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Advanced Echem Materials Company Ltd.

## 2025 Annual Report

The annual report is available on the  
Taiwan Stock Exchange Market Observation Post System : <http://mops.twse.com.tw>  
AEMC website : <https://www.aemc.com.tw>

Printed on May 5, 2026

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*This is a translation of the agenda for the 2026 annual report of Advanced echem materials company limited and is for reference only. in case of any discrepancy between the English and Chinese versions, the Chinese version shall prevail.*

- I. The names, titles, contact telephone numbers, and email addresses of the spokesperson and deputy spokesperson of the Company are as follows:

Spokesperson: Shao Wen, Lu

Title: Senior Director, Chairman's Office

Telephone: (03) 407-2100

Email Address: [ir@aemc.com.tw](mailto:ir@aemc.com.tw)

Deputy Spokesperson: Hsu Chi, Lai

Title: Senior Director, Finance and Accounting Division

Telephone: (03) 407-2100

Email Address: [ir@aemc.com.tw](mailto:ir@aemc.com.tw)

- II. Addresses and Telephone Numbers of Headquarters, Branch Offices, and Factories

Name	Address	Telephone
Headquarters	No. 455, Xinhe Rd., Longtan Dist., Taoyuan City	(03) 407-2100
Kaohsiung Branch Office	No. 6-6, Wenxing Rd., Gangshan Dist., Kaohsiung City	(03) 407-2100
Factory	No. 455, Xinhe Rd., Longtan Dist., Taoyuan City	(03) 407-2100
	No. 7, Kanxi Rd., Xinshi Dist., Tainan City	(03) 407-2100
	No. 6-6, Wenxing Rd., Gangshan Dist., Kaohsiung City	(03) 407-2100

- III. Name, Address, Website, and Telephone Number of the Stock Transfer Agency:

Name: Mega Securities Co., Ltd., Agency Department of Stock Services

Address: 1F., No. 95, Sec. 2, Zhongxiao E. Rd., Taipei City 10044, Taiwan

Website: <http://www.megasec.com.tw>

Telephone: (02) 3393-0898

- IV. Names of the Certifying Accountants, Name of CPA Firm, Address, Website, and Telephone Number for the Most Recent Fiscal Year's Financial Reports:

Certified Public Accountants: CPA Shang-Chih Lin, CPA Cheng-Chih Lin

CPA Firm: Deloitte Taiwan

Address: 6F, Allied Association Industries No. 2, Zhanye 1st Rd., Hsinchu Science Park, East Dist., Hsinchu 300091, Taiwan

Website: <http://www.deloitte.com.tw>

Telephone: (03) 578-0899

- V. Name of Overseas Securities Trading Exchange and Method for Accessing Information on Such Overseas Securities: Not applicable.

- VI. Company website: <https://www.aemc.com.tw/>

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## One. Letter to Shareholders

In 2025, revenue increased significantly compared to 2024, with both revenue and net profit exceeding budgetary targets. The revenue and profit margins of semiconductor application products continued to grow, while display application products maintained a stable contribution to revenue.

Looking ahead to 2026, the Company will continue to expand the mass production of advanced semiconductor lithography application products and generate revenue and profit contributions, while simultaneously developing new products in the semiconductor packaging materials segment. Two key points for operations development: first, trial production at the new Kaohsiung Plant Phase II facility has been completed and products have passed customer verification, representing a significant addition to production capacity; second, the Company will continue to develop customized innovative products for the semiconductor industry, which remains a key focus of R&D efforts. These two development initiatives aim to meet customer demands and achieve the operational goals for 2026 as well as the future development blueprint.

### **Results of the Implementation of the Business Plan for 2025:**

In 2025, the consolidated net operating revenue amounted to NT\$4.262 billion, representing a 28% increase compared to NT\$3.322 billion in 2024. Total operating expenses for the year were NT\$774 million, a 25% increase from NT\$618 million in 2024. The net profit after tax reached NT\$1.044 billion, an increase of 50% from NT\$697 million in 2024. Earnings per share were NT\$11.33, up 33% from NT\$8.50 in the previous year.

Unit: NT\$ thousand

Item / Year	2025	2024	Increase amount	%
Operating revenue	4,261,836	3,321,861	939,975	28.30
Gross profit	1,835,376	1,204,394	630,982	52.39
Operating expenses	773,556	617,613	155,943	25.25
Net operating income	1,061,165	586,794	474,371	80.84
Non-operating income and expenses	198,166	241,553	(43,387)	(17.96)
Net income after tax	1,043,940	697,069	346,871	49.76
Earnings per share	11.33	8.50	2.83	33.29

### **Summary of the Business Plan for 2026**

#### 1. Operational Objectives

The revenue target for 2026 is for semiconductor industry products to achieve a growth rate exceeding 15%, while display industry products are expected to experience a decline of less than 10%.

2. Production Strategies
  - (1) The introduction of smart and automated processes in manufacturing aims to enhance production efficiency and reduce management costs.
  - (2) With Taoyuan serving as the operational headquarters, the Company can effectively leverage the advantages of each factory's specialization to provide solutions that best meet customer demands.
  - (3) Strengthen target management to reduce inventory and increase inventory turnover rate.
  - (4) Strengthen supply chain deployment to diversify the risk of raw material sources.
  - (5) Expand production scale and capacity to reduce the production costs of products.
3. Sales Strategies
  - (1) Identify market trends, provide more professional and high-quality products and services, and thereby expand market share.
  - (2) In response to customer demands, customized products are designed to meet and fulfill customer expectations.
  - (3) Develop strategic alliances, vertically integrate the upstream and downstream supply chains, strengthen connections with customers, and enhance added value.
  - (4) Expand overseas markets, actively secure long-term orders from international major manufacturers, and stabilize performance growth; these actions not only meet domestic demands but also satisfy the needs of overseas factories. They also help to obtain sources for specialized technical collaboration and opportunities for new product development.
  - (5) Enhance quality maintenance, improve product quality stability, and strengthen product characteristics to meet customer requirements.
4. Research and Development Strategies
  - (1) Identify future product development trends and participate in early-stage product research and development projects with clients to gain advantage in markets.
  - (2) Integrate relevant raw material resources from related industries, shorten the development timeline, accelerate technology exchange, and rapidly develop new products to reduce development costs.
  - (3) Actively develop new products to enhance the diversity and completeness of the product portfolio.
  - (4) Collaborate with international major companies, allocate professional talent, and absorb technical experience to enhance research and development capabilities.
  - (5) In response to the client's process requirements, the Company develops customized new products tailored to enhance the client's market competitiveness.
  - (6) By integrating domestic and international collaborations among industry, government, and academia, the Company aims to establish our own key technologies and patents, focusing on the development of next-generation technologies and products.

## 5. Operational Strategies

- (1) Enhance internal employee training to improve professionalism, attract outstanding talent, and strengthen the Company's competitive advantage.
- (2) Accelerate international expansion, strengthen partnerships with upstream suppliers and downstream clients, and create an ideal result that every party wins.
- (3) Focus on businesses with niche markets and development potential, strengthen project-based organizational structures, and enhance decision-making efficiency and operational performance.
- (4) Integrate internal information systems to reduce unnecessary paperwork, implement an online systematization, and enhance the efficiency of information utilization and management timeliness.
- (5) Enhance internal systems, comply with laws and regulations, and implement risk management mechanisms, in order to establish a high-quality corporate governance culture and fulfill our corporate social responsibility, with the goal of making AEMC a key local supplier in the research and development as well as manufacturing of essential materials.

## 6. Financial Strategies

- (1) Maintain a sound financial structure as a strong support for the general operation of the Company.
- (2) Plan the utilization methods for both short-term and long-term funds, strengthen capital risk management, and identify potential risks.
- (3) In alignment with the Company's operational objectives and development plans, we will continue to maintain stable financial operations and strengthen our business foundation.

## **Impact of External Competitive Environment, Regulatory Environment, and General Operation Environment**

According to WSTS, global semiconductor revenue reached US\$772 billion in 2025, exceeding prior estimates by nearly US\$45 billion, representing a year-over-year increase of 22.5%. This was primarily driven by the logic and memory markets, which benefited from strong demand for AI applications and data center infrastructure. Logic IC revenue is expected to grow 37.1% in 2025, making it the fastest-growing product category, followed by memory revenue at 27.8%, sensor revenue at 10.4%, microprocessor revenue at 7.9%, analog IC revenue at 7.5%, and optoelectronics revenue at 3.7%; discrete component revenue may decline 0.4%, weighed down by softening demand in the automotive sector. Revenue in the Americas and Asia Pacific is expected to grow 29.1% and 24.9% respectively, driven primarily by strong growth in logic IC and memory; European revenue is expected to grow 5.6%, while Japan may decline 4.1%.

Looking ahead to 2026, WSTS anticipates that global semiconductor revenue will grow a further 26.3%, reaching US\$975 billion, with memory and logic IC remaining the primary growth drivers at 39.4% and 32.1% respectively. The Americas and Asia Pacific are expected to be the strongest-growing regions, at 34.4% and 24.9% respectively.

## **Future Operational Strategies Deployment and Outlook:**

Semiconductor materials represent the core product and technology development domain of the Company. Building on photolithography exposure material technologies, the Company has expanded into the DUV and EUV photoresist peripheral materials segment. Guided by market trends and target customers, the Company continues to develop innovative products to accumulate growth momentum, deepening its core product domains and technologies, expanding manufacturing and production capacity, and driving simultaneous growth in both revenue and profit.

1. The product R&D strategy is centered on three main directions, from which product and market advancement is pursued:

- (1) Advanced semiconductor process materials
- (2) Advanced semiconductor packaging materials
- (3) Semiconductor optical component materials

The Company aligns with target markets and customer demands, develops innovative technologies and products that occupy the leading position in the market, and fosters mutual operational growth between customers and AEMC.

2. Manufacturing plant development:

- (1) Taoyuan Plant: Addition of BARC mass production lines and advanced packaging materials mass production lines; completion and commissioning of the R&D synthesis experimental plant to advance the proprietary synthesis of key components for advanced lithography process products.

- (2) Kaohsiung Plant No. 1: Addition of DUV photoresist advanced lithography process pilot lines, product mass production lines, and expansion of BARC mass production lines.

- (3) Kaohsiung Plant No. 2: Trial production of new plant products has been completed and products have passed customer verification.

Advanced Echem Materials Company Ltd.

Chairman

Wen Hsiung, Chan

## Two. Corporate Governance Report

### I. Background information of directors, supervisors, the President, vice presidents, assistant vice presidents, and heads of various departments and branches

#### (I) Director Information

##### 1. Director Information

Date: April 13, 2026 Unit: Share

Title	Nationality or place of registration	Name	Gender/ Age	Date first elected	Date elected (appointed)	Tenure (years)	Shareholding when elected		Current shareholding		Shareholding of spouse and underage children		Shares held by proxy		Main career (academic) achievements	Concurrent duties in the Company and in other companies	Spouse or second-degree relative or closer acting as manager, director			Remarks
							shares	%	shares	%	shares	%	shares	%			Title	Name	Relation	
Chairman	R.O.C	Rep. Wen Hsiung, Chan	Male 51-60 years old	2014.1.10	2023.6.12	3	—	—	200,000	0.22%	752,420	0.81%	—	—	Master's Degree in International Business Management, National Taiwan University Chairman/CEO, iCatch Technology, Inc.	Chairman and CEO, Advanced Echem Materials Company Limited Representative of the Corporate Director: Sunplus Technology Co., Ltd. iCatch Technology, Inc. Hiyes International Co., Ltd. Oleader Technologies Co., Ltd. AEMC Japan Corporation TSS2 Holdings Limited Phoenix 7 Venture Capital Co., Ltd. Chairman: Advanced Pao Trusval Technology Co., Ltd. Eray Tech Co., Ltd. Cheng Jing Co., Ltd. Independent Director: Nien Hsing Textile Co., Ltd. Biostar Microtech International Corp. Champion Microelectronic Corp. Catcher Technology Co. Director: Fine Ace Asset Management Co. Ltd.	—	—	—	Note 1
	R.O.C	Fine Ace Asset Management Co. Ltd.	—	2014.1.10	2023.6.12	3	3,371,304	4.15%	3,371,304	3.64%	—	—	—	—	—	Supervisor: Juxing Cultural & Creative Entertainment Co., Ltd. Yuan Workshop Company Ltd. Sheng Cheng Environmental Biotechnology Co., Ltd. Director: Shiny Brands Group Co., Ltd. Sheng Cheng Environmental Biotechnology Co., Ltd. Hiyes International Co., Ltd. HonChen Semicon Technology Co., Ltd Teletrx Co. Gunitech Corp. Dokin Motors Co., Ltd.	—	—	—	—

Title	Nationality or place of registration	Name	Gender/ Age	Date first elected	Date elected (appointed)	Tenure (years)	Shareholding when elected		Current shareholding		Shareholding of spouse and underage children		Shares held by proxy		Main career (academic) achievements	Concurrent duties in the Company and in other companies	Spouse or second-degree relative or closer acting as manager, director			Remarks
							shares	%	shares	%	shares	%	shares	%			Title	Name	Relation	
Director	HK	Rep. Chuen Sing, Hung	Male 61~70 years old	2023.6.12	2023.6.12	3	—	—	—	—	—	—	—	—	Mechanical Engineering, The Hong Kong Polytechnic University Managing Director, Possehl Electronic Taiwan Co., Ltd Managing Director, Sumiko Precision Mold Taiwan Co., Ltd. Managing Director, Sumiko Electronics Taiwan Co., Ltd." Managing Director, SH Electronics Taiwan Co., Ltd.	Chairman, Chang Wah Electromaterials Inc. Chairman and Managing Director, Chang Wah Technology Co., Ltd. Managing Director, Malaysian SH Electronics Sdn.Bhd. Representative of the Corporate Director: JMC Electronics Co., Ltd. Director: SH Electronics Suzhou Co., Ltd. SH Electronics Chengdu Co., Ltd. SH Precision Chengdu Co., Ltd. SH Asia Pacific Pte. Ltd. CWE Holding Co., Ltd.	—	—	—	—
	R.O.C	Chang Wah Electromaterials Inc.	—	2023.6.12	2023.6.12	3	5,546,500	6.82%	5,546,500	5.98%	—	—	—	—	—	Director: Chang Wah Technology Co., Ltd. JMC Electronics Co., Ltd. Chang Wah Energy Technology Co., Ltd. Wellstech Optical Co., Ltd. Advanced Echem Materials Company Limited VizionFocus Inc. Tian Zheng International Precision Machinery Co., Ltd. Silver Connection Co., Ltd.	—	—	—	—

Title	Nationality or place of registration	Name	Gender/ Age	Date first elected	Date elected (appointed)	Tenure (years)	Shareholding when elected		Current shareholding		Shareholding of spouse and underage children		Shares held by proxy		Main career (academic) achievements	Concurrent duties in the Company and in other companies	Spouse or second-degree relative or closer acting as manager, director			Remarks
							shares	%	shares	%	shares	%	shares	%			Title	Name	Relation	
Director	R.O.C	Kuang Lung, Kuo	Male 51-60 years old	2019.2.12	2023.6.12	3	—	—	765,767	0.83%	—	—	—	—	Ph.D. in Applied Chemistry, National Yang Ming Chiao Tung University Director of R&D, Advanced Echem Materials Company Limited Vice President, Advanced Echem Materials Company Limited	President: Advanced Echem Materials Company Limited Advanced Pao Trusval Technology Co., Ltd. Representative of the Corporate Director: SCIWIN Laboratories Co., Ltd. AEMC Japan Corporation Eray Tech Co., Ltd.	—	—	—	—
		Fine Ace Asset Management Co. Ltd.	—	2014.1.10	2023.6.12	3	3,371,304	4.15%	3,371,304	3.64%	—	—	—	—	—	Supervisor: Juxing Cultural & Creative Entertainment Co., Ltd. Yuan Workshop Company Ltd. Director: Shiny Brands Group Co., Ltd. Sheng Cheng Environmental Biotechnology Co., Ltd. Hiyes International Co., Ltd. HonChen Semicon Technology Co., Ltd. Teletrix Co. Gunitech Corp. Dokin Motors Co., Ltd.	—	—	—	—
Director	R.O.C	Hong Jen, Chuang	Male 71-80 years old	2018.6.28	2023.6.12	3	1,437,083	1.77%	1,437,083	1.55%	—	—	—	—	Master's Degree in Accounting, Soochow University Chairman, Innolux Corporation Chairman, Advanced Optoelectronic Technology Inc. Chairman, General Interface Solution(GIS) Holding Limited	Director, Advanced Optoelectronic Technology Inc.	—	—	—	—

