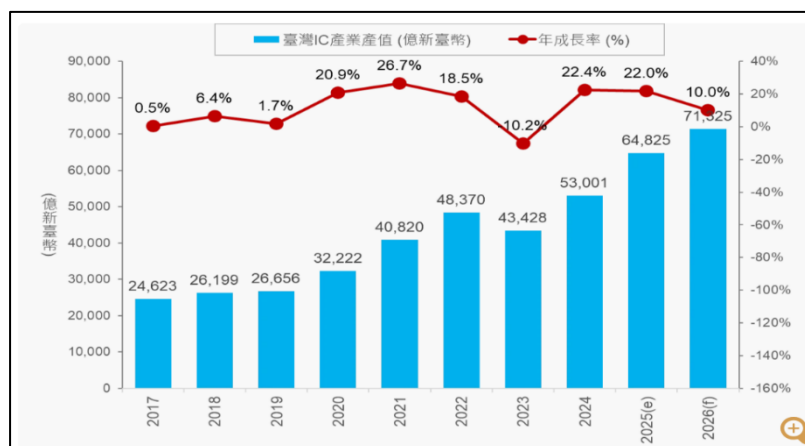
Estimated global semiconductor market size



Source: WSTS

As the global semiconductor market continues to expand, Taiwan’s semiconductor output value has risen accordingly. According to estimates by the Industrial Technology Research Institute (ITRI), in 2025 Taiwan’s semiconductor industry output—covering IC manufacturing, IC design, and packaging and testing—is expected to reach NT\$4,340.1 billion (up 26.9%), NT\$1,432.0 billion (up 12.6%), and NT\$710.4 billion (up 13.9%), respectively. Total industry output is estimated at NT\$6,482.5 billion, representing a year-on-year increase of 22.0%. Sustaining strong growth momentum, total output is projected to reach NT\$7,182.5 billion in 2026, with a growth rate of 10.0%. Key growth drivers include AI data centers, edge computing, and proactive inventory buildup across the supply chain.

Taiwan semiconductor industry output trend



Source: Provided by ITRI, October 2025

Electronics Manufacturing Services Group

According to a report issued by Research Nester in September 2025, the global electronics manufacturing services (EMS) market is expected to exceed US\$635.49 billion in 2025 and reach US\$671.52 billion in 2026. The market is projected to expand to US\$1.17 trillion by 2035, with a compound annual growth rate (CAGR) of approximately 6.3% from 2026 to 2035. This growth is primarily driven by the increasing adoption of consumer electronics such as smartphones, tablets, and wearable devices, which has significantly boosted demand for high-speed and cost-efficient EMS production.

The Company and its subsidiaries provide comprehensive one-stop EMS services, enabling rapid production and timely delivery, while helping customers effectively reduce costs and inventory levels. Its products are applied in servers, system-in-package (SiP) modules, instruments and large industrial equipment, storage systems, petroleum exploration, aerospace, and satellite-related applications. The Company primarily focuses on providing EMS services for server motherboard (PCBA) manufacturing.

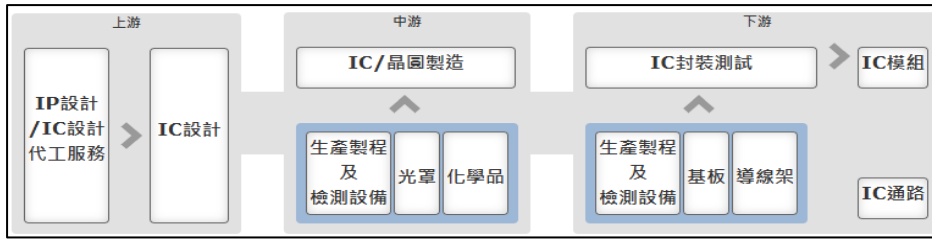
According to estimates by the MIC, the global server market reached 14.32 million units in 2025, representing growth of 5.6%, and is expected to reach 14.98 million units in 2026, with growth of 4.5%. In addition to benefiting from the surge in sovereign AI initiatives, expanding procurement of AI servers by cloud service providers, major technology companies, and emerging Neo/GPU cloud providers continues to drive strong demand for AI servers.

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

Semiconductor Group

The upstream, midstream, and downstream segments of the semiconductor industry are illustrated as follows: upstream includes IP design and IC design; midstream includes IC manufacturing, wafer fabrication, process inspection equipment, photomasks, and chemicals; downstream includes IC packaging and testing, related process inspection equipment, components (such as substrates and lead frames), IC modules, and IC distribution. The Company’s memory packaging and testing operations belong to the downstream segment of the semiconductor industry.

Industry Value Chain



Source: Industry Value Chain Information Platform

Electronics Manufacturing Services Group

In the EMS industry value chain, the upstream segment (suppliers) primarily provides electronic components, raw materials, and equipment required for manufacturing electronic products. These include semiconductors (chips and memory), printed circuit boards (PCBs), connectors, passive components, enclosure materials, and machinery used for assembly and testing. The midstream segment (EMS manufacturers/contract manufacturers) represents the core of the EMS value chain. EMS providers offer professional manufacturing, assembly, and testing services. Based on designs from brand customers (OEM/ODM) or jointly developed products, they are responsible for component procurement, production management, product assembly, and ensuring product quality and yield. The downstream segment (brand customers and end markets) primarily consists of brand companies (OBM) that sell finished products to end consumers. These companies outsource manufacturing processes to EMS providers while focusing on product development, branding, and marketing. The Company's EMS server business mainly involves contract manufacturing of server electronic products for customers and is positioned in the midstream segment of the EMS industry.

EMS industry value chain

Upstream	Midstream	Downstream
<ul style="list-style-type: none"> ● Electronic components ● PCB ● Connector ● Passive components ● Packaging materials ● Modules ● Antennas 	<ul style="list-style-type: none"> ● EMS manufacturers 	<ul style="list-style-type: none"> ● Brand companies ● ODM manufacturers ● OEM manufacturers

4.1.2.3 Trends and competition situation of products

The Company and its subsidiaries continue to focus on adjusting market positioning and restructuring internal organization to create core corporate value, while actively cultivating the niche market of flash memory packaging by investing significant capital expenditures and production resources. 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. Major lines of business.

In semiconductor packaging and testing technology and R&D, in addition to continuously validating and introducing various 3D NAND Flash processes into mass production, flip-chip-related products have also been successfully verified and mass-produced. Furthermore, the Company will introduce the development of advanced flip-chip products, fan-out packaging, and process and product development for third-generation semiconductors targeting electric vehicle applications. 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.

In EMS technology and R&D, with the transfer of advanced technologies from customers, the Company has achieved a technological capability exceeding the highest industry Class 3 quality standards, suitable for applications in 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.

4.1.3.2. R&D expenses invested

Unit: NT\$ thousand

Item	Fiscal Year	2024	2025
	R&D expenses		405,993
Operating revenue		16,277,445	19,683,311
R&D expenses as a percentage of revenue		2.49%	2.26%

4.1.3.3. Technologies or products developed successfully

Fiscal Year	Technologies or products
2024	<ul style="list-style-type: none"> ● Completed verification of high heat dissipation materials ● Successfully developed high heat dissipation FCCSP products ● Successfully developed strip fan-out package and achieved customer-certified mass production ● Successfully completed verification of recycled gold wire ● Successfully introduced DDR4 wBGA package
2025	<ul style="list-style-type: none"> ● Completed development of the world's smallest eMMC package (7.2 × 7.2 mm) and achieved customer-certified mass production ● Completed verification and development of high heat dissipation products using sintered silver ● Completed development and verification of the world's thinnest ePoP (0.5 mm thickness) ● Completed development of 300-layer 3D NAND Flash packaging technology ● Successfully introduced DDR5 wBGA package into mass production

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

Area \ Fiscal Year		2024		2025	
		Sales amount	%	Sales amount	%
Foreign sales	America	3,746,657	23.02	3,779,591	19.20
	Asia	3,687,521	22.65	5,016,272	25.49
	Others	1,997,085	12.27	2,323,584	11.80
Sub-total		9,431,263	57.94	11,119,447	56.49
Domestic sales		6,846,182	42.06	8,563,864	43.51
Total		16,277,445	100.00	19,683,311	100.00

4.2.1.2. Market share

Based on data from the Taiwan Semiconductor Industry Association and the Industrial Economics and Knowledge Center (IEK), as well as the Company's packaging business revenue over the past three years, the Company's market share in Taiwan is estimated at 2.54%, 1.87%, and 2.16%, respectively. The Company's packaging and testing services are widely applied in computers, communications, networking, consumer electronics, telecommunications networks, industrial controllers, automotive electronics, digital cameras, and other fields, with strong competitiveness across product categories. As 5G becomes a key driver of the smart era—enabling the Internet of Things (IoT), vehicle-to-everything (V2X), Industry 4.0, smart transportation, and smart healthcare—heterogeneous integration through system-in-package (SiP) is expected to align with global packaging trends in the 5G era. The Company is well prepared for the arrival of the 5G era and provides customized solutions to meet customer and market demands.