Title	Nationality or place of registration	Name	Gender/ Age	Date first elected	Date elected (appointed)	Tenure (years)	Shareholding when elected		Current shareholding		Shareholding of spouse and underage children		Shares held by proxy		Main career (academic) achievements	Concurrent duties in the Company and in other companies	Spouse or second-degree relative or closer acting as manager, director			Remarks
							shares	%	shares	%	shares	%	shares	%			Title	Name	Relation	
Director	R.O.C	Rep. Hsin Hsin, Li	Female 61~70 years old	2023.06.12	2023.06.12	3	—	—	—	—	—	—	—	—	EMBA in Finance, National Taiwan University Chairman, Neo One Capital Inc.	Independent Director, Hiyes International Co., Ltd. Independent Director, Silicon Optronics, Inc. Chairman, SBI & Capital 22 Management Inc. Chairman, Thinktop Capital Management Inc. Chairman, Neo One Capital Inc. Chairman, Taiwan-Japan Innovation Exchange Technology Co., Ltd. Representative of the Corporate Director, GaNrich Semiconductor Corporation Director, Kiwi Technology Inc.(Japan) Director, GreenBee Ltd.(Japan)	—	—	—	—
	R.O.C	I-Kej Investment Co.LTD.	—	2022.06.21	2023.06.12	3	1,800,000	2.21%	1,800,000	1.94%	—	—	—	—	—	—	—	—	—	—
Independent Director	R.O.C	Wen Guu, Huang	Male 61-70 years old	2021.10.28	2023.6.12	3	—	—	—	—	—	—	—	—	Ph.D. in Technology Application and Human Resource Development, National Taiwan Normal University Director General, Export Processing Zone Administration, Ministry of Economic Affairs Councilor of the Ministry of Economic Affairs and Director of Central Region Office Deputy Director General, Small and Medium Enterprise Administration, Ministry of Economic Affairs	Director, Da Ze Education Foundation, New Taipei City Independent Director, Chang Wah Technology Co., Ltd.	—	—	—	—

Title	Nationality or place of registration	Name	Gender/ Age	Date first elected	Date elected (appointed)	Tenure (years)	Shareholding when elected		Current shareholding		Shareholding of spouse and underage children		Shares held by proxy		Main career (academic) achievements	Concurrent duties in the Company and in other companies	Spouse or second-degree relative or closer acting as manager, director			Remarks
							shares	%	shares	%	shares	%	shares	%			Title	Name	Relation	
Independent Director	R.O.C	Cheng Min, Chuang	Male 61-70 years old	2021.10.28	2023.6.12	3	—	—	—	—	—	—	—	—	Ph.D. in Business Administration, University of Washington, USA Professor, Department of International Business, National Taiwan University Associate Professor, National Taiwan University Associate Professor, National Sun Yat-sen University	Emeritus Professor, National Taiwan University Adjunct Professor, Department of International Business, National Taiwan University Project Researcher, Medical Device R&D Center, National Taiwan University	—	—	—	—
Independent Director	R.O.C	Tammy, Wang	Female 51-60 years old	2021.10.28	2023.6.12	3	—	—	—	—	—	—	—	—	Master's Degree in Business Administration, University of Maryland, USA Bachelor's Degree in Finance, Department of Finance, National Taiwan University Senior Vice President, Standard Chartered Bank Vice President, Citibank	Managing Director, DBS Bank Independent Director, Shiny Brands Group Co., Ltd.	—	—	—	—
Independent Director	R.O.C	Chi Yang, Chang	Male 61-70 years old	2023.6.12	2023.6.12	3	—	—	—	—	—	—	—	—	MBA, Hawaii Pacific University Researcher, Grand Cathay Securities Corporation Assistant Manager, Research Department, Barits Securities Executive Director, Barits Securities Hong Kong Assistant Manager, Research Department, Mega Securities Assistant Manager, Sales Department, Ta Chong Securities Director and Supervisor, Globe Industries Corporation	Director, Global Industries Education Foundation	—	—	—	—

Note 1: The Chairman and the President, or individuals holding equivalent positions (the highest executives), who are the same person, spouses, or first-degree relatives, must provide an explanation regarding the reasons, rationality, necessity, and corresponding measures (for example, increasing the number of independent directors, ensuring that more than half of the directors are not concurrently serving as employees or executives) related to this matter.

1. The Chairman of the Board of Directors also serves as the Chief Executive Officer, primarily to enhance the operational efficiency and decision-making effectiveness of the Company. This role effectively connects the members of the Board of Directors, allowing them to participate in various decisions of the Company at any time and to build consensus, thereby facilitating the achievement of the resolutions assigned by the Board of Directors.
2. The Company does not have a majority of directors concurrently serving as employees or managers.

2. Major Shareholders of Corporate Shareholders:

Date: April 13, 2026

NAME OF CORPORATE SHAREHOLDER	MAJOR SHAREHOLDERS OF CORPORATE SHAREHOLDERS
Fine Ace Asset Management Co. Ltd.	Wen Hsiung, Chan(20.17%)、Mei Ling, Chen (19.89%)、Wen He, Chan (8.56%)、Yen An, Chan (19.89%)、Yu Ching, Huang(0.14%)、TAIWAN LAF' E CO., LTD(31.35%)
I-Kej Investment Co.LTD.	Mei Ling, Chen(83.33%)、Wen He, Chan (13.36%)、Feng Chen, Chan (2.92%)、Yen An, Chan(0.39%)
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%) ;
	Capital Taiwan Select High Dividend ETF Fund Account (5.51%) ;
	Chang Wah Technology Co., Ltd. (5.23%) ;
	Besijie Investment Co., Ltd. (3.00%) ;
	JMC Electronics Co., Ltd.(1.94%) ;
	Taipei Fubon Commercial Bank Co., Ltd. – Custodian Account for Fuh Hwa Taiwan Technology High Dividend ETF Securities Investment Trust Fund (1.65%) ;
	Citi-Custodied UBS Europe SE Investment Account(0.81%) ;
Xing Zheng Investment Co., Ltd.(0.74%)	

3. Major shareholders of institutional shareholders mentioned above:

Date: April 13, 2026

Name of Institutional Shareholder Major shareholders	Name of Institutional Shareholder Major shareholders
Taiwan Laf E Co., Ltd.	Wen Hsiung, Chan (18.42%)、Mei Ling, Chen(21.05%)、Wen He, Chan (0.53%)、Yen An, Chan (15.79%)、Yen-Kai, Chan (15.79%)、Yen-Chia, Chan (15.79%)、Yen-Ning, Chan(12.63%)
Wah Lee Industrial Corp.	Kang Tai Investment Co., Ltd.(7.71%) ; Fuhsih Investment Co., Ltd. (6.17%) ; Deh Wei Investment Co., Ltd.(4.91%) ; Investment Trust Fund Account of the Yuanta Taiwan High Dividend Low Volatility ETF, Custodied by Bank of Taiwan(3.74%) ; Dingbao Corp.(3.20%) ; Jing Zan Insurance Co., Ltd.(3.06%) ; Wah Hong Industrial Corp.(2.62%) ; Property trust account of employee stock ownership union of Wah Lee Industries Co, Ltd. entrusted to the China Trust Commercial Bank (2.30%) Jui Chin, Chang (2.22%) ; Pear Tree Polaris Foreign Value Small Cap Fund investment account entrusted to Standard Chartered International Commercial Bank, Business Division (1.42%)
Shin Shin Investment Co., Ltd.	Canon, Huang(99.095%)、Si-ying, Huang (0.30%)、Pei-mei, Huang (0.3%)、Yu-chieh, Huang (0.3%)、Chiun-chieh, Huang (0.005%)
Yuan Yao Energy Technology Co., Ltd.	Canon, Huang(98.36%) ; Huang, Hsing-lan(0.86%) ; Liao, Fang-lu(0.64%) ; HUANG,YU-LI(0.07%) ; HUANG,CHU-JAN(0.07%)
Capital Taiwan Select High Dividend ETF Fund Account	Non-corporate, NA
Chang Wah Technology Co., Ltd.	Chang Wah Electromaterials Inc.(47.80%) ; Yuan Yao Energy Technology Co., Ltd.(4.24%) ; Besjie Investment Co., Ltd. (3.72%) ; Huang, Siou-Cyuan(3.32%) ; Shing Zheng Investment Co., Ltd. (2.25%) ; Taipei Fubon Commercial Bank Co., Ltd. – Custodian Account for Fuh Hwa Taiwan Technology High Dividend ETF Securities Investment Trust Fund (2.22%) ; Shin Shin Investment Co., Ltd.(1.79%) ; JMC Electronics Co., Ltd. (1.66%) ; Canon, Huang(1.37%) ; Tai, Sung-Chi(1.36%)
Besjie Investment Co., Ltd.	Chang, Shu-hui (82.35%)、Huang Si-ying(6.19%)、Huang, Pei-mei(6.19%)、Huang, Yu-chieh(5.05%)、HUANG,YU-LI(0.11%)、HUANG,CHU-JAN(0.11%)
JMC Electronics Co., Ltd.	Chang Wah Electromaterials Inc.(42.81%) ; ChipMO Technologies Inc.(10.00%) ; Canon, Huang(2.96%) ; AsusTek Computer Inc. (1.00%) ; Huang, Yu-Chu (0.63%) ; Li, Wan-shia(0.58%) ; Huang, Mei-hsueh(0.50%) ; Li, Mei-Lien(0.42%) ; HUNG,YI-HSIANG(0.39%) ; Citi-Custodied Barclays Capital SBL/PB Investment Account(0.38%)
Taipei Fubon Commercial Bank Co., Ltd. – Custodian Account for Fuh Hwa Taiwan Technology High Dividend ETF Securities Investment Trust Fund	Non-corporate, NA
Citi-Custodied UBS Europe SE Investment Account	Non-corporate, NA
Shing Zheng Investment Co., Ltd.	Chang Wah Technology Co., Ltd. (49.00%) ; JMC Electronics Co., Ltd. (28.00%) ; Tian Zheng International Precision Machinery Co., Ltd. (13.00%) ; Chang Wah Electromaterials Inc. (10.00%) ;

4. Disclosure of the director's professional qualifications and independence status of the independent directors:

Criteria Name	Professional Qualifications and Experience (Note 1)	Independence Status (Note 2)	Number of Concurrently Held Independent Director Positions in Other Publicly Listed Companies
Wen Hsiung, Chan	Holds a Master's degree in International Business Management from National Taiwan University; currently serving as the Chairman of the Company, possessing capabilities and experience in business management. (No occurrence of any of the circumstances stated in Article 30 of the Company Act)	-	4
Chuen Sing, Hung	Holds a degree from the Department of Mechanical Engineering at The Hong Kong Polytechnic University; currently serving as Chairman at Chang Wah Electromaterials, with expertise and experience in business management. (No occurrence of any of the circumstances stated in Article 30 of the Company Act)	-	-
Kuang Lung, Kuo	Holds a Doctor of Applied Chemistry from National Yang Ming Chiao Tung University; currently serving as the President of the Company, possessing research and development technical capabilities, as well as experience in corporate management. (No occurrence of any of the circumstances stated in Article 30 of the Company Act)	-	-
Hong Jen, Chuang	Holds a Master's degree from the Graduate Institute of Accounting at Soochow University; formerly served as Chairman of Innolux Corporation, possessing corporate management capabilities and experience. (No occurrence of any of the circumstances stated in Article 30 of the Company Act)	-	-
Hsin Hsin, Li	Holds a Master's degree in Finance from the EMBA program at National Taiwan University; formerly served as the Chairman of Kiwi Technology, with expertise and experience in business management. (No occurrence of any of the circumstances stated in Article 30 of the Company Act)	-	2
Wen Guu, Huang	Holds a Ph.D. from the Department of Technology Application and Human Resource Development at National Taiwan Normal University; previously served as the Director-General at MOEA's Bureau of Industrial Parks for over 13 years, possessing capabilities and experience in business management.	1. Neither the director nor their spouse or relatives within the second degree of kinship have served as a director, supervisor, or employee of the	1

Criteria Name	Professional Qualifications and Experience (Note 1)	Independence Status (Note 2)	Number of Concurrently Held Independent Director Positions in Other Publicly Listed Companies
	(No occurrence of any of the circumstances stated in Article 30 of the Company Act)	Company or its affiliated enterprises.	
Cheng Min, Chuang	Holds a Doctor of Business Administration from the University of Washington in Seattle, USA; currently serving as a professor in the Department of International Business at National Taiwan University, with over 11 years of experience and capability in business management. (No occurrence of any of the circumstances stated in Article 30 of the Company Act)	2. Neither the director nor their spouse or relatives within the second degree of kinship (or through nominees) hold any shares in the Company.	-
Tammy, Wang	Holds a Bachelor's degree in Finance from National Taiwan University and Master's degree in Business Administration from the University of Maryland; has been employed at DBS Bank (Taiwan) since February 2016, and is currently serving as Managing Director, with over 5 years of experience and expertise in accounting and financial analysis. (No occurrence of any of the circumstances stated in Article 30 of the Company Act)	3. Has not served as a director, supervisor, or employee of a company that has a specific relationship with the Company (as defined under Subparagraphs 5-8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies).	1
Chi Yang, Chang	Holds a Master's degree from Hawaii Pacific University; former director of Globe Industries Corporation, with business management capabilities and experience. (No occurrence of any of the circumstances stated in Article 30 of the Company Act)	4. In the past two years, no remuneration has been received for services related to business, legal, financial, or accounting provided to the Company or its affiliated enterprises.	-

Note 1: Professional Qualifications and Experience: This section outlines the professional qualifications and experience of each individual director and supervisor. For those who are members of the Audit Committee and possess expertise in accounting or finance, their accounting or financial background and work experience should be detailed. Additionally, it should be indicated whether any circumstances outlined in Article 30 of the Company Act apply.

Note 2: Independent directors should clearly state their compliance with independence criteria, including but not limited to whether they, their spouses, or relatives within the second degree of kinship serve as directors, supervisors, or employees of the Company or its affiliated enterprises; the number and proportion of shares held by themselves, their spouses, or relatives within the second degree of kinship (or held in the name of others); whether they serve as directors, supervisors, or employees of companies that have specific relationships with the Company (as defined under Subparagraphs 5-8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); and the amount of remuneration received for providing business, legal, financial, accounting, and other services to the Company or its affiliated enterprises in the last two years.

## 5. Board Diversity and Independence

(1) Board Diversity: According to Paragraph 4, Article 24 of the Company's Corporate Governance Best Practice Principles, the composition of the Board of Directors should consider diversity. In addition to the requirement that directors concurrently serving as managers of the Company shall not exceed one-third of the total number of board seats, the Company shall also formulate an appropriate diversity policy based on its business operations and developmental direction. The policy should include, but is not limited to, the following two major dimensions:

A. Basic Requirements and Values:

Gender, age, nationality, and cultural background. The proportion of female directors should preferably reach one-third of the total number of board seats.

B. Professional Knowledge and Skills:

Professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional expertise, and industry experience. To achieve the ideal goals of corporate governance, the Board of Directors as a whole should possess the following capabilities:

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

The implementation status of the Board of Directors' diversity policy is as follows:

The current Board of Directors of the Company consists of nine directors, including four independent directors (44%) and five non-independent directors (56%). The Company places great emphasis on the independence and diversity of its board members. Collectively, the directors possess expertise in industry knowledge, management, financial accounting, and operational judgment. With regard to independence, the Company aims to ensure that no more than one-third of board seats are held by directors who also serve as company employees. At present, only two board members concurrently serve as employees, which is in line with this target.

The Company places significant emphasis on gender equality in the composition of the Board of Directors. Currently, male members constitute 78% (7 members) of the Board, while female members account for 22% (2

members). Although the proportion of female directors has not yet reached one-third, our director selection process primarily considers professional experience, industry knowledge, and management performance, with gender diversity being an important reference factor. In the future, we will continue to refine our selection mechanisms to attract diverse and talented individuals into the decision-making level. We are committed to fostering a diverse and inclusive board and aim to increase the proportion of female directors to at least one-third (33%).