Unit: NT\$ 100 million

Industry category	Fiscal Year	OSE packaging revenue	Output value of packaging industry in Taiwan	Market share
IC packaging	2023	100.03	3,931	2.54%
	2024	79.05	4,233	1.87%
	2025	104.33	4,825	2.16%

Source: TSIA; Institute of Industrial Technology Research Institute IEK (February 2026).

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 replacement cycle driven by AI PCs and AI smartphones is expected to increase 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) With the evolution of communication technology toward 5.5G, product upgrades will be accelerated, leading to a corresponding increase in semiconductor demand.

◆ 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, Japan, China
Compound	China, Japan, Taiwan
Lead frame	Taiwan, China
Substrate	China, Taiwan, Japan

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

2024				2025			
Name	Amount	Proportion in annual net sales [%]	Relationship with the issuer	Name	Amount	Proportion in annual net sales [%]	Relationship with the issuer
Company A	5,230,767	32.14	None	Company A	5,549,005	28.20	None
Company B	2,437,018	14.97	None	Company B	2,807,608	14.26	None
Company C	1,734,583	10.66	None	Company C	2,548,947	12.95	None
Company D	1,784,081	10.96	None	Company D	2,439,546	12.39	None
Others	5,090,996	31.27		Others	6,338,205	32.20	
Net sales	16,277,445	100.00		Net sales	19,683,311	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

2024				2025			
Name	Amount	Proportion in annual net purchase [%]	Relationship with the issuer	Name	Amount	Proportion in annual net purchase [%]	Relationship with the issuer
Company a	2,039,598	24.97	None	Company a	2,097,100	19.17	None
Company b	589,259	7.21	None	Company b	1,174,653	10.74	None
Others	5,540,558	67.82		Others	7,668,276	70.09	
Net purchase	8,169,415	100.00		Net purchase	10,940,029	100.00	

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	
		2024	2025
Number of Employees	Fiscal Year Employee	3,029	3,460
	Fiscal Year Employee	2,116	2,299
	Fiscal Year Employee	5,145	5,759
Average age		37.62	37.13
Average seniority		8.62	8.03
Education distribution %	Doctor	0.02%	0.02%
	Master	6.16%	6.49%
	University/College	69.80%	72.17%
	Senior high school	21.38%	19.07%
	Less than Senior high school	2.64%	2.25%

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	<ol style="list-style-type: none"> The "Class A Toxic Chemicals Specialist Training" is conducted by industry management personnel to enhance their professional sensitivity 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) In 2024, the Company conducted its first employee survey using an anonymous questionnaire. Based on the survey results, the Company formulated follow-up improvement action plans and continues to track implementation progress.
- 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) In response to the dual transformation trend driven by AI, the Company actively establishes diversified learning channels for digital tool applications to enhance employees' professional knowledge and skills and facilitate practical implementation. Initiatives include AI digital transformation literacy programs, large language model (LLM) project training, and corporate sustainability management certification programs, enabling digital transformation and sustainable

development to advance in parallel.

- (9) Conducted education and training for 109,957 times in 2025. We offered education and training to a total of 188,496.05 hours, the training expenses totaled NT\$5,458,693, and the satisfaction score was 90.2 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	594	17,948.23	30.22	5,458,693
	Female	2,864	71,129.04	24.84	
Professional position	Male	1,157	47,730.85	41.25	
	Female	620	22,890.63	36.92	
Administration position	Male	310	18,315.26	59.08	
	Female	214	10,482.04	48.98	
Total		5,759	188,496.05	32.73	

4.5.1.3. Retirement system:

To ensure employee retirement protection, the Company adopts both the Labor Standards Act and the Labor Pension Act systems. Employees may choose to continue under the Labor Standards Act. For such employees, the Company contributes a monthly retirement reserve equivalent to 6.58% of total salary, calculated based on years of service and the average salary over the six months prior to retirement, which is deposited in a dedicated account with the Bank of Taiwan under the supervision of the Labor Pension Reserve Supervisory Committee. Under the Labor Pension Act system, the Company contributes 6% of employees' monthly salaries to individual pension accounts maintained by the Bureau of Labor Insurance.

4.5.1.4. Other important agreements:

The Company regularly convenes labor-management meetings to communicate and discuss working conditions, compensation and benefits, occupational safety and health, and other employee concerns. Employees who are not members of a labor union enjoy the same benefits and conditions as those who are union members, with no differential treatment. In addition, the Company has established multiple channels for feedback and grievance handling to ensure that employee concerns are addressed promptly and appropriately. The Company complies with relevant labor laws to safeguard employee rights and continues to review and enhance its labor management systems to maintain stable and harmonious labor relations.

Through continuous and diversified employee communication mechanisms, the Company fosters cooperation between labor and management, actively maintains harmonious labor relations, and protects employee rights; therefore, no collective bargaining agreement has been separately established.

- 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
2025/10/15	Jing-Yuan-Huan-An-Zi No. 1140108102	Article 36 of the Labor Standards Act	Engaging employees to work on regular days off	50,000
2026/01/27	Jing-Yuan-Huan-An-Zi No. 1150100856	Article 30, Paragraph 5 of the Labor Standards Act	Failure to prepare employee attendance records in accordance with regulations or failure to retain attendance records for five years as required	90,000

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 continues to operate the “Information Security Governance Committee,” which is responsible for guiding, evaluating, and supervising the operation and effectiveness of information security management. The Board of Directors has approved the appointment of the Senior Vice President of the Information Center as the Chief Information Security Officer (CISO), responsible for overseeing information security governance and management review. One information security supervisor has also been designated, responsible for the planning, implementation, auditing, and improvement of the information security management system.

In response to increasing external cyber threats and rising information security requirements, the Company has established an “Information Security Management Department” as a dedicated unit for information security. In accordance with applicable regulations, at least two full-time information security personnel are assigned. Their responsibilities include security alert management, vulnerability management, information security systems and equipment management, security event monitoring, incident response, and digital forensics, thereby strengthening risk identification, continuous monitoring, and incident response capabilities.

To ensure that management can promptly grasp information security risks and control status, the Company has established a regular reporting and supervision mechanism: the information security unit produces periodic security reports, reporting weekly to the CISO and biweekly to the General Manager, while the CISO reports monthly to the Chairman, thereby ensuring accountability in information security governance and supporting resource allocation decisions.

4.6.2 Information security policy

The Company has established information security management regulations and an information and communications security policy in accordance with applicable laws and international standards. The core principles are to maintain the confidentiality, integrity, availability, and compliance of information assets, and to prevent improper use, disclosure, alteration, damage, or loss of information assets due to human error, malicious acts, or natural disasters, which could adversely affect operations and harm the Company’s interests. The key management focus areas are as follows:

1. Systems and Regulatory Compliance: Establish information security management systems in accordance with relevant laws and regulations to ensure that information asset protection measures are properly implemented and compliant with applicable requirements.
2. Risk Assessment and Business Continuity: Regularly assess the impact of human and natural risks on information assets; develop disaster prevention measures and disaster recovery plans for critical information assets; and verify recovery capabilities through drills.
3. Personnel Management and Training: Supervise employees in implementing information security protection requirements and strengthen security awareness and compliance behavior through regular training.
4. External Users and Supplier Management:
Require all employees, customers, and vendors using the Company’s information systems to comply with information security regulations; violations are handled in accordance with relevant procedures to ensure system security and protection of information assets.

The Company has obtained ISO 27001:2022 Information Security Management System certification and continues to maintain its validity through annual surveillance audits. Through the systematic operation of ISO 27001 and the PDCA cycle, the Company continuously enhances its risk management maturity and incident response capabilities, ensuring the protection of both Company and customer information assets.