Position	Name	Basic Information					Industry–Academic Background				
		Gender	Concurrent Employee of the Company	Age (years)			Academic Research	Finance & Securities	Human Resources	Semiconductor Industry	Optoelectronic Industry
				51~60	61~70	71~80					
Chairman	Wen Hsiung, Chan	Male	●	●					●	●	
Director	Chuen Sing, Hung	Male			●				●		
Director	Kuang Lung, Kuo	Male	●	●					●	●	
Director	Hong Jen, Chuang	Male				●			●	●	
Director	Hsin Hsin, Li	Female			●		●				
Independent director	Wen Guu, Huang	Male			●			●			
Independent director	Cheng Min, Chuang	Male			●		●				
Independent director	Tammy, Wang	Female		●			●				
Independent director	Chi Yang, Chang	Male			●		●				

## (2) Board Independence

The Company has a total of nine directors, including four independent directors, who were elected at the shareholders' meeting held on June 12, 2023. Among the directors, five are regular directors (56%) and four are independent directors (44%). Each director has submitted a written "Declaration" to the Company affirming their independence, including that of their immediate family members, in accordance with relevant regulations. They have confirmed that none of the circumstances specified in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act apply (i.e., no marital or second-degree kinship relationships among directors, supervisors, or between directors and supervisors), thereby meeting all legal requirements.

## (II) Compensation paid to directors, supervisors, the President, and vice presidents

Date: April 13, 2026

Title	Name	Gender	Nationality	Date of appointment to position Date	Shareholding		Shares held by spouse and underage children		Shares held in the names of others		Main career (academic) achievements	Concurrent duties in the Company and in other companies	Manager who is a spouse or a second-degree relative			Managers obtain employee stock option certificates	Remark
					shares	%	shares	%	shares	%			Title	Name	Relation		
CEO	Wen Hsiung, Chan	Male	R.O.C	2021.05.01	200,000	0.22%	752,420	0.81%	—	—	Master's Degree in International Business Management, National Taiwan University Chairman/CEO of iCatch Technology, Inc.	Chairman and CEO, Advanced Echem Materials Company Limited Representative of the Corporate Director: Sunplus Technology Co., Ltd. iCatch Technology, Inc. Hiyes International Co., Ltd. Oleader Technologies Co., Ltd. AEMC Japan Corporation TSS2 Holdings Limited Phoenix 7 Venture Capital Co., Ltd. Chairman: Advanced Pao Trusval Technology Co., Ltd. Eray Tech Co., Ltd. Cheng Jing Co., Ltd. Independent Director: Nien Hsing Textile Co., Ltd. Biostar Microtech International Corp. Champion Microelectronic Corp. Catcher Technology Co. Director: Fine Ace Asset Management Co. Ltd.	—	—	—	—	Note1
President	Kuang Lung, Kuo	Male	R.O.C	2018.07.01	765,767	0.83%	—	—	—	—	Ph.D. in Applied Chemistry, National Yang Ming Chiao Tung University Director of R&D, Advanced Echem Materials Company Limited Vice President, Advanced Echem Materials Company Limited	President of Advanced Echem Materials Company Limited President of Advanced Pao Trusval Technology Co., Ltd. Representative of the Corporate Director: SCIWIN Laboratories Co., Ltd. AEMC Japan Corporation Eray Tech Co., Ltd. Cheng Jing Co., Ltd.	—	—	—	—	Note1

Title	Name	Gender	Nationality	Date of appointment to position Date	Shareholding		Shares held by spouse and underage children		Shares held in the names of others		Main career (academic) achievements	Concurrent duties in the Company and in other companies	Manager who is a spouse or a second-degree relative			Managers obtain employee stock option certificates	Remark
					shares	%	shares	%	shares	%			Title	Name	Relation		
Senior Vice President	Yi Sheng, Lin	Male	R.O.C	2018.06.26	237,000	0.26%	—	—	—	—	Bachelor's Degree in Industrial Engineering, Yuan Ze University Executive Vice President, Zhejiang Jinde Optoelectronics Assistant Director, Wellstech Optical Co., Ltd.	—	—	—	—	—	—
Senior Vice President, Marketing and Sales Division	Jui Lin, Liu	Male	R.O.C	2021.01.01	220,000	0.24%	—	—	—	—	Bachelor's Degree in International Trade, Tamkang University Director, Semiconductor Business Division, Advanced Echem Materials Company Limited Director of Sales, Wholetech System Hitech Limited	Representative of the Corporate Director, AEMC USA CORPORATION	—	—	—	—	—
Vice President, Research & Development Division	Che Wei, Chang	Male	R.O.C	2025.03.01	184,000	0.20%	—	—	—	—	Master's Degree in Chemical Engineering and Materials Science, Yuan Ze University Senior Director of R&D, Advanced Echem Materials Company Limited	—	—	—	—	—	—
Vice President, Marketing and Sales Division	Chen Wen, Chiu	Female	R.O.C	2025.03.01	54,289	0.06%	—	—	—	—	Ph.D. in Chemistry, Chung Yuan Christian University Director of R&D, Advanced Echem Materials Company Limited Senior Director of Marketing and Sales Division, Advanced Echem Materials Company Limited	—	—	—	—	—	—
Assistant Vice President, Research & Development Division	Liang Jyi, Chen	Male	R.O.C	2019.04.01	25,000	0.03%	—	—	—	—	Ph.D. in Chemistry, National Tsing Hua University Vice President, Sopower Technology Corp. Senior Manager, DuPont Apollo Limited, Hong Kong Consultant, DuPont Taiwan	—	—	—	—	—	—

Title	Name	Gender	Nationality	Date of appointment to position Date	Shareholding		Shares held by spouse and underage children		Shares held in the names of others		Main career (academic) achievements	Concurrent duties in the Company and in other companies	Manager who is a spouse or a second-degree relative			Managers obtain employee stock option certificates	Remark
					shares	%	shares	%	shares	%			Title	Name	Relation		
Corporate Governance Officer/ Senior Director, Chairman's office	Shao Wen, Lu	Female	R.O.C	2016.01.01	163,000	0.18%	39	0.00%	—	—	Bachelor's Degree in Business Administration, I-Shou University Advertising and Marketing, Section Manager, Sony Taiwan Advertising and Public Relations, Sampo	—	—	—	—	—	—
Senior Director, Finance and Accounting Division	Hsu Chi, Lai	Female	R.O.C	2016.01.01	150,000	0.16%	—	—	—	—	Bachelor's Degree in Accounting, Fu Jen Catholic University Assistant Manager, Nippon Paint Coatings (Taiwan) Co., Ltd. Accountant, Maoyoung Technology Accountant, TeamMax Corporation	Supervisor, Advanced Pao Trusval Technology Co., Ltd. Representative of the Corporate Director, SCIWIN Laboratories Co., Ltd. Supervisor: Cheng Jing Co., Ltd.	—	—	—	—	—

Note 1: The Chairman and the President, or individuals holding equivalent positions (the highest executives), who are the same person, spouses, or first-degree relatives, must provide an explanation regarding the reasons, rationality, necessity, and corresponding measures (for example, increasing the number of independent directors, ensuring that more than half of the directors are not concurrently serving as employees or executives) related to this matter.

1. The Chairman of the Board of Directors also serves as the Chief Executive Officer, primarily to enhance the operational efficiency and decision-making effectiveness of the Company. This role effectively connects the members of the Board of Directors, allowing them to participate in various decisions of the Company at any time and to build consensus, thereby facilitating the achievement of the resolutions assigned by the Board of Directors.
2. The Company does not have a majority of directors concurrently serving as employees or managers.

II. Compensation paid to directors, supervisors, the President, and vice presidents in the most recent year

(I) Compensation paid to directors, supervisors, the President, and vice presidents

1. Compensation to Directors

Unit: NT\$ thousand

Position	Name	Director Remuneration								Total amounts of items A, B, C, and D and their proportions of profit after tax		Remuneration for Concurrent Employees								Total amounts of items A, B, C, D, E, F and G and their proportions of profit after tax		Remuneration received from investee companies other than subsidiaries or from the parent company
		Compensation (A)		Severance Pay and Pension (B)		Remuneration of Directors (C)		Business Execution Expenses (D)				Salaries, Bonuses, and Special Allowances (E)		Severance Pay and Pension (F)		Employee Compensation (G)						
		The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	Cash Amount	Stock Amount	Cash Amount	Stock Amount	The Company	All companies in the financial report	
Chairman	Fine Ace Asset Management Co.																					
	Representative: Wen Hsiung, Chan																					
Director	Chang Wah Electromaterials Inc.																					
	Representative: Chuen Sing, Hung																					
Director	Hong Jen, Chuang																					
Director	Fine Ace Asset Management Co.	0	0		0	21,051	21,051	225	225	21,276 (2.04%)	21,276 (2.04%)	25,866	25,866	108	108	9,019	0	9,019	0	56,269 (5.39%)	56,269 (5.39%)	None
	Representative: Kuang Lung, Kuo																					
Director	I-Kej Investment Co., Ltd.																					
	Representative: Hsin Hsin, Li																					

Position	Name	Director Remuneration								Total amounts of items A, B, C, and D and their proportions of profit after tax		Remuneration for Concurrent Employees								Total amounts of items A, B, C, D, E, F and G and their proportions of profit after tax		Remuneration received from investee companies other than subsidiaries or from the parent company
		Compensation (A)		Severance Pay and Pension (B)		Remuneration of Directors (C)		Business Execution Expenses (D)				Salaries, Bonuses, and Special Allowances (E)		Severance Pay and Pension (F)		Employee Compensation (G)						
		The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	Cash Amount	Stock Amount	Cash Amount	Stock Amount	The Company	All companies in the financial report	
Independent director	Wen Guu, Huang	2,400	2,400	0	0	4,000	4,000	180	180	6,580 (0.63%)	6,580 (0.63%)	0	0	0	0	0	0	0	0	6,580 (0.63%)	6,580 (0.63%)	None
Independent director	Cheng Min, Chuang																					
Independent director	Tammy, Wang																					
Independent director	Chi Yang, Chang																					
<p>1. Please describe the remuneration policy, system, standards, and structure for independent directors, and explain the relationship between the remuneration amount and factors such as responsibilities, risks, and time commitment: The Company's independent directors receive transportation allowances and fixed remuneration. The remuneration is determined based on the overall operating performance of the Company, their level of involvement in operations, contribution value, and by referencing industry standards. The compensation is reviewed by the Remuneration and Nomination Committee and approved by the Board of Directors.</p> <p>2. In addition to the disclosures in the above table, the remuneration received by the Company's directors for services rendered in the most recent fiscal year (such as <u>servicing as consultants to the parent company, any entities included in the financial statements, or investee companies, without being employees</u>) is as follows: none.</p>																						

Compensation Bracket Table

Compensation Brackets for Each Director of the Company	Director Name			
	Sum of First Four Items (A+B+C+D)		Sum of First Seven Items (A+B+C+D+E+F+G)	
	The Company	All Companies in the Financial Report H	The Company	All Companies in the Financial Report I
Below NT\$1,000,000	Chuen Sing, Hung、Hsin Hsin, Li、Wen Hsiung Chan、Kuang Lung, Kuo	Chuen Sing, Hung、Hsin Hsin, Li、Wen-Hsiung Chan、Kuang Lung, Kuo	Chuen Sing, Hung、Hsin Hsin, Li	Chuen Sing, Hung、Hsin Hsin, Li
NT\$1,000,000 (inclusive) – NT\$2,000,000 (exclusive)	Wen Guu, Huang、Cheng Min, Chuang、Tammy, Wang、Chi Yang, Chang	Wen Guu, Huang、Cheng Min, Chuang、Tammy, Wang、Chi Yang, Chang	Wen Guu, Huang、Cheng Min, Chuang、Tammy, Wang、Chi Yang, Chang	Wen Guu, Huang、Cheng Min, Chuang、Tammy, Wang、Chi Yang, Chang
NT\$2,000,000 (inclusive) – NT\$3,500,000 (exclusive)	Hong Jen, Chuang、I-Kej Investment Co., Ltd.、Chang Wah Electromaterials Inc.	Hong Jen, Chuang、I-Kej Investment Co., Ltd.、Chang Wah Electromaterials Inc.	Hong Jen, Chuang、I-Kej Investment Co., Ltd.、Chang Wah Electromaterials Inc.	Hong Jen, Chuang、I-Kej Investment Co., Ltd.、Chang Wah Electromaterials Inc.
NT\$3,500,000 (inclusive) – NT\$5,000,000 (exclusive)	-	-	-	-
NT\$5,000,000 (inclusive) – NT\$10,000,000 (exclusive)	-	-	-	-

Compensation Brackets for Each Director of the Company	Director Name			
	Sum of First Four Items (A+B+C+D)		Sum of First Seven Items (A+B+C+D+E+F+G)	
	The Company	All Companies in the Financial Report H	The Company	All Companies in the Financial Report I
NT\$10,000,000 (inclusive) – NT\$15,000,000 (exclusive)	Fine Ace Asset Management Co.	Fine Ace Asset Management Co.	Fine Ace Asset Management Co.	Fine Ace Asset Management Co.
NT\$15,000,000 (inclusive) – NT\$30,000,000 (exclusive)	-	-	Wen Hsiung Chan 、Kuang Lung, Kuo	Wen Hsiung Chan 、Kuang Lung, Kuo
NT\$30,000,000 (inclusive) – NT\$50,000,000 (exclusive)	-	-	-	-
NT\$50,000,000 (inclusive) – NT\$100,000,000 (exclusive)	-	-	-	-
NT\$100,000,000 and above	-	-	-	-
Total	12 people	12 people	12 people	12 people

## 2. Remuneration of the President and Deputy President

Unit: NT\$ thousand

Position	Name	Salary (A)		Severance Pay and Pension (B)		Bonuses and Special Allowances (C)		Employee Compensation (D)				Total amounts of items A, B, C, and D and their proportions of profit after tax (%)		Remuneration received from investee companies other than subsidiaries or from the parent company
		The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company		All companies in the financial report		The Company	All companies in the financial report	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
Chief Executive Officer	Wen Hsiung, Chan	19,032	19,032	540	540	42,320	42,320	13,625	—	13,625	—	75,517 7.23%	75,517 7.23%	None
President	Kuang Lung, Kuo													
Senior Vice President	Yi Sheng, Lin													
Senior Vice President	Jui Lin, Liu													
Vice President	Che Wei, Chang													
Vice President	Chen Wen, Chiu													

Remuneration Range Table

Remuneration Range for Each of the Company's General and Deputy Presidents	Name of the President and Deputy President	
	The Company	All companies in the financial report
Less than NT\$1,000,000		
NT\$1,000,000 (inclusive)–NT\$2,000,000 (non-inclusive)	—	—
NT\$2,000,000 (inclusive)–NT\$3,500,000 (non-inclusive)	—	—
NT\$3,500,000 (inclusive)–NT\$5,000,000 (non-inclusive)	—	—
NT\$5,000,000 (inclusive)–NT\$10,000,000 (non-inclusive)	Che Wei, Chang 、 Chen Wen, Chiu	Che Wei, Chang 、 Chen Wen, Chiu
NT\$10,000,000 (inclusive)–NT\$15,000,000 (non-inclusive)	Yi Sheng, Lin 、 Jui Lin, Liu	Yi Sheng, Lin 、 Jui Lin, Liu
NT\$15,000,000 (inclusive)–NT\$30,000,000 (non-inclusive)	Wen Hsiung, Chan 、 Kuang Lung, Kuo	Wen Hsiung, Chan 、 Kuang Lung, Kuo
NT\$30,000,000 (inclusive)–NT\$50,000,000 (non-inclusive)	—	—
NT\$50,000,000 (inclusive)–NT\$100,000,000 (non-inclusive)	—	—
NT\$100,000,000 and above	—	—
Total	6 people	6 people

3. Names of Managers Responsible for Employee Compensation and Distribution Details

Unit: NT\$ thousand

	Position	Name	Amount paid in shares	Amount paid in cash	Total	Total as a Percentage of Net Income After Tax (%)
Manager	Chief Executive Officer	Wen Hsiung, Chan	—	19,627	19,627	1.88%
	President	Kuang Lung, Kuo				
	Senior Vice President	Yi Sheng, Lin				
	Senior Vice President, Marketing and Sales Division	Jui Lin, Liu				
	Assistant Vice President, Research & Development Division	Liang Jyi, Chen				
	Senior Director, Chairman's Office	Shao Wen, Lu				
	Senior Director, Finance and Accounting Division	Hsu Chi, Lai				

4. This report provides a comparative analysis of the total remuneration paid to the Company's directors, supervisors, President, and deputy Presidents, as well as those of all companies included in the consolidated financial statements, over the past two fiscal years. It examines the proportion of these remuneration amounts relative to the after-tax net profit reported in the financial statements. Additionally, the report outlines the policies, standards, and composition related to the payment of remuneration, the procedures for determining such remuneration, and the correlation between remuneration and operational performance as well as future risks.

(1) Remuneration Paid to the Company's Directors, President, and Deputy Presidents in the Most Recent Two Years as a Percentage of Net Income After Tax in the Financial Reports

Unit: NT\$ thousand

Item	2024 Percentage of Total Remuneration to After-Tax Net Profit (%)				2025 Percentage of Total Remuneration to After-Tax Net Profit (%)			
	The Company		All companies in the financial report		The Company		All companies in the consolidated financial report	
	Total Amount	%	Total Amount	%	Total Amount	%	Total Amount	%
Director	19,055	2.73	19,055	2.73	27,856	2.67	27,856	2.67
President and Deputy President	43,668	6.26	43,668	6.26	75,517	7.23	75,517	7.23

(2) Remuneration Policies, Standards and Structure, Remuneration Determination Procedures, and Their Correlation with Business Performance and Future Risks

The compensation for the directors and independent directors of the Company shall be determined in accordance with Article 19 of the Company's Articles of Incorporation. The remuneration for directors will be based on their level of participation in the Company's operations and their contribution value, while also taking into consideration industry standards both domestically and internationally, and shall be authorized by the Board of Directors.

The Articles of Incorporation stipulate that if the Company has earnings for the year, up to 3% of the profit may be allocated as directors' remuneration. However, if the Company has accumulated losses, the losses must first be covered before any distribution. The compensation for directors shall be determined based on the individual performance evaluation results of each director, in accordance with the "Board of Directors Performance Evaluation Measures," which will serve as a reference for establishing their individual salary and remuneration.

The compensation of managers is determined based on their individual performance and contributions to the overall operations of the Company, while also taking into account industry standards. In addition, the report incorporates potential operational risks that the Company may face in the future, as well as the positive correlation between compensation and business performance, to ensure that the enterprise can achieve a balance between sustainable operations and risk management.

III. Corporate governance

(I) Operation of the Board of Directors:

In the most recent year, the Board of Directors convened six times, with the attendance of directors as follows:

Position	Name	Actual Attendance	Attendance by Proxy	Actual Attendance Rate (%)	Remarks
Chairman	Fine Ace Asset Management Co. Legal Representative: Wen Hsiung, Chan	6	0	100%	—
Director	Fine Ace Asset Management Co. Legal Representative: Kuang Lung, Kuo	6	0	100%	—
Director	Chang Wah Electromaterials Inc. Legal Representative: Chuen Sing, Hung	6	0	100%	—
Director	Hong Jen, Chuang	6	0	100%	—
Director	I-Kej Investment Co., Ltd. Legal Representative: Hsin Hsin, Li	6	0	100%	—
Independent director	Wen Guu, Huang	6	0	100%	—
Independent director	Cheng Min, Chuang	6	0	100%	—
Independent director	Tammy, Wang	6	0	100%	—
Independent director	Chi Yang, Chang	6	0	100%	—

Other matters required to be recorded:

- I. If any of the following situations occur in the operation of the Board of Directors, the date, period, content of the proposal, all independent directors' opinions, and the Company's handling of the independent directors' opinions should be clearly stated:
- (I) Matters referred to in Article 14-3 of the Securities and Exchange Act:  
The Company has established an Audit Committee. Please refer to the section "Audit Committee Operations" in this annual report for further details.
- (II) Except for the aforementioned matters, there were no resolutions of the Board of Directors opposed or reserved by independent directors with recorded or written statements.: None.
- II. The execution of the Board members' recusal from matters involving conflicts of interest should specify the names of the Board members, the content of the matters, the reasons for the recusal, and the circumstances of their participation in the voting:

Date	Name	Proposal Contents	Reason for Recusal due to Conflict of Interest	Participation in Voting
2025.02.07	Chairman Wen Hsiung, Chan Director Kuang Lung, Kuo	The Company's Managerial Promotion and Special Project Bonus	Managers with a conflict of interest in this case should recuse themselves.	The remaining attending directors unanimously approved the proposal without objection.
2025.08.13	Chairman Wen Hsiung, Chan Director Kuang Lung, Kuo Director Hong Jen, Chuang Director Hsin Hsin, Li Independent Director Wen Guu, Huang Independent Director Cheng Min, Chuang Independent Director Chi Yang, Chang Independent Director Tammy, Wang	Proposal to Approve the Company's Director Compensation and Managerial Compensation for 2024	Directors and managers with a conflict of interest in this case should recuse themselves.	Director compensation is subject to individual abstention from voting, and directors who also serve as managers do not participate in discussions and voting on employee compensation.
2025.12.23	Chairman Wen Hsiung, Chan Director Kuang Lung, Kuo	The Company's Managerial Year-End Bonus and Special Project Bonus for 2025	Managers with a conflict of interest in this case should recuse themselves.	The remaining attending directors unanimously approved the proposal without objection.

### III. Board Evaluation Implementation Status:

Evaluation Cycle	Conducted once a year
Evaluation Period	From January 1, 2025, to December 31, 2025
Evaluation Scope	Board of Directors, individual board members, and functional committees (Audit Committee and Remuneration Committee)
Evaluation Method	Board's Internal Self-Evaluation and Individual Director Self-Evaluation

<p>Evaluation Content</p>	<ol style="list-style-type: none"> <li>I. The measurement items for the performance evaluation of the Board of Directors include the following five major aspects: <ol style="list-style-type: none"> <li>1. Degree of Participation in Company Operations</li> <li>2. Enhancement of the Quality of Board Decision-Making</li> <li>3. Composition and Structure of the Board of Directors</li> <li>4. Appointment of Directors and Ongoing Education</li> <li>5. Internal Controls</li> </ol> </li> <li>II. The measurement items for the performance evaluation of board members include the following six major aspects: <ol style="list-style-type: none"> <li>1. Understanding the Company's Goals and Mission</li> <li>2. Understanding of Board Responsibilities</li> <li>3. Degree of Participation in Company Operations</li> <li>4. Internal Relationship Management and Communication</li> <li>5. Directors' Expertise and Ongoing Education</li> <li>6. Internal Controls</li> </ol> </li> <li>III. The measurement items for the performance evaluation of the Audit Committee include the following five key aspects: <ol style="list-style-type: none"> <li>1. Degree of Participation in Company Operations</li> <li>2. Understanding the Responsibilities of Audit Committee</li> <li>3. Enhancement of the Quality of Audit Committee ' Decision-Making</li> <li>4. Composition and Member Appointment of Audit Committee</li> <li>5. Internal Controls</li> </ol> </li> <li>IV. The measurement items for the performance evaluation of the Remuneration and Nomination Committee include the following four major aspects: <ol style="list-style-type: none"> <li>1. Degree of Participation in Company Operations</li> <li>2. Understanding the Responsibilities of the Remuneration and Nomination Committee</li> <li>3. Enhancement of the Quality of the Remuneration and Nomination Committee's Decision-Making</li> <li>4. Composition and Member Appointment of the Remuneration and Nomination Committee</li> </ol> </li> <li>V. The measurement items for the performance evaluation of the Sustainability and Risk Management Committee include the following four major aspects: <ol style="list-style-type: none"> <li>1. Degree of Participation in Company Operations</li> <li>2. Understanding the Responsibilities of the Sustainability and Risk Management Committee</li> <li>3. Enhancement of the Quality of the Sustainability and Risk Management Committee's Decision-Making</li> <li>4. Composition and Member Appointment of the Sustainability and Risk Management Committee</li> </ol> </li> </ol>
<p>In accordance with the Company's "Board of Directors Performance Evaluation Measures," internal performance evaluations of the Board of Directors (including functional committees: Audit Committee and Remuneration Committee) shall be conducted annually before the end of the first quarter of the following year. The performance evaluation results of the Board of Directors for 2025 were submitted to the Board of Directors on March 11, 2026, to serve as a reference for the compensation of individual directors. In 2025, the evaluation scores all reached above 4.5, indicating excellent self-assessment results.</p>	
<p>IV. Evaluation of Objectives and Implementation Status for Enhancing the Functions of the Board of Directors in the Current and Most Recent Fiscal Years:</p> <ol style="list-style-type: none"> <li>1. Upon the expiration of the term of the seventh Board of Directors, the Company conducted</li> </ol>	

a comprehensive election for the eighth Board of Directors during the shareholders' meeting held on June 12, 2023. An additional independent director was elected, bringing the total number of independent directors to four. Independent directors now account for 44% of the total board seats, thereby enhancing the governance operations of the Company and the diversity of functions within the Board of Directors.

2. The Company requires all directors to complete the annual continuing education hours as stipulated by the competent authority. In addition, board members are encouraged to participate in a variety of professional training courses to continuously improve their professional knowledge and competencies. Relevant regulatory updates are also provided regularly to ensure compliance with applicable laws and regulations.
3. To strengthen corporate governance, the Company established the Sustainability and Risk Management Committee on August 13, 2025. In addition, the responsibilities of the Nomination Committee were incorporated into the Remuneration Committee, which was subsequently renamed the Remuneration and Nomination Committee.

(II) Audit Committee Operations:

The Company has established an Audit Committee to strengthen corporate governance and enhance the functions of the Board of Directors. The committee is composed of four independent directors. In 2025, the Audit Committee convened six meetings. The main matters reviewed included:

1. Establishment or amendment of internal control systems in accordance with Article 14-1 of the Securities and Exchange Act.
2. Evaluation of the effectiveness of the internal control system.
3. Establishment or amendment of procedures for material financial and business activities such as the acquisition or disposal of assets, engaging in derivative transactions, lending funds to others, and providing endorsements or guarantees for others, pursuant to Article 36-1 of the Securities and Exchange Act.
4. Matters involving conflicts of interest for directors.
5. Material asset or derivative transactions.
6. Material capital loans, endorsements, or guarantees.
7. Public offerings, issuance, or private placements of equity-type securities.
8. Appointment, dismissal, or compensation of certified public accountants.
9. Appointment or dismissal of financial, accounting, or internal audit officers.
10. Annual financial reports signed or sealed by the Chairman, managers, and accounting officers, and second-quarter financial reports that require audit or review by accountants.
11. Material matters as stipulated by other companies or competent authorities.

In the most recent fiscal year, the Audit Committee convened six meetings (A). Attendance details are as follows:

Position	Name	Actual Attendance (B)	Attendance by Proxy	Actual Attendance Rate (%) [B/A]	Remarks
Convener	Tammy, Wang	6	0	100%	-
Committee Member	Cheng Min, Chuang	6	0	100%	-
Committee Member	Wen Guu, Huang	6	0	100%	-
Committee Member	Chi Yang, Chang	6	0	100%	-

Other matters required to be recorded:

- I. If any of the following situations occur in the operation of the Audit Committee, the date of the Audit Committee meeting, the session number, the content of the agenda items, the dissenting opinions, reservations, or significant recommendations from independent directors, the resolutions of the Audit Committee, and the Company's handling of the Audit Committee's opinions should be clearly stated.
  - (I) Matters referred to in Article 14-5 of the Securities and Exchange Act:

Date	Meeting No.	Proposal Contents	Audit Committee Resolution	Company's Handling of Audit Committee's Opinion
2025.02.07	2nd Term 17th Meeting	<ol style="list-style-type: none"> <li>1. Proposal for the Company's business plan and budget for fiscal year 2025.</li> <li>2. Proposal for the Company to participate in the private placement of domestic unsecured convertible corporate bonds issued by Eray Technologies Inc.</li> <li>3. Evaluation of the independence and competence of the CPA responsible for auditing the Company's financial reports.</li> <li>4. Pre-approval of the list of non-assurance services for fiscal year 2025.</li> </ol>	All attending committee members agreed to approve the proposals as submitted.	All attending directors agreed to approve the proposals as submitted.
2025.03.14	2nd Term 18th Meeting	<ol style="list-style-type: none"> <li>1. The Company's 2024 business report and financial statements.</li> <li>2. Proposal for the Company's 2024 table of earnings distribution.</li> <li>3. Proposal for the Company to issue the "Internal Control System Declaration" for 2024.</li> <li>4. Proposal to amend the Company's relevant regulations governing the internal control system.</li> <li>5. Proposal to amend the Company's "Rules of Procedure for Board of Directors Meetings."</li> <li>6. Proposal to amend the Company's "Procedures for Ethical Management and Guidelines for Conduct."</li> <li>7. Proposal to amend the Company's Articles of Incorporation.</li> <li>8. Proposal to amend the Company's "Procedures for the Acquisition or Disposal of Assets."</li> <li>9. Proposal to lift the non-competition restriction for directors.</li> </ol>	All attending committee members agreed to approve the proposals as submitted.	All attending directors agreed to approve the proposals as submitted.
2025.05.07	2nd Term 19th Meeting	<ol style="list-style-type: none"> <li>1. Proposal for the Company's consolidated financial statements for the first quarter of 2025.</li> <li>2. Proposal for the Company to extend loans to its subsidiaries.</li> <li>3. Proposal to lift the non-competition restriction for directors.</li> <li>4. Proposal to amend the Company's "Compensation Management Policy for Directors and Managers."</li> </ol>	All attending committee members agreed to approve the proposals as submitted.	All attending directors agreed to approve the proposals as submitted.
2025.08.13	2nd Term 20th Meeting	<ol style="list-style-type: none"> <li>1. Proposal for the Company's consolidated financial statements for the second quarter of 2025.</li> <li>2. Proposal to amend the Company's "Property Management Policy."</li> <li>3. Proposal to establish the "Sustainability and Risk Management Committee" and to formulate the "Organizational Rules of the Sustainability and Risk Management Committee."</li> <li>4. Proposal to amend the Company's "Corporate Governance Best Practice Principles."</li> <li>5. Proposal to amend the Company's "Organizational Rules of the Remuneration Committee."</li> <li>6. Proposal to amend the Company's "Operational Management Guidelines for the Remuneration Committee."</li> <li>7. Proposal to formulate the Company's "Retirement Incentive Payment Policy for Division-Level Supervisors Including Appointed Managers."</li> </ol>	All attending committee members agreed to approve the proposals as submitted.	All attending directors agreed to approve the proposals as submitted.

Date	Meeting No.	Proposal Contents	Audit Committee Resolution	Company's Handling of Audit Committee's Opinion
2025.11.12	2nd Term 21st Meeting	<ol style="list-style-type: none"> <li>1. Proposal for the Company's consolidated financial statements for the third quarter of 2025.</li> <li>2. Proposal to amend the Company's "Personal Data Protection Management Policy."</li> <li>3. Proposal to formulate the Company's "Risk Management Policy and Procedures."</li> <li>4. Proposal to amend the Company's "Internal Control System" and "Internal Audit Rules."</li> <li>5. Proposal to amend the Company's "Procedures for Transactions with Group Enterprises, Specific Companies, and Related Parties."</li> <li>6. Proposal for the Company's 2026 audit plan.</li> </ol>	All attending committee members agreed to approve the proposals as submitted.	All attending directors agreed to approve the proposals as submitted.
2025.12.23	2nd Term 22nd Meeting	<ol style="list-style-type: none"> <li>1. Proposal for the Company's business plan and budget for fiscal year 2026.</li> <li>2. Proposal for capital expenditure for the construction of the Longtan Science Park Plant.</li> </ol>	All attending committee members agreed to approve the proposals as submitted.	All attending directors agreed to approve the proposals as submitted.

(II) Aside from the aforementioned matters, other resolutions not approved by the Audit Committee but approved by at least two-thirds of all directors: None.

- II. The execution of the independent directors' recusal from matters involving conflicts of interest that should specify the names of the independent directors, the content of the matters, the reasons for the recusal, and the circumstances of their participation in the voting: No such cases.
- III. Communication between Independent Directors, Internal Audit Supervisors, and Accountants (should include material matters, methods, and results regarding communication on the Company's financial and business conditions):
  - (I) Communication with Internal Audit: The Company's internal audit officer submits monthly audit reports to the independent directors, and no objections have been raised by the independent directors. If there are matters in the audit report that require further clarification, the independent directors directly inquire and seek understanding via email. The communication with the audit team has been smooth.