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

Management plan	Execution results
Infrastructure Enhancement	<ol style="list-style-type: none"> 1. Completed dual-loop optimization of network switches, significantly improving data transmission speed and stability. 2. Optimized data center air conditioning systems, enhancing energy efficiency and significantly reducing electricity costs, thereby supporting sustainable operation objectives. 3. Established inter-plant dedicated network backup lines, ensuring critical communication availability exceeds 99.9%. 4. Developed a lakehouse-integrated data architecture to improve query efficiency for production logs.
Information Security Protection	<ol style="list-style-type: none"> 1. Information security protection performance remains consistently above industry average levels. 2. Implemented micro-segmentation defense to achieve server traffic visualization and filtering, effectively reducing potential attack and lateral movement risks by 90%. 3. Conducted regular social engineering simulation exercises, with employee click rates consistently outperforming KPI targets, strengthening organization-wide security awareness. 4. Enhanced document server architecture and application workflows, significantly reducing the number of maintenance and management cases.
Data Analytics and Decision Support	<ol style="list-style-type: none"> 1. Reduced query time for full-process data, effectively supporting real-time decision-making. 2. Implemented automated reporting systems, saving over 90% of manual data processing time for HR and operational units. 3. Integrated end-to-end data reporting from wafer processing to shipment, significantly improving cross-departmental communication and data consolidation efficiency. 4. Promoted widespread adoption of Business Intelligence (BI) tools, lowering learning barriers and fostering a report-sharing culture.
Advanced System Solutions	<ol style="list-style-type: none"> 1. Implemented automated invoice and accounting reconciliation, saving significant manual verification time for accounting units each month. 2. Achieved automation of ERP monthly closing operations, shortening financial and IT department closing cycles. 3. Established a highly secure supplier collaboration platform, replacing legacy systems to comply with the latest information security standards while enhancing user experience.
Legal compliance and certification standards introduction	<ol style="list-style-type: none"> 1. Continues to maintain compliance with ISO/IEC 27001:2022 Information Security Management System requirements, following international information security management standards to ensure confidentiality, integrity, and availability of information systems and safeguard information assets while reducing risks of data breaches. 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. Conducts annual reviews and drills of the Business Continuity Plan (BCP) to ensure that response plans can be promptly activated and effectively executed in the event of a disaster, enabling critical operations to recover within the defined recovery time objectives.
Universal education and training	<ol style="list-style-type: none"> 1. Conducted quarterly social engineering (phishing email) simulation exercises, with 4 sessions held in 2025 and a total of 9,724 participants. Employees are required to achieve a 100% pass rate; those who fail must undergo retraining and re-assessment until fully qualified, strengthening phishing identification capabilities. 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 2025, the total number of people who participated in cybersecurity training programs reached 6,295, and the total training hours reached 18,885 hours. 3. In 2025, information security personnel obtained relevant international certifications through external training, including EC-Council CHFI (Computer Hacking Forensic Investigator), EC-Council CPENT (Certified Penetration Testing Professional), and CompTIA Network+ certification.

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 13 plots of land in the Kaohsiung Nanzih Technology Industrial Park from others (based on the lease agreements); the actual leased area is 68,017m ² 2. Rental and payment	
Construction contracting	SEI-CO SHA ENGINEERING CORP.	1. 2024.03.12 ~ end of warranty period 2. 2025.04.14 ~ end of warranty period 3. 2026.01.30~2027.03.31	1. Construction of cleanroom on 7F at Central-3 Factory 2. Equipment installation on 6F and 7F at Central-3 Factory 3. Fireproof partition and floor works at Jing-1 Factory	
Construction contracting	Winnway International Company, Limited	2025.07.28 ~ end of warranty period	Installation of wastewater recycling equipment on 1F at Central-3 Factory	
Construction contracting	Concord Technology Co., Ltd.	2026.01.01~2030.12.31	Water system engineering at Jing-1 Factory	
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	
Procurement	Thunderbolt Power Co., Ltd.	2025.06.01 ~2044.12.31	Renewable energy procurement with fixed pricing and guaranteed power supply	
Procurement	Anneal Energy Co., Ltd.	2025.10.01~2025.12.31	Procurement of 3 million kWh of green electricity	
Bank credit contract	First Bank	2023.09.25~ 2030.09.25	Medium-term borrowings	Restricted to plant construction