(II) Communication with Auditors:

Meeting Date	Communication Method	Communication Matters	Communication Outcome
2025/3/14	Pre-Meeting of the Audit Committee	1. Private session between the auditor and independent directors.	No objections
2025/3/14	Audit Committee Meeting	1. The auditor provided an explanation regarding the audit of the financial report for fiscal year 2024. 2. The auditor engaged in discussions and communications regarding the questions raised by the attendees.	No objections
2025/5/7	Audit Committee Meeting	1. The auditor provided an explanation regarding the review of the consolidated financial report for the first quarter of 2025. 2. The auditor engaged in discussions and communications regarding the questions raised by the attendees.	No objections
2025/8/13	Pre-Meeting of the Board of Directors	1. Private session between the auditor and independent directors.	No objections
2025/8/13	Audit Committee Meeting	1. The auditor provided an explanation regarding the audit of the consolidated financial report for the second quarter of 2025. 2. The auditor engaged in discussions and communications regarding the questions raised by the attendees.	No objections
2025/11/12	Audit Committee Meeting	1. The auditor provided an explanation regarding the audit of the consolidated financial report for the third quarter of 2025. 2. The auditor addressed questions raised by attendees by the attendees.	No objections

(III) Corporate Governance Operations and Its Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons for Such Differences

Evaluation Item	Operation Status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons for Such Differences
	Yes	No	Summary	
I. Has the Company established and disclosed its corporate governance practices in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?"	V		The company's Board of Directors approved the establishment of the "Corporate Governance Best Practice Principles" on March 27, 2022, and it has been disclosed on the Company's website and the designated information reporting platform of the securities authorities.	No significant differences.
II. Company Shareholding Structure and Shareholder Rights				
(I) Has the Company established internal procedures to handle shareholder suggestions, concerns, disputes, and lawsuits, and implemented these procedures?	V		(I) The Company has appointed a spokesperson and an deputy spokesperson to handle issues related to shareholder suggestions and disputes.	No significant differences.
(II) Does the Company have a clear understanding of the list of major shareholders who exercise actual control over the Company, as well as the ultimate controllers of these major shareholders?	V		(II) The Company's shareholding operations are handled by a professional shareholding agency, with designated personnel responsible for monitoring the equity changes of internal personnel and major shareholders. This is to maintain an accurate understanding of the primary shareholders who effectively control the Company, as well as the list of ultimate controllers among these major shareholders.	No significant differences.
(III) Has the Company established and implemented risk management and firewall mechanisms with its affiliated enterprises?	V		(III) The transactions between the Company and affiliated enterprises are conducted in accordance with the "Procedures for Transactions with Group Enterprises, Specific Companies, and Related Parties" to ensure an effective risk control mechanism for related parties.	No significant differences.

Evaluation Item	Operation Status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons for Such Differences
	Yes	No	Summary	
(IV) Has the Company established internal regulations to prohibit internal personnel from trading securities based on non-public information available in the market?	V		(IV) The Company has established the "Internal Material Information Processing Procedures" and the "Insider Trading Prevention Management Regulations" to prevent improper information leakage and to ensure the consistency and accuracy of the information disclosed to the public. Additionally, these measures aim to strengthen the prevention of insider trading.	No significant differences.
III. Composition and Responsibilities of the Board of Directors				
(I) Has the Board developed a diversity policy with specific management goals, and implemented it effectively?	V		(I) The board members possess the necessary professional knowledge, skills, and expertise. To strengthen corporate governance, the Company has established the "Procedures for Election of Directors," achieving diversity through board composition. Members are from well-known sectors—industry, government, and academia—and contribute diverse insights through formal meetings and exchanges. Currently, two board seats are held by women, implementing gender equality. For the ideal objectives of corporate governance, please refer to page 14-15 for relevant diversification policies.	No significant differences.
(II) In addition to the legally mandated establishment of the Remuneration Committee and the Audit Committee, has the Company voluntarily established any other types of functional committees?	V		(II) The Company has currently established an Audit Committee and a Remuneration Committee. To strengthen corporate governance, the Company established the Sustainability and Risk Management Committee on August 13, 2025. In addition, the	Future establishment of other committees will depend on legal requirements and actual needs.

Evaluation Item	Operation Status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons for Such Differences
	Yes	No	Summary	
(III) Has the Company established a performance evaluation method for the Board of Directors and its evaluation procedures? Is a performance evaluation conducted regularly each year, with the results reported to the Board of Directors, and utilized as a reference for individual director compensation and re-nomination?	V		<p>responsibilities of the Nomination Committee were incorporated into the Remuneration Committee, which was subsequently renamed the Remuneration and Nomination Committee.</p> <p>(III) The company has established the "Board of Directors Performance Evaluation Measures," which stipulate that the performance evaluation of the Board of Directors for the previous year must be completed in the first quarter of each year. The results are reported to the Board and used as a reference for compensation and re-nomination decisions.</p> <p>Please refer to page 27 for the results of the Board of Directors' performance evaluation for 2024.</p>	No significant differences.
(IV) Does the Company regularly assess the independence of its CPAs?	V		<p>(IV) The Audit Committee of the Company conducts an annual assessment of the independence and competence of the CPAs with reference to Audit Quality Indicators (AQIs). In addition to requiring the accountants to provide an "Independence Declaration" each year, an "Assessment Form for Accountant Independence and Competence" is also prepared. This form evaluates each item that may affect independence. The assessment concludes that the accountants, aside from the fees for auditing and tax-related services, have no other financial interests or business relationships with the Company, thereby meeting the requirements for independence and competence.</p> <p>The 2026 board meeting on March 11 approved the</p>	No significant differences.

Evaluation Item	Operation Status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons for Such Differences
	Yes	No	Summary	
			CPA independence and competence assessment.	
IV. Do TWSE/TPEX-listed companies allocate an appropriate number of qualified corporate governance personnel and designate a corporate governance supervisor responsible for matters related to corporate governance (including, but not limited, to providing necessary information for directors and supervisors to execute their duties, assisting directors and supervisors in complying with laws and regulations, managing the proceedings of Board of Directors and shareholders meetings in accordance with the law, and preparing minutes for Board of Directors and shareholders meetings)?	V		<p>On August 10, 2022, the Board of Directors of the Company approved the appointment of Senior Director Shao Wen, Lu from the Chairman's Office as the Corporate Governance Officer. She is responsible for handling corporate governance matters and supporting the provision of necessary information to the Board of Directors and members.</p> <p>According to the Company's Board of Directors Meeting Rules, the departments under the governance supervisor and those designated by the President serve as the administrative units for Board meetings. They assist with matters related to corporate governance, provide the necessary information for directors to execute their duties, handle the relevant affairs of Board meetings, committee meetings, and shareholder meetings, and prepare meeting minutes. They ensure that directors receive timely and appropriate information to fulfill their duties.</p>	No significant differences.
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers) and set up a dedicated stakeholder section on the Company website to appropriately respond to important corporate social responsibility issues of concern to stakeholders?	V		<p>V. The Company's website features a dedicated section for stakeholders and provides a contact point. Additionally, there are designated spokespersons and deputy spokespersons to handle related matters. Up-to-date information is provided via the Market Observation Post System (MOPS) and the Company's website to facilitate communication channels with stakeholders under various circumstances.</p>	No significant differences.

Evaluation Item	Operation Status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons for Such Differences
	Yes	No	Summary	
			<p>1. The company timely responds to the concerns of stakeholders through the following channels:</p> <p>(1) Shareholders and Investors: An annual shareholders' meeting is held, and shareholders may exercise their voting rights electronically. In addition, the Company issues an annual shareholders' report and discloses monthly revenue and quarterly self-assessed earnings to help shareholders understand the Company's operations. Furthermore, through the periodic hosting of and participation in investor conferences and brokerage forums, the Company actively deepens two-way communication with investors.</p> <p>(2) Employee: Communication on issues such as workplace safety, employee welfare, human rights, and labor relations is conducted through labor-management meetings and other channels.</p> <p>(3) Supplier: Upholding the spirit of sustainable operations and fair trade, the Company requires its suppliers to comply with environmental, occupational safety, and human rights standards. Site visits are conducted to enhance two-way communication and promote these principles.</p>	

Evaluation Item	Operation Status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons for Such Differences
	Yes	No	Summary	
			(4) Customers: The Company addresses customer concerns regarding product quality and after-sales service through visits by dedicated sales and product engineers (PMs), as well as customer satisfaction surveys.	
VI. Does the Company engage a professional shareholder services agency to handle matters related to shareholders' meetings?	V		The Company has engaged Mega Securities Shareholder Services to handle shareholders' meeting affairs.	No significant differences.
VII. Information Disclosure				
(I) Does the Company have a website that discloses financial operations and corporate governance information?	V		(I) The Company has set up a website (www.aemc.com.tw) to regularly disclose and update information regarding its financial performance, business operations, and corporate governance.	No significant differences.
(II) Has the Company adopted other methods of information disclosure (such as establishing an English website, designating a specific person responsible for the collection and disclosure of company information, implementing a spokesperson system, and posting the proceedings of corporate briefings on the Company website, etc.)?	V		(II) The department under the supervision of the Corporate Governance Officer is responsible for collecting and disclosing relevant information about the Company in accordance with regulations. The Company has also designated a spokesperson and deputy spokesperson, with their names and contact details disclosed on the corporate website. If the Company holds investor conferences, announcements will be made in accordance with applicable regulations.	No significant differences.
(III) Does the Company announce and file its annual financial reports within two months after the end of the		V	(III) The Company's most recent annual financial report was not announced and filed within two months	Same as the summary.

Evaluation Item	Operation Status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons for Such Differences
	Yes	No	Summary	
fiscal year, and announce and file the first, second, and third quarter financial reports, as well as monthly operating results, ahead of the regulatory deadlines?			after the end of the fiscal year but was still submitted within the regulatory deadline, along with monthly operating results.	
VIII. Does the Company possess any other significant information that aids in understanding the operation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, the continuing education of directors and supervisors, the implementation of risk management policies and risk measurement standards, the execution of customer policies, and the provision of liability insurance for directors and supervisors, among others)?	V		<p>The Company's management actively promotes corporate governance. A summary of the related measures is as follows:</p> <p>(I) Employee Rights and Employee Care: The Company's management places a high priority on employee rights. In addition to complying with the Labor Standards Act and related regulations, a Labor Welfare Committee has been established to allocate employee benefit funds and retirement pensions. Furthermore, the Company actively promotes various benefit measures and activities to safeguard employee rights, enhance retention willingness, and strengthen the Company's competitiveness.</p> <p>(II) Investor Relations and Stakeholders' Rights: In accordance with relevant legal regulations, the Company publicly discloses operational information on MOPS to safeguard the rights and interests of stakeholders. A spokesperson and deputy spokesperson are appointed, and contact methods such as email and phone are provided to enable stakeholders to share their feedback.</p> <p>(III) The Company maintains long-term, equal, and positive interactions with its suppliers to ensure smooth business operations.</p>	No significant differences.

Evaluation Item	Operation Status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons for Such Differences
	Yes	No	Summary	
			<p>(IV) Board Member Training: All members of the Company's Board of Directors have participated in training courses organized by designated institutions, covering topics such as corporate governance and securities regulations, in accordance with the "Guidelines for Continuing Education of Directors and Supervisors of TWSE/TPEX-Listed Companies." They have also met the required training hours.</p> <p>(V) Implementation of Risk Management Policies and Risk Assessment Standards: The Company has established an internal control system in accordance with legal requirements. It conducts annual risk assessments and formulates an annual audit plan to mitigate and prevent potential risks.</p> <p>(VI) Customer Policy Implementation Status: The dedicated unit and personnel of the Company maintain a good relationship with clients and value their feedback to enhance service quality.</p> <p>(VII) Director Liability Insurance Coverage: Every year, liability insurance is purchased by the Company for directors, supervisors, and key personnel to mitigate operational risks.</p>	
<p>IX. Please provide an explanation of the improvements made regarding the corporate governance evaluation results recently published by the Corporate Governance Center of the Taiwan Stock Exchange Corporation, as well as the priority areas and measures for those aspects that have not yet been improved. (Companies not included in the evaluation are not required to fill out this section): The Company is not included in the evaluation, therefore this does not apply.</p>				

(IV) If the Company has established a Remuneration Committee, it should disclose its composition, responsibilities, and operational status:

The Remuneration and Nomination Committee operates from a position of professional objectivity to evaluate the salary and compensation policies and systems of the Company's directors and managers. This committee is composed of four independent directors and held five meetings in the 2025, during which the main topics of discussion included:

1. Periodic review and recommendation of amendments to the Company's compensation policies.
2. Establishment and regular review of performance evaluation and remuneration policies, systems, standards, and structures for directors and managerial officers.
3. Regular assessment and determination of remuneration for directors and managerial officers.

(1) Information on Members of the Remuneration and Nomination Committee

April 13, 2026

Position	Criteria		Professional Qualifications and Experience	Independence Status	Number of Other Public Companies Where Serving as Remuneration Committee Member
	Name				
Convener and Independent Director	Wen Guu, Huang		Please refer to page 14-15 of the annual report for the disclosure of Directors' professional qualifications and independence of Independent Directors.		1
Independent director	Cheng Min, Chuang				None
Independent director	Tammy, Wang				1
Independent director	Chi Yang, Chang				None
Note: For the professional qualifications, experience, and independence of the independent directors, please refer to Section II of the Corporate Governance Report, which contains information related to directors, supervisors, the President, deputy Presidents, assistant managers, and heads of various departments and branches (I).					

(2) Remuneration and Nomination Committee Operations:

- A. The Company's Remuneration and Nomination Committee consists of four members.
- B. Term of the current committee members: June 29, 2023, to June 11, 2026. During 2025, the Remuneration and Nomination Committee of the Company convened five times (A). The qualifications and attendance of the committee members are as follows:

Position	Name	Actual Attendance B	Attendance by Proxy	Actual Attendance Rate (%) [B/A]	Remarks
Convener	Wen Guu, Huang	5	0	100%	—
Committee Member	Cheng Min, Chuang	5	0	100%	—
Committee Member	Tammy, Wang	5	0	100%	—
Committee Member	Chi Yang, Chang	5	0	100%	—

Other matters required to be recorded:

- If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, it must specify the date of the Board meeting, the period, the content of the proposal, the resolution of the Board, and the Company's handling of the Compensation Committee's opinions (for instance, if the compensation approved by the Board exceeds the recommendations of the Compensation Committee, the differences and reasons must be detailed): No such cases.
- If any member of the Remuneration Committee has expressed an objection or reservation to a resolution, with a recorded or written statement, the date, term, agenda item, all members' opinions, and the handling of those opinions shall be disclosed: No such cases.
- Matters Discussed and Resolutions of the Remuneration and Nomination Committee, and the Company's Handling of Members' Opinions:

Date of Meeting	Proposal Contents	Resolution Outcome	Company's Handling of Compensation Committee's Opinion
2025.02.07 2nd Term, 8th Meeting	1. Proposal for the Company's Managerial Promotion and Special Project Bonus Distribution..	All attending committee members unanimously approved.	Submitted to the Board of Directors, and unanimously approved by all attending directors.
2025.03.14 2nd Term, 9th Meeting	1. Proposal for the Distribution of Employee Compensation and Director Compensation for Fiscal Year 2024.	All attending committee members unanimously approved.	Submitted to the Board of Directors, and unanimously approved by all attending directors.
2025.05.07 2nd Term, 10th Meeting	1. Proposal to Amend the Company's "Director and Executive Compensation Management Policy."	All attending committee members unanimously approved.	Submitted to the Board of Directors, and unanimously approved by all attending directors.
2025.08.13 2nd Term, 11th Meeting	1. Proposal to Amend the Company's "Organizational Rules of the Remuneration Committee." 2. Proposal to Amend the Company's "Operational Management Guidelines for the Remuneration Committee." 3. Proposal to Formulate the Company's "Retirement Incentive Payment Policy for Division-Level Supervisors Including Appointed Managers." 4. Proposal to Approve the Distribution of Director Compensation and Managerial Employee Compensation for Fiscal Year 2024.	All attending committee members unanimously approved.	Submitted to the Board of Directors, and unanimously approved by all attending directors.
2025.12.23 2nd Term, 12th Meeting	1. Proposal for the Company's Managerial Year-End Bonus and Special Project Bonus for Fiscal Year 2025.	All attending committee members unanimously approved.	Submitted to the Board of Directors, and unanimously approved by all attending directors.

(V) Implementation of Sustainable Development and Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the Reasons for These Difference

Evaluation Item	Operation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons for Such Differences
	Yes	No	Summary	
I. Has the Company established a governance structure to promote sustainable development, set up dedicated or part-time units for sustainability, and authorized senior management to handle it, with the Board overseeing?	V		<p>(I) The Company has established the "Sustainable Development Best Practice Principles" and the "Sustainability Information Management Guidelines" to establish a management mechanism for sustainable development and to ensure the effective implementation of various measures.</p> <p>(II) In 2024, the Company established a Sustainable Development Task Force to execute matters related to sustainable development. The President serves as the convener, and a designated supervisor from the task force acts as the management representative to hold regular meetings. Furthermore, on March 1, 2025, the Corporate Sustainability Division was established as a dedicated unit to promote sustainable development, coordinating planning and execution of related tasks.</p> <ul style="list-style-type: none"> <li>• In August 2025, the Sustainability Development and Risk Management Committee was established under the authorization of the Board of Directors to formulate and oversee the company's sustainability policies, ensuring that its sustainability strategies align with the company's long-term objectives.</li> <li>• The Corporate Sustainability Division is responsible for</li> </ul>	Continuously comply with regulatory requirements

Evaluation Item	Operation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons for Such Differences
	Yes	No	Summary	
			<p>formulating the Company's sustainable development policies, management systems, and specific implementation plans to ensure that the Company's operations align with international sustainability trends.</p> <ul style="list-style-type: none"> <li>• The current operations include the formulation and execution of the annual work plan, such as the preparation of the sustainability report, greenhouse gas inventory, energy conservation and carbon reduction initiatives, and participation in ESG (Environmental, Social, and Governance) initiatives.</li> <li>• After the establishment of the Sustainable Development and Risk Management Committee, the Company will further integrate risk management with sustainability development to enhance governance effectiveness.</li> <li>• The Corporate Sustainability Division shall report to the Board of Directors at least once a year, covering the progress of annual sustainability development and future plans.</li> <li>• In 2025, the Company reported to the Board of Directors in the fourth quarter, providing updates on the sustainability report progress, sustainability performance, and future improvement measures.</li> </ul> <p>(III) The Board of Directors is responsible for reviewing the</p>	

Evaluation Item	Operation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons for Such Differences
	Yes	No	Summary	
			<p>Company's sustainable development strategies, management policies, and objectives, ensuring the Company's continuous improvement in the ESG domain.</p> <p>The Board will regularly review the execution of sustainability plans and adjust policies accordingly to respond to domestic and international regulatory changes and industry trends.</p> <p>If a shareholder proposal involves issues of sustainable development, the Board of Directors will conduct a careful assessment and, when appropriate, incorporate it into the agenda of the shareholders' meeting to ensure a balance between shareholder interests and the Company's long-term development.</p> <p>(IV) In response to the revisions of the "Action Plan for Sustainable Development of TWSE/TPEX-Listed Companies" and the "Regulations for the Preparation and Submission of Sustainability Reports by TWSE/TPEX-Listed Companies," the Company has initiated its sustainable development plan and the preparation of its sustainability report. The first Sustainability Report was completed in late August 2025, and its English version was published by year-end to increase international transparency and</p>	

Evaluation Item	Operation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons for Such Differences
	Yes	No	Summary	
			stakeholder communication efficiency.	
II. Has the Company, based on the materiality principle, conducted risk assessments on ESG issues related to its operations and formulated relevant risk management policies or strategies?	V		<p>Based on the materiality principle, the Company has identified the threats and opportunities related to ESG issues during its production and operations. Using risk analysis methods, the Company formulates risk management strategies, allocates resources, strengthens its strengths, and continuously improves weaknesses, aiming to reduce threats and seize external opportunities. The following related issues are subjected to risk assessments:</p> <p>Environment:</p> <p>(I) ISO 14001 serves as the management framework, and based on the "Environmental, Health, and Safety Consideration Management Procedures," management plans and objectives are established. Regular tracking is conducted to maintain the operation of the management system.</p> <p>(II) ISO 14064 serves as a verification system and is based on the "Greenhouse Gas Verification Control Procedures" to conduct greenhouse gas inventories and obtain verification certificates. Through greenhouse gas inventories, it is possible to understand the sources of greenhouse gas emissions within the facility. Subsequently, through improvement</p>	No significant differences.

Evaluation Item	Operation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons for Such Differences
	Yes	No	Summary	
			<p>measures, energy conservation and carbon reduction can be achieved, leading to a decrease in greenhouse gas emissions. This not only reduces operational costs but also aids in fulfilling corporate social responsibility, enhances the Company's image, and earns the trust of customers and investors.</p> <p>Society: Through certification of the ISO 45001 Occupational Health and Safety Management System, the Company is committed to reducing process hazards and providing a safe and friendly working environment.</p> <p>Corporate Governance: The Company has established the Corporate Governance Best Practice Principles and has designated a dedicated audit unit and a corporate governance officer. In addition to complying with laws and regulations as well as the Articles of Incorporation, the Company implements internal control systems, conducts thorough execution and reviews to ensure the effectiveness of these systems, and continuously monitors various risks, taking timely and effective measures in response.</p>	
<p>III. Environmental Issues</p> <p>(I) Has the Company established an appropriate environmental management system in accordance with its industry characteristics?</p>	V		<p>(I) The Company has established an Environmental Management System (EMS) in accordance with international standards such as ISO 14001 and has obtained third-party verification. Pollution prevention</p>	No significant differences.

Evaluation Item	Operation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons for Such Differences
	Yes	No	Summary	
(II) Has the Company made efforts to improve energy efficiency and use environmentally friendly or low-impact recycled materials?	V		<p>is regarded as one of the primary responsibilities in operations. Through regular management reviews, the Company sets more detailed goals and plans for emission control and waste management, continuously improving to proactively reduce the operational impact on the environment, thereby ensuring the effectiveness of the EMS. An ISO 14064 greenhouse gas inventory system has been established, and a verification certificate has been obtained. Through the greenhouse gas inventory, opportunities and measures for energy consumption and emissions can be identified. These improvement measures contribute to environmental protection, reduce the Company's operational costs, and enhance efficiency.</p> <p>(II) The Company has implemented ISO 14064 for greenhouse gas inventory, systematically collecting, assessing, and reporting its greenhouse gas emissions. This process aids in understanding emission sources and reducing the carbon footprint, thereby contributing to the reduction of negative environmental impacts. Additionally, it enhances the sustainability of the enterprise, not only ensuring compliance with regulatory requirements but also strengthening its competitiveness in the market.</p>	No significant differences.

Evaluation Item	Operation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons for Such Differences
	Yes	No	Summary	
(III) Has the Company assessed the potential current and future risks and opportunities posed by climate change, and taken appropriate response measures?	V		(III) The Company plans various energy-saving measures each year to enhance energy efficiency, manage the output of waste, classify recyclable materials, and entrust qualified cleaning contractors to carry out recycling and reuse. Through the risk and opportunity assessment mechanism, the Company conducts regular climate risk assessments and formulates corresponding management plans based on the risk results.	No significant differences.
	V		The primary risks stem from extreme weather events, such as droughts or heavy rainfall, which may impact the stability of our supply chain and production capacity. We have also developed corresponding emergency response plans to maintain normal operations. At the same time, we have seized the opportunity for sustainable development by actively promoting the low-carbonization of our products and investing in the field of green energy to meet future market demands.	No significant differences.
(IV) Has the Company compiled statistics for the past two years on greenhouse gas emissions, water usage, and total waste generated, and formulated policies for greenhouse gas reduction, water conservation, or other waste management			(IV) In the past two years, the Company has conducted detailed statistics and analysis of greenhouse gas emissions, water usage, and total waste weight within the organizational boundaries, utilizing the ISO 14001 Environmental Management System and the ISO 14064	

Evaluation Item	Operation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons for Such Differences
	Yes	No	Summary	
practices?			Greenhouse Gas Inventory Standard. Based on the analysis results, specific targets for reducing environmental pollution and emissions have been established. Furthermore, through regular monitoring and review mechanisms, we ensure the achievement of these environmental objectives and continuously track performance through the system. Based on monitoring results and performance evaluations, adjustments and optimizations will be made to the reduction policies to ensure continuous improvement in environmental performance.	
IV. Social Issues				
(I) Has the Company established relevant management policies and procedures in accordance with applicable laws and international human rights conventions?	V		(I) The Company adheres to the Labor Standards Act and other relevant regulations to protect the rights and interests of employees, and has established related management policies and procedures in accordance with the law.	No significant differences.
(II) Has the Company formulated and implemented reasonable employee benefit measures (including compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee compensation?	V		(II) 1. Employee Remuneration: The Company participates in annual market salary surveys and refers to salary adjustment rates of benchmark enterprises in the semiconductor and chemical industries, market salary levels, economic trends, and individual performance as the basis for salary adjustments. This is to attract top domestic	No significant differences.

Evaluation Item	Operation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons for Such Differences
	Yes	No	Summary	
			<p>and international talent and maintain overall compensation competitiveness.</p> <p>To retain and attract outstanding talent while considering shareholder interests, the Company currently conducts a structural review every two years. In response to the conditions of the price level and employment market, we have implemented structural salary adjustments in the year 2024. In 2025, in conjunction with the Company's successful TPEX listing, managers who demonstrated outstanding performance were promoted based on departmental operational performance evaluations.</p> <p>The Company allocates its year-end bonus budget based on shareholder equity, business performance, and talent retention considerations. Bonuses are distributed to all employees based on their annual performance evaluations to motivate them to work towards the Company's operational goals.</p> <p>Employee compensation is calculated based on the provisions of the Company's Articles of Incorporation, with a minimum profit threshold of 5% for the current fiscal year.</p> <p>2. Employee Benefit Measures:</p>	

Evaluation Item	Operation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons for Such Differences
	Yes	No	Summary	
			<p>The Company has established a Labor Welfare Committee to plan and provide high-quality benefits for employees, such as travel subsidies, birthday bonuses, marriage allowances, childbirth benefits, and funeral grants. Considering the inconvenient location of the factory, free meals are provided, and the meal cost is adjusted annually based on the price level. Starting in 2025, the Company introduced an in-service education subsidy to encourage employees to pursue continuous learning and enhance their professional knowledge and work capabilities, providing tuition assistance and related support for EMBA and master's degree programs. In addition, a new policy was introduced to allow employees' dependents to join the Company's group insurance plan. Through a more comprehensive and diverse range of medical insurance coverage, the overall level of care has been elevated, strengthening workplace support measures so that both employees and their family members can benefit from group insurance protection and devote themselves wholeheartedly to a cohesive work environment.</p> <p>3. Workplace Diversity and Equality:</p>	

Evaluation Item	Operation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons for Such Differences
	Yes	No	Summary	
			<p>The Company is committed to fostering a diverse, equitable, and inclusive workplace environment. Although we operate within the chemical industry, we are dedicated to implementing equitable compensation and promotion opportunities for both men and women, and to empowering women in a friendly workplace environment. In 2025, women accounted for 36% of mid- to senior-level managerial positions at the manager level and above, and female engineers in the R&amp;D department made up over 30% of the department's workforce.</p> <p>The Company values the physical and mental well-being of employees from diverse backgrounds and is committed to maintaining a positive work environment. This includes employing individuals with disabilities by tailoring suitable job roles and workplace facilities, as well as ensuring that foreign employees are provided with fair opportunities in recruitment, training, employment, and retention. We also support cultural integration and ensure health and safety benefits, promoting inclusive and sustainable economic growth.</p>	

Evaluation Item	Operation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons for Such Differences
	Yes	No	Summary	
(III) Does the Company provide a safe and healthy working environment for its employees and conduct regular safety and health education for them?	V		<p>(III) The Company has adopted multiple measures to ensure a safe working environment for employees and to protect their health. We regularly monitor the workplace environment, including testing for harmful substances in the air and conducting risk assessments for hazardous exposure. Employees are provided with personal protective equipment such as masks, gloves, and goggles, and we ensure that all workplace conditions meet established safety standards. The Company offers all employees with comprehensive health examinations at a frequency and scope that exceed regulatory requirements. Additionally, it subsidizes pre-employment general physical examinations for new hires. Based on the risk characteristics of the workplace, individualized health classification management is implemented for employees. Regular mental health seminars and stress management courses are conducted to assist employees in maintaining their physical and mental well-being.</p> <p>In the area of safety and health education, we have developed an annual safety and health training program, which includes topics such as fire safety, first aid training, and the identification of common</p>	No significant differences.

Evaluation Item	Operation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons for Such Differences
	Yes	No	Summary	
(IV) Has the Company established effective career development training programs for employees?	V		<p>health issues in the workplace. Fire drills and emergency response exercises are held regularly to ensure that employees are well-prepared to respond promptly in the event of an emergency.</p> <p>The Company has obtained ISO 45001 certification, which is valid from August 29, 2023, to June 2, 2026.</p> <p>(IV) The Company has a dedicated unit responsible for developing annual training plans. Courses are designed based on functional roles and job levels to enhance employees' professional capabilities and knowledge.</p>	No significant differences.
(V) Regarding issues such as customer health and safety, customer privacy, marketing, and labeling of products and services, does the Company comply with relevant laws and international standards, and has it established policies and complaint procedures to protect consumers' or clients' rights?	V		<p>(V) The Company is not the final manufacturer of the product. Therefore, this assessment item is not applicable to customer health and safety regarding products and services.</p> <p>However, to address and manage customer needs, the Company has established a customer complaint management policy that delineates the responsibilities and procedures of relevant departments, ensuring the prompt and effective resolution of related customer complaints.</p>	No significant differences.
(VI) Has the Company established a supplier management policy that requires suppliers to adhere to relevant regulations regarding	V		<p>(VI) Company Policy:</p> <ol style="list-style-type: none"> <li>1. The Company has established the "Qualified Supplier Operating Procedures" for the</li> </ol>	No significant differences.