V. Financial Status, Operating Results and Risk Management

5.1 Financial Status (Consolidated)

Unit: NTD thousand

Fiscal Year Item	2025	2024	Increase(decrease) amount	Proportion of change	Analysis of change (Note)
Current assets	10,681,781	10,691,745	(9,964)	(0.09%)	
Property, plant and equipment	7,807,304	6,455,962	1,351,342	20.93%	(I)
Intangible assets	39,284	51,556	(12,272)	(23.80%)	
Other assets	2,185,861	2,336,454	(150,593)	(6.45%)	
Total assets	20,714,230	19,535,717	1,178,513	6.03%	
Current liabilities	7,939,025	6,814,117	1,124,908	16.51%	
Non-current liabilities	1,621,007	1,151,547	469,460	40.77%	(II)
Total liabilities	9,560,032	7,965,664	1,594,368	20.02%	
Equity attributed to owners of the parent company	11,154,198	11,570,053	(415,855)	(3.59%)	
Capital	6,590,043	7,404,883	(814,840)	(11.00%)	
Capital reserve	375,146	476,203	(101,057)	(21.22%)	(III)
Retained earnings(loss)	4,621,252	3,934,319	686,933	17.46%	
Other equity	(432,243)	(245,352)	(186,891)	(76.17%)	(IV)
Total equity	11,154,198	11,570,053	(415,855)	(3.59%)	

(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\$1,351,342 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 increased by NT\$469,460 thousand compared to the same period last year, primarily due to the appropriation of retirement funds to the Bank of Taiwan designated account in accordance with regulations, resulting in a decrease of NT\$25,568 thousand in net defined benefit liabilities—non-current, and an increase of NT\$488,668 thousand in long-term borrowings.
- (III). Capital surplus decreased by NT\$101,057 thousand compared to the same period last year, mainly due to the partial cash redemption of Class C preferred shares, resulting in a reversal of NT\$89,298 thousand from the issuance premium corresponding to the redeemed portion; additionally, adjustments related to restricted stock for employees amounted to NT\$11,759 thousand during the year
- (IV). Other equity decreased by NT\$186,891 thousand compared to the same period last year, primarily due to a decrease of NT\$295,507 thousand in the after-tax impact of unrealized gains and losses from financial assets held by subsidiaries measured at fair value through other comprehensive income as a result of valuation changes, partially offset by an increase of NT\$118,015 thousand from the recognition of compensation expense related to restricted employee shares in 2025.

5.2 Financial Performance(Consolidated)

Unit: NTD thousand

Item	2025	2024	Increase(decrease) amount	Proportion of change	Analysis of change (Note)
Operating revenue	19,683,311	16,277,445	3,405,866	20.92%	
Operating margin	2,964,091	2,465,283	498,808	20.23%	(I)
Operating income	1,511,814	1,157,919	353,895	30.56%	(I)
Non-operating income and expenses	148,306	318,369	(170,063)	(53.42%)	(II)
Net income (loss) before tax	1,660,120	1,476,288	183,832	12.45%	(III)
Net income	1,410,397	1,228,608	181,789	14.80%	(III)
Other comprehensive income /loss (net of tax) of current period	(287,962)	(153,620)	(134,342)	(87.45%)	(IV)
Total comprehensive income attributed to the owner of parent company	1,122,435	1,074,988	47,447	4.41%	
EPS (Note)	2.45	1.71			

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):

Since mid-year, the memory market has experienced simultaneous price and volume growth, with improving operations and tight supply. At the end of the second quarter, the Company benefited from rush orders placed by memory customers in response to tariff developments, leading to advance inventory stocking. Supported by additional orders from major customers, the Company's packaging and testing capacity reached full utilization, driving growth in semiconductor packaging and testing revenue in 2025 compared to 2024. Meanwhile, the electronic manufacturing services (EMS) business continued to benefit from AI server-related demand established in 2024, resulting in continued growth and increases in gross profit and operating income for the period.

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

(1) The Company continues to strengthen its financial structure. Due to increased capital expenditures for plant expansion, deposit balances declined, resulting in a decrease in interest income of NT\$11,509 thousand. In addition, increased demand for working capital led to higher interest expenses on long-term borrowings, causing financial costs to rise slightly by NT\$546 thousand, and resulting in a decrease in net interest income of NT\$12,055 thousand.

(2) The USD exchange rate trend shifted from appreciation in 2024 to depreciation in 2025, with the magnitude of depreciation in 2025 exceeding the appreciation in 2024, resulting in a decrease of NT\$166,968 thousand in net foreign exchange gains.

(3) In 2025, decreases in impairment losses on property, plant and equipment, increases in disposal gains, and increases in dividend income led to an increase of NT\$8,960 thousand in other income and gains.

(III). To sum up, the net profit before tax in 2025 increased by NT\$183,832, and the net profit in this period increased by NT\$181,798 thousand.