Evaluation Item	Operation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons for Such Differences
	Yes	No	Summary	
environmental protection, occupational safety and health, or labor rights? What is the status of its implementation?			<p>management of suppliers and contractors. This includes relevant management regulations concerning the selection, auditing, and evaluation of suppliers and contractors. Each year, audits and evaluations are conducted for suppliers, covering aspects such as production processes, manufacturing environments, transportation management, and hazardous substance management. Suppliers are specifically required to obtain certifications in relevant areas, including Quality Management Systems (ISO 9001), Environmental Management Systems (ISO 14001), and Occupational Health and Safety Management Systems (ISO 45001). Additionally, suppliers must comply with the Company's hazardous material control standards (QA-3010).</p> <p>2. Through collaboration between the factory, quality management, and related business units, the Company continues to work closely with suppliers to address various issues:</p> <p>(1) Prohibition of Harmful Substances in Raw Materials: Advanced Echem Materials Company collaborates with customers to promote "green procurement" and requires raw</p>	

Evaluation Item	Operation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons for Such Differences
	Yes	No	Summary	
			<p>material suppliers to provide a declaration guaranteeing that their products do not contain internationally prohibited or restricted substances harmful to the environment, ensuring that the products comply with client requirements such as the European Union's RoHS directive.</p> <p>(2) Conflict Mineral Management: The Company requires raw material suppliers to cooperate with the prohibition of "minerals sourced from conflict zones." All suppliers must sign a conflict-free mineral declaration to meet the Company's requirements.</p> <p>3. At the end of each year, the Quality Assurance Department convenes relevant units to form a joint audit team to collaboratively select a list of critical raw materials for on-site audits in the following year. Simultaneously, written audits are conducted for raw material suppliers, and the results of these audits are included in the supplier evaluation.</p>	
V. Does the Company refer to internationally recognized guidelines or standards for the preparation of reports, such as sustainability	V		The Company is committed to implementing corporate governance, promoting sustainable environmental development, and maintaining social welfare. We carry out	Continuously comply with regulatory

Evaluation Item	Operation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons for Such Differences
	Yes	No	Summary	
reports, that disclose non-financial information? Has the aforementioned report obtained assurance or guarantee opinions from a third-party verification entity?			relevant measures in accordance with the regulations set forth in the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the "Sustainability Information Management Guidelines." Currently, the Company is a TPEX-listed company and is preparing a sustainability report in accordance with the Global Reporting Initiative (GRI) standards. This report will disclose non-financial information and will be made public according to the stipulated timeline. In addition, it is anticipated that the sustainability report for 2025 will be entrusted to a third-party verification organization to ensure the transparency and credibility of the information. The name of the assurance organization, as well as the verification items and scope, will be detailed in the report.	requirements
<p>VI. If the Company has established its own sustainability development guidelines based on the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," please describe the operation and any differences between the Company's guidelines and those prescribed: The Company has established its own "Sustainable Development Best Practice Principles" to promote the implementation of various social responsibilities. The actual operational situation is consistent with the Company's principles.</p>				
<p>VII. Other important information that aids in understanding the implementation of sustainable development initiatives: (I) Commitment to Environmental Sustainability: As global citizens, we deeply recognize that maintaining a friendly ecological environment is an urgent responsibility for material design companies. Advanced Echem Materials Company has established a green product policy:</p>				

Evaluation Item	Operation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons for Such Differences
	Yes	No	Summary	
<p>1. Continuous Innovation in Green Product Design</p> <p>2. Compliance with Regulations and Customer Green Requirements</p> <p>3. Low Pollution and Green Production Environment</p> <p>4. Commitment to Green Supplier Management</p> <p>(II) Participation in Social Welfare: Advanced Echem Materials Company and its employees actively participate in social care activities. During the peak of the pandemic, the Company continuously donated epidemic prevention and medical supplies. Over the years, employees have voluntarily initiated fundraising and material donation activities to assist disadvantaged groups both domestically and internationally.</p> <p>In line with the "United Nations Sustainable Development Goals (SDGs)," Advanced Echem Materials Company has established diverse partnerships with multiple non-profit organizations and associations (SDG17), promoting care for the disadvantaged and local community environmental conservation, among other sustainability actions.</p> <p>(III) Implementation of Corporate Governance: The Company has established four independent directors, each possessing significant backgrounds in industry, government, and academia. Additionally, the Company has formed an "Audit Committee," a "Remuneration and Nomination Committee," and a "Sustainability and Risk Management Committee" to progressively advance various corporate governance indicators.</p>				

Climate-Related Information of TWSE/TPEX-Listed Companies  
Implementation Status of Climate-Related Information

Evaluation Item	Implementation Status
I. Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.	The Company has established a sustainability management organizational structure, with the Board of Directors serving as the highest governance body. A Sustainable Development Task Force has been formed to carry out sustainability-related affairs, with the General Manager

Evaluation Item	Implementation Status
	<p>acting as the convener and appointing a responsible executive from the task force to serve as the management representative. Regular meetings are held, and reports are made to the Board at least once a year. The task force is composed of representatives from relevant departments and additional members may be appointed as needed by the convener.</p> <p>Members of the TCFD Task Force under the Sustainable Development Task Force are responsible for regularly collecting information from peer companies' sustainability reports and tracking trends in the semiconductor industry. It consolidates current and potential climate-related risks and opportunities for the Company, and holds cross-departmental meetings to assess issues such as sustainable transition, resource efficiency improvements, and regulatory changes. Corresponding management mechanisms are developed based on the issues identified.</p> <p>The Environmental Sustainability Task Force under the Sustainable Development Task Force is responsible for managing water resources, energy, and greenhouse gas emissions. It adjusts management policies in response to environmental regulations and international standards. The Company will continue to arrange training for the Board of Directors to enhance the management team's climate governance capabilities. The Sustainable Development Task Force will also continue its training and promote ESG projects to improve the overall staff's competency in addressing climate change.</p> <p>Currently, the Sustainability Promotion Department and various task-based teams under the Sustainable Development Task Force are responsible for executing and managing related matters. In 2025, in response to operational and governance needs, the Company elevated its management structure by establishing a functional committee under the Board of Directors—the "Sustainability and Risk Management Committee"—and a "Corporate Sustainability Department" under the General Manager, with the aim of effectively responding to climate risks, gaining competitive advantages, and enhancing profitability. Furthermore, these new structures will assist the Board of Directors in overseeing the Company-wide risk management system and will be responsible for reviewing the enterprise risk management framework and processes to ensure timely identification, effective management, and</p>

Evaluation Item	Implementation Status
	appropriate responses to risks.
<p>II. Specify how the identified climate-related risks and opportunities affect the Company's business, strategy, and financial planning (short-, medium-, and long-term).</p>	<p>Advanced Echem Materials Company's TCFD Task Force has identified the significant climate issues facing the Company this year, which include two climate transition risks (regulatory tightening and rising technology costs) and one climate opportunity (development of new markets).</p> <ul style="list-style-type: none"> <li>• Regulatory Tightening <ul style="list-style-type: none"> <li>➤ Potential Impact Timeframe: Long-term</li> <li>➤ Financial Impacts: <ol style="list-style-type: none"> <li>1. Increased operational costs: Project implementation and personnel expenses</li> <li>2. Increased expenditures: Costs of green electricity, penalties/fines</li> </ol> </li> <li>➤ Strategic Impact <ol style="list-style-type: none"> <li>1. Reputational damage: Loss of brand value, potential stock price decline</li> </ol> </li> </ul> </li> <li>• Increased Technology Costs: <ul style="list-style-type: none"> <li>➤ Potential Impact Timeframe: Long-term</li> <li>➤ Financial Impacts: <ol style="list-style-type: none"> <li>1. Increased operational costs, including maintenance, equipment upgrades, and R&amp;D personnel</li> <li>2. Additional expenditures for upgrading energy-saving systems, equipment, and testing instruments</li> </ol> </li> <li>➤ Operational Impacts: <ol style="list-style-type: none"> <li>1. Employees need enhanced training to improve technical skills and market awareness</li> <li>2. During new technology validation, temporary production line shutdowns or reduced output may occur, leading to a short-term drop in utilization rate</li> </ol> </li> <li>➤ Strategic Impacts: <ol style="list-style-type: none"> <li>1. Expansion of new supply chains and acquisition of new project orders, broadening the customer base</li> <li>2. If new technology assessments are insufficient, potential quality issues may lead to customer complaints and reputational damage</li> </ol> </li> </ul> </li> </ul>

Evaluation Item	Implementation Status
	<ul style="list-style-type: none"> <li>3. Market competition or product quality issues could result in potential order losses</li> <li>• Developing New Markets: Potential Impact Timeframe: Long-term <ul style="list-style-type: none"> <li>➤ Financial Impacts: <ul style="list-style-type: none"> <li>1. Savings in operational costs (raw materials)</li> <li>2. Increased revenue (more orders, new investments, market expansion, and customer acquisition)</li> </ul> </li> <li>➤ Operational Impacts: <ul style="list-style-type: none"> <li>1. Enhanced supply chain diversity, improving resilience</li> </ul> </li> </ul> </li> </ul> <p>Strategic Impacts:</p> <ul style="list-style-type: none"> <li>1. Enhanced brand value and company reputation</li> <li>2. Increased market competition barriers</li> </ul>
<p>III. Explain the impact of extreme weather events and transformation actions on financials.</p>	<ul style="list-style-type: none"> <li>• Regulatory Tightening <ul style="list-style-type: none"> <li>1. Increased operational costs: Project implementation and personnel expenses</li> <li>2. Increased expenditures: Costs of green electricity, penalties/fines</li> </ul> </li> <li>• Increased technology costs: <ul style="list-style-type: none"> <li>1. Increased operational costs, including maintenance, equipment upgrades, and R&amp;D personnel</li> <li>2. Additional expenditures for upgrading energy-saving systems, equipment, and testing instruments</li> </ul> </li> <li>• Developing New Markets: <ul style="list-style-type: none"> <li>1. Savings in operational costs (raw materials)</li> <li>2. Increased revenue (more orders, new investments, market expansion, and customer acquisition)</li> </ul> </li> </ul>
<p>IV. Describe how the identification, assessment, and management processes of climate risks are integrated into the overall risk management</p>	<p>The Board of Directors, as the highest decision-making body for the Company's risk management, is responsible for overseeing the Company's risk governance framework and ensuring the soundness and effective operation of risk management mechanisms, thereby enhancing the resilience and competitiveness of the enterprise. In response to the increasingly</p>

Evaluation Item	Implementation Status
system.	<p>severe challenges posed by climate change, the Company has integrated climate risk into its overall risk management framework to ensure that relevant risks are identified, assessed, and addressed in a timely manner.</p> <p>Currently, the Company's Sustainable Development Task Force, reporting to the General Manager, is responsible for coordinating climate-related strategies. Within this structure, a "TCFD Task Force" has been established, with the Environmental Sustainability and Corporate Governance teams specifically tasked with identifying and managing operational risks, including both "physical risks" and "transition risks" arising from climate change. The TCFD Task Force is responsible not only for assessing and quantifying climate risks but also for integrating corporate resources to lead the planning and execution of relevant response measures, ensuring that climate risk management is coordinated with corporate operational development.</p> <p>The TCFD Task Force, based on the business scope of each department, conducts risk identification and analysis focusing on four key aspects: "immediate and long-term physical risks, policies/regulations, market, technology, and products/services." Each department, based on the identified risks, formulates specific and feasible response strategies to ensure that climate risks are integrated with other operational risks. This process is supported by cross-departmental collaboration to enhance the Company's capacity for risk response, thereby reducing the potential impacts of climate change on business operations, financial performance, and long-term profitability.</p>
V. If scenario analysis is used to assess the resilience to climate change risks, explain the scenarios, parameters, assumptions, analysis factors, and key financial impacts.	This year, scenario analysis was not used to assess the major climate issues of Advanced Echem Materials Company.
VI. If there are transformation plans to address climate-related risks, explain the content of the plan, and the indicators and targets used to	<ul style="list-style-type: none"> <li>• Regulatory Tightening <ul style="list-style-type: none"> <li>➤ Renewable Energy Usage</li> <li>➤ Evaluate the purchase of renewable energy.</li> </ul> </li> </ul>

Evaluation Item	Implementation Status
<p>identify and manage physical risks and transition risks.</p>	<ul style="list-style-type: none"> <li>➤ Improvement of Energy Efficiency Replace outdated, energy-consuming equipment with energy-efficient devices.</li> <li>➤ Number of Regulatory Violations There have been no incidents of violations of international or domestic environmental regulations, and the products are 100% compliant with regulations regarding harmful substances or customer specifications.</li> <li>• Increased technology costs: <ul style="list-style-type: none"> <li>➤ Number of Low-Carbon Products Certified for Product Carbon Footprint The Company has conducted a carbon inventory and will implement product carbon footprint certification in the future.</li> <li>➤ Substance of Very High Concern Usage Reduce the usage of raw materials containing substances of very high concern.</li> <li>➤ Production Efficiency Continuous improvement of production efficiency at all plants.</li> </ul> </li> </ul>
<p>VII. If internal carbon pricing is used as a planning tool, the basis for price determination should be explained.</p>	<p>Currently, the Company has not clearly defined its strategic objectives. However, in response to regulatory requirements and the trend of carbon tariffs, it regularly monitors significant changes in international climate and carbon-related policies. In light of future trends in carbon reduction within the industry, we will replan the implementation of an internal carbon pricing system.</p>

1-1: Greenhouse Gas Inventory and Verification Status for the Most Recent Two Years: Explanation of the assurance status for the two most recent years as of the annual report publication date

Inventory Year Item	2024	2025
Verification (Assurance) Scope	The emission facilities, activities, technologies, or processes within the organizational boundaries of Advanced Echem Materials Company Ltd.; included greenhouse gas sources and types of greenhouse gases	The emission facilities, activities, technologies, or processes within the organizational boundaries of Advanced Echem Materials Company Ltd.; included greenhouse gas sources and types of greenhouse gases
Verification (Assurance) Body	British Standards Institution Group Singapore Pte. Ltd., Taiwan Branch	British Standards Institution Group Singapore Pte. Ltd., Taiwan Branch
Verification (Assurance) Standard	ISO14064-1 : 2018	ISO14064-1 : 2018
Inventory Statement	Inventory Statement Number: GHGEV 815495-1	Inventory Statement Number: CFV 815496

1-1-1 Greenhouse Gas Inventory Information

Description of greenhouse gas emissions over the past two years (metric tons CO2e), emission intensity (metric tons CO2e/million revenue), and the scope of data coverage.					
Year		2024		2025 (Note 5)	
		Emissions (metric tons CO2e)	Emission Intensity (metric tons CO2e/million revenue)	Emissions (metric tons CO2e)	Emission Intensity (metric tons CO2e/million revenue)
Scope	Parent Company	478.8206	0.1441	887.4516	0.2082
	Subsidiary	No inventory data.	No inventory data.	No inventory data.	No inventory data.
Scope Two (Note 1)	Parent Company	6722.8550	2.0238	7967.0898	1.8694
	Subsidiary	No inventory data.	No inventory data.	No inventory data.	No inventory data.

Note 1: Direct emissions (Scope 1, which refers to emissions that come directly from sources owned or controlled by the Company), energy indirect emissions (Scope 2, which refers to indirect greenhouse gas emissions resulting from the generation of purchased electricity, heat, or steam), and other indirect emissions (Scope 3, which refers to emissions generated by the Company's activities that are not classified as energy indirect emissions, but rather come from sources owned or controlled by other companies).

Note 2: Greenhouse Gas Inventory Standards: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 published by the International Organization for Standardization (ISO).

Note 3: Greenhouse Gas Inventory Standards: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 published by the International Organization for Standardization (ISO).

Note 4: Greenhouse gas emission intensity may be calculated per unit of product/service or per unit of revenue; however, data calculated based on revenue (in NT\$ millions) must be disclosed at a minimum.

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

Explanation of the Greenhouse Gas (GHG) Emission Reduction Base Year and Its Data, Reduction Targets, Strategies, Specific Action Plans, and Progress Toward Target Achievement

On March 3, 2022, the Financial Supervisory Commission (FSC) released the "Sustainable Development Roadmap for Listed Companies," which requires listed companies to progressively disclose greenhouse gas inventory and assurance information to build their GHG accounting capabilities. Under this roadmap, the Company is required to complete its carbon inventory by 2027 as a TWSE/TPEX-listed company with paid-in capital below NT\$5 billion. Advanced Echem Materials has proactively responded to this requirement and completed its first ISO 14064-1 greenhouse gas inventory in 2022. The Company subsequently completed GHG inventories for 2023 and 2024, with third-party verification provided by BSI. The Company will continue to conduct annual GHG inventories and obtain third-party assurance statements to identify greenhouse gas emission sources and implement focused management measures.

(VI) Enforcement of business integrity, deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies:

Evaluation Item	Operation Status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons for Such Differences
	Yes	No	Summary	
I. Establishment of Ethical Corporate Management Policies and Programs				
(I) Has the Company formulated an ethical corporate management policy approved by the Board of Directors, and is this policy, along with its practices, clearly stated in the regulations and external documents? Furthermore, is there a commitment from the Board of Directors and senior executives to actively implement this policy?	V		(I) The Company explicitly states its policy of operating with integrity in its regulations and external documents. The Board of Directors and management are committed to actively implementing this policy and ensuring its effective execution in both internal management and external business activities.	No significant differences.
(II) Has the Company established a risk assessment mechanism for dishonest acts, regularly analyzing and evaluating business activities within its operational scope that carry a higher risk of dishonesty? Furthermore, has the Company developed preventive measures against dishonest acts based on this analysis, ensuring that these measures at least cover the provisions outlined in Article 7, Section 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?	V		(II) The Company has established "Ethical Corporate Management Best Practice Principles," which clearly outline the Company's policies on integrity in business practices. Corresponding procedures have been formulated regarding the provision or acceptance of improper benefits, charitable donations, or sponsorships. Additionally, it is required that Company personnel, when conducting business, must avoid situations where there is a conflict of interest with themselves or the legal entity they represent, and report the relevant circumstances to their immediate supervisor.	No significant differences.