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

(1) The remeasurement of the defined benefit plan resulted in valuation gains in the current period, which decreased by NT\$25,670 thousand compared to the same period last year.

(2) The stock prices of investee companies held by subsidiaries as equity instruments measured at fair value through other comprehensive income declined compared to the same period last year, resulting in an increase of NT\$91,744 thousand in unrealized valuation losses.

(3) Accordingly, other comprehensive income decreased by NT\$134,342 thousand compared to the same period 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
4,445,344	1,678,081	(2,605,581)	(793,166)	(5,862)	2,718,816

Analysis of changes in cash flows for 2025:

- (1) Operating activities: Cash inflows from operating activities were mainly due to the increase in net profit for 2025.
- (2) Investing activities: The net cash outflow from investing activities was mainly due to the acquisition of machinery and equipment, and plant construction in 2025.
- (3) Financing activities: Net cash outflow from financing activities was mainly due to the distribution of cash dividends and the redemption of preferred shares in 2025.

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
2,718,816	2,812,407	2,260,862	3,270,361

Analysis interpretation:

The Company project that the cash inflow from the operating activities in the coming year is about NT\$2,812,407 thousand, cash outflow in the whole year is about NT\$2,260,862 thousand, cash balance at the end of the year is about NT\$3,270,361 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		
			2023	2024	2025
PP&E	Self-owned funds or bank loans	5,134,091	859,072	1,958,822	2,316,197

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 2025, 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 2025 was NT\$31,400 thousand, accounting for 0.28% of the net value of 2025, and was not in excess of the limit.

5.6.2.3. In fiscal year 2025, 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 2025.

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

In 2025, the Company's total expenditure on research & development was NT\$445 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 2026, the Company expects to invest roughly NT\$461 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:

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. **Impact of Industry and Technological Changes and Countermeasures:** The Company is primarily engaged in semiconductor packaging and testing services and electronic manufacturing services. In response to rapid global technological advancements and market fluctuations, the Company continues to monitor industry trends and changes in customer demand. By strengthening operational management and R&D capabilities and enhancing process and product competitiveness, the Company aims to reduce operational uncertainty arising from industry changes while capturing opportunities brought by emerging technologies to support stable business and financial performance.

5.6.5.2. **Deployment of Advanced Technologies and New Applications:** In response to supply chain demand driven by semiconductor technology evolution and AI application expansion, the Company continues to invest in advanced process R&D and market development. It also flexibly adjusts operational strategies and resource allocation in response to customer and market changes to maintain order intake capability and long-term revenue momentum, while mitigating risks related to technology substitution and demand shifts.

5.6.5.3. **Impact of Information and Communications Security Risks and Countermeasures:** With the deepening of digital transformation, cybersecurity incidents may result in operational disruptions, data breaches, damage to customer trust, and increased compliance costs, thereby impacting the Company's operations and financial performance. The Company has established an information security risk management framework and implemented the ISO 27001 management system. It adopts measures including proactive defense and zero-trust principles to strengthen the protection of critical systems and information assets, enhance operational resilience, and mitigate the financial and operational impact of cybersecurity incidents.

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) **Strengthening Infrastructure and Redundancy Mechanisms:** The Company designs its information architecture based on high availability principles, having implemented dual network loops and communication redundancy mechanisms, as well as off-site backup for critical systems and integration with cloud services. Backup and protection mechanisms are established for core systems and critical data, and regular disaster recovery drills are conducted to reduce the risk of operational disruptions caused by single points of failure;
- (2) **Strengthening Infrastructure and Redundancy Mechanisms:** The Company designs its information architecture based on high availability principles, having implemented dual network loops and communication redundancy mechanisms, as well as off-site backup for critical systems and integration with cloud services. Backup and protection mechanisms are established for core systems and critical data, and regular disaster recovery drills are conducted to reduce the risk of operational disruptions caused by single points of failure;
- (3) **Continuous Compliance, Audit, and Improvement Cycle:** To address customer requirements regarding confidentiality, regulatory compliance, and information security, the Company continues to strengthen internal controls and cybersecurity management measures. It regularly undergoes customer audits and ISO 27001 third-party verification, and continuously refines its cybersecurity strategies and control measures accordingly. Through an ongoing audit and improvement cycle, the Company minimizes potential operational impacts and ensures rapid recovery in the event of incidents, thereby safeguarding customer interests and maintaining stable operations.

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 2025 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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