Evaluation Item	Operation Status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons for Such Differences
	Yes	No	Summary	
(III) Does the Company clearly define operational procedures, behavioral guidelines, disciplinary measures for violations, and a complaint system within its program for preventing dishonest acts, and is this program effectively implemented and regularly reviewed and revised?	V		(III) In accordance with the provisions of the "Ethical Corporate Management Best Practice Principles," the Company shall assess the legitimacy of potential business partners prior to establishing any commercial relationships. Should any dishonest acts be identified in a prospective partner, we will evaluate the cessation of business dealings with them to uphold the Company's Ethical Corporate Management Best Practice Principles.	No significant differences.
II. Implementation of Ethical Corporate Management				
(I) Does the Company assess the integrity records of its business partners and explicitly include ethical conduct clauses in the contracts signed with these partners?	V		(I) Before engaging in commercial transactions, the Company shall consider the legitimacy of its agents, suppliers, customers, or other business partners, as well as any records of Dishonest Acts. It is advisable to avoid transactions with those who have a history of Dishonest Acts. When the Company enters into contracts with others, the contract shall include provisions that require compliance with the integrity management policies and allow for the immediate termination or rescission of the contract if the counterparty engages in Dishonest Acts.	No significant differences.
(II) Has the Company established a dedicated unit under the Board of Directors responsible for	V		(II) On March 27, 2024, the Board of Directors of the Company approved the "Amended Ethical Corporate	No significant differences.

Evaluation Item	Operation Status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons for Such Differences
	Yes	No	Summary	
promoting ethical business practices, and does it report at least once a year to the Board on the policy implementation and supervision of dishonest acts prevention programs?			<p>Management Best Practice Principles," which was subsequently ratified by the Board on November 11, 2024. The Ethical Corporate Management Office will serve as the dedicated unit for integrity management, with the Corporate Governance Officer acting as the convener and the Head of the Legal and Intellectual Property Office serving as the deputy convener. The members will consist of the Corporate Governance Officer and the Head of the Legal and Intellectual Property Office. This unit will promote the operation of ethical corporate management, adhere to relevant regulations and internal control systems, and strictly prohibit any acts of dishonesty or violations of laws. The implementation status will be reported to the Board of Directors on a regular basis (at least once a year).</p> <p>Implementation Status of Ethical Corporate Management for 2025</p> <ol style="list-style-type: none"> <li>1. The Company provides monthly notifications to prevent insider trading.</li> <li>2. The Company has established a disciplinary and grievance system for violations of ethical business operations. A total of one case was processed in the current year.</li> </ol>	

Evaluation Item	Operation Status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons for Such Differences
	Yes	No	Summary	
(III) Has the Company formulated a policy to prevent conflicts of interest, provided appropriate channels for reporting, and implemented these measures effectively?	V		3. The Ethical Corporate Office conducted four in-person training sessions for supervisors at the departmental level and above. (III) The Company has established a policy to prevent conflicts of interest in accordance with the "Ethical Corporate Management Best Practice Principles" and provides appropriate channels for directors, supervisors, and managers to proactively disclose any potential conflicts of interest with the Company.	No significant differences.
(IV) Has the Company established an effective accounting system and internal control system to implement integrity in its operations? Furthermore, has the internal audit unit developed relevant audit plans based on the assessment results of risks associated with dishonest acts, and has it conducted audits to ensure compliance with the measures to prevent dishonest acts, or has it commissioned a CPA to perform the audit?	V		(IV) The Company has established an effective accounting system and internal control system for business activities that carry a higher risk of dishonest acts. There are no external accounts or secret accounts maintained, and the systems is reviewed regularly to ensure that their design and implementation remain effective. The internal audit personnel of the Company regularly audit the implementation of the aforementioned systems and submit audit reports to the Board of Directors.	No significant differences.
(V) Does the Company regularly conduct internal and external training on integrity management?	V		(V) Starting since 2023, training related to ethical corporate management will be incorporated into the mandatory curriculum for new employees or specific positions. This training includes topics such as preventing insider trading, the management system for	No significant differences.

Evaluation Item	Operation Status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons for Such Differences
	Yes	No	Summary	
			classified proprietary information, and the fundamentals of patents and disclosures. A total of 3,294 participants have attended, accumulating 1,312.3 training hours. In 2025, there were 1,364 participants, with a total of 603.9 training hours.	
<p>III. Operation of the Company's Whistleblowing System</p> <p>(I) Has the Company established a concrete whistleblowing and reward system, set up accessible whistleblowing channels, and designated appropriate personnel to handle reports against the accused?</p> <p>(II) Has the Company established standard operating procedures for handling reported issues, subsequent measures to be taken after the investigation is completed, and related confidentiality mechanisms?</p>	<p>V</p> <p>V</p>		<p>(I) The Company has established "Procedures for Reporting Violations of Ethical Conduct and Ethical Corporate Management," clearly setting out the reporting and reward system, with designated reporting channels available on the Company's official website. To ensure the impartiality of investigations, a recusal mechanism has been established for reported cases; where the handling personnel have a conflict of interest or any other circumstance that may affect the impartiality of the investigation or handling, the case shall be reassigned to appropriate personnel.</p> <p>(II) The Company has formulated "Whistleblower Protection and Anti-Retaliation Management Procedures," clearly defining the procedures for receiving, investigating, and handling reported cases, and stipulating the confidentiality obligations of handling personnel to ensure the legal rights of both</p>	<p>No significant differences.</p> <p>No significant differences.</p>

Evaluation Item	Operation Status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons for Such Differences
	Yes	No	Summary	
(III) Does the Company implement measures to protect whistleblowers from improper treatment as a result of their reporting?	V		whistleblowers and the accused. (III) The Company adheres to the principles of fairness and confidentiality, providing necessary protective measures for whistleblowers by strictly maintaining the confidentiality of their identities and the contents of their reports. The Company is committed to ensuring that no whistleblower is subject to improper treatment as a result of filing a report, thereby safeguarding the right of whistleblowers to exercise their reporting rights in accordance with the law and reducing the risk of retaliation or unfair treatment.	No significant differences.
IV. Enhancing Information Disclosure Has the Company disclosed the content of its established Ethical Corporate Management Best Practice Principles and its implementation results on its website and MOPS?	V		The Company discloses the implementation of its Ethical Corporate Management Best Practice Principles on its website, in its annual report, and in its public offering documents. The information on the Company website is consolidated and published by a designated unit.	No significant differences.
V. If the Company has established its own Ethical Corporate Management Best Practice Principles based on the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies," please describe the operation and any differences between the Company's principles and those prescribed: The Company has established the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct" in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies." Furthermore, the Company adheres to relevant regulations that outline the matters that personnel should pay attention to while conducting business, thereby ensuring the effective implementation of ethical corporate management.				

Evaluation Item	Operation Status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons for Such Differences
	Yes	No	Summary	
<p>VI. Other important information that aids in understanding the Company's integrity in its operations includes: (such as the Company's review and revision of <u>its</u> established Ethical Corporate Management Best Practice Principles, etc.)</p> <p>The Company will continuously monitor the development of domestic and international regulations related to integrity in business operations. Furthermore, it encourages directors, managers, and employees to provide suggestions for reviewing and improving the integrity management policies and initiatives established by the Company, in order to enhance the effectiveness of the implementation of integrity in business operations. On March 27, 2024, the Board of Directors revised the Ethical Corporate Management Best Practice Principles to strengthen its implementation by updating the designated responsible unit.</p>				

(VII) Other Key Information That Enhances Understanding of the Company's Corporate Governance Practices:

1. Training Attendance by the Company's Directors Related to Corporate Governance in the Most Recent Year

Position	Name	Training Date	Organizer	Course Title	Training Hours
Chairman	Wen Hsiung, Chan	2025/07/03	Taiwan Corporate Governance Association	Natural and Climate Risk Management: Building a Sustainable Business Model	3
		2025/08/26	Taiwan Corporate Governance Association	Negotiation and Mediation for Successful Mergers and Acquisitions: Real-World Case Studies	3
Director	Chuen Sing, Hung	2025/07/09	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	6
Director	Kuang Lung, Kuo	2025/04/11	Taiwan Corporate Governance Association	Practical Discussion on the Latest AI Development Trends and Risk Management Frameworks	3
		2025/04/25	Taiwan Corporate Governance Association	Executive Compensation and ESG Performance System Design	3
		2025/07/18	Taiwan Corporate Governance Association	Practical Compliance for Corporate Governance Supervisors	3
		2025/07/25	Taiwan Investor Relations Institute	Corporate Social Impact: From Concept to Action	3
Director	Hong Jen, Chuang	2025/07/31	Corporate Operating and Sustainable Development Association	Trade Secret Protection and Response Strategies	3
		2025/11/07	Corporate Operating and Sustainable Development Association	Building Resilient Enterprises: Sustainability Risks and Trends in 2025	3
Director	Hsin Hsin, Li	2025/05/15	Corporate Operating and Sustainable Development Association	Prevention and Practical Handling of Labor-Management Disputes	3
		2025/05/23	Taiwan Investor Relations Institute	Corporate Public Relations and Crisis Communication	3
Independent director	Wen Guu, Huang	2025/08/22	National Association of Industry and Commerce, R.O.C.	2025 Taishin Shin Kong Net Zero Summit	3
		2025/11/11	Taiwan Corporate Governance Association	AI Applications, Legal Considerations, and Auditing	3
Independent director	Cheng Min, Chuang	2025/07/09	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	6
		2025/10/28	Chinese Finance and Economic Development Association	Carbon Pricing and the Transition to a Green Economy	3
		2025/11/04	Chinese Finance and Economic Development Association	Observing the U.S.-China Strategic Competition and Cross-Strait War-Peace Risks under Trump 2.0	3
Independent director	Tammy, Wang	2025/08/12	Securities and Futures Institute	Domestic and International Development Trends in Carbon Pricing Mechanisms	3
		2025/11/12	Securities and Futures Institute	Dual-Axis Transformation for Strengthening Organizational Resilience: AI Governance and Sustainability Governance	3
Independent director	Chi Yang, Chang	2025/06/19	Securities and Futures Institute	The Space Technology Explosion: B5G and 6G Low Earth Orbit Satellite Technology and Development Trends	3
		2025/07/25	Securities and Futures Institute	The Great Wafer Wars: TSMC's Key Technologies and Global Strategy and Their Impact on the	3

Position	Name	Training Date	Organizer	Course Title	Training Hours
				Semiconductor Industry	
		2025/09/25	Securities and Futures Institute	The Digital Finance Revolution: The Principles of Stablecoins and the Development Trends of Blockchain-Based Virtual Assets	3
		2025/12/03	Securities and Futures Institute	AI Development and Cybersecurity Risks	3

2. Managerial Personnel (including the President, Deputy President, Accounting, Finance, Audit Supervisors, etc.) Continuing Education on Corporate Governance in the Most Recent Year

Position	Name	Training Date	Organizer	Course Title	Training Hours
President	Kuang Lung, Kuo	2025/4/11	Taiwan Corporate Governance Association	Practical Discussion on the Latest AI Development Trends and Risk Management Frameworks	3
		2025/4/25	Taiwan Corporate Governance Association	Executive Compensation and ESG Performance System Design	3
		2025/7/18	Taiwan Corporate Governance Association	Practical Compliance for Corporate Governance Supervisors	3
		2025/7/25	Taiwan Investor Relations Institute	Corporate Social Impact: From Concept to Action	3
Accounting and Finance Supervisor	Hsu Chi, Lai	2025/08/21-22	Accounting Research and Development Foundation	Continuing Education Program for Securities Trading Accounting Supervisors of Issuers and Securities Firms	12
Audit Supervisor	Chun Ching, Lee	2025/07/11	Internal Audit Association of the Republic of China	Key Considerations and Impacts of IFRS S1/S2 on Internal Control and Internal Audit: What You Need to Know	6
		2025/11/19	Internal Audit Association of the Republic of China	Regulations and Practical Analysis of Loans to Other Parties, Endorsements and Guarantees, and Acquisition and Disposal of Assets	6
		2025/12/11	Internal Audit Association of the Republic of China	Analyzing the Investment Cycle and R&D Cycle from an Operational Perspective	6
Corporate Governance Officer	Shao Wen, Lu	2025/05/16	Taiwan Corporate Governance Association	Cybersecurity Governance and Management in the Context of Geopolitical Risks	3
		2025/05/21	Taiwan Corporate	Seminar on "Enhancing the	2

Position	Name	Training Date	Organizer	Course Title	Training Hours
			Governance Association	Performance Evaluation of the Board of Directors and Functional Committees"	
		2025/06/30	Taipei Exchange	Investor Relations Management Sharing Session	3
		2025/07/29	Taipei Exchange	2025 Seminar on Insider Equity Disclosure for TWSE/TPEX-Listed and Emerging Market Companies	3
		2025/10/22	Chinese Finance and Economic Development Association	Industrial Development and Future Opportunities in Generative AI	3
		2025/11/21	Taiwan Corporate Governance Association	Implementing International Standards of Director and Supervisor Responsibilities through Practical Case Studies of Foreign Institutional Investor Voting Behavior from a Shareholder Activism Perspective	3
		2025/12/15	Taipei Foundation of Finance	Transformation Underway: Key Highlights of the Transition from Corporate Governance Evaluation to ESG Evaluation in 2026	3

(VIII) Internal Control System Implementation Status:

1. Internal Control Statement:

Please refer to the public information at  
<https://mops.twse.com.tw/mops/#/web/t146sb102IX>.

2. If the internal control system has been reviewed by a CPA, the auditor's report should be disclosed: None.

(IX) Important Resolutions of the Shareholders' Meeting and Board of Directors for the Most Recent Fiscal Year and Up to the Date of Publication of the Annual Report:

1. Important Resolutions of the Shareholders' Meeting for the Fiscal Year 2025 and Up to the Date of Publication of the Annual Report

Meeting Name	Date	Important Resolutions
2025 Annual Shareholders' Meeting	2025/06/18	<ol style="list-style-type: none"><li>1. Approval of the 2024 Business Report and Financial Statements.</li><li>2. Approval of the 2024 Earnings Distribution Proposal.</li><li>3. Amendment to the Company's Articles of Incorporation.</li><li>4. Amendment of the Company's "Procedures for the Acquisition or Disposal of Assets."</li><li>5. Proposal to release the prohibition on directors from participation in competitive business.</li></ol>

2. Important Resolutions of the Board of Directors for the Fiscal Year 2025 and Up to the Date of Publication of the Annual Report

Meeting Name	Date	Important Resolutions
8th Term, 17th Meeting	2025/02/07	<ol style="list-style-type: none"><li>1. Proposal for the Company's business plan and budget for fiscal year 2025.</li><li>2. Proposal for the Company to participate in the private placement of domestic unsecured convertible corporate bonds issued by E-ray Technologies Inc.</li><li>3. Evaluation of the independence and competence of the CPA responsible for auditing the Company's financial reports.</li><li>4. Pre-approval of the list of non-assurance services for fiscal year 2025.</li><li>5. The Company's credit line proposal.</li><li>6. Proposal for the Company's Managerial Promotion Bonus and Special Project Bonus Distribution.</li></ol>
8th Term, 18th Meeting	2025/03/14	<ol style="list-style-type: none"><li>1. Proposal for the Distribution of Employee Compensation and Director Compensation for Fiscal Year 2024.</li><li>2. The Company's 2024 business report and financial statements.</li><li>3. The Company's 2024 table of earnings distribution.</li><li>4. The Company's "Internal Control System Declaration" for 2024.</li><li>5. Proposal to amend the Company's relevant regulations governing the internal control system.</li><li>6. Proposal to amend the Company's "Rules of Procedure for Board of Directors Meetings."</li><li>7. Proposal to amend the Company's "Procedures for Ethical Management and Guidelines for Conduct."</li><li>8. Proposal to amend the Company's Articles of</li></ol>

Meeting Name	Date	Important Resolutions
		Incorporation. 9. Proposal to amend the Company's "Procedures for the Acquisition or Disposal of Assets." 10. Proposal to lift the non-competition restriction for directors. 11. Establish the date, time, location, and other related matters for the convening of the Company's 2025 Annual Shareholders' Meeting. 12. Announcement of written proposals by minority shareholders. 13. The Company's bank credit line proposal.
8th Term, 19th Meeting	2025/05/07	1. Proposal for the Company's consolidated financial statements for the first quarter of 2025. 2. Proposal for the Company to extend loans to its subsidiaries. 3. Proposal to lift the non-competition restriction for directors. 4. Proposal to amend the Company's "Director and Executive Compensation Management Policy." 5. Proposal for the establishment of the record date for the issuance of new shares upon the conversion of employee stock options. 6. The Company's bank credit line proposal. 7. The Company's 2024 Sustainability Report.
8th Term, 20th Meeting	2025/08/13	1. Proposal for the Company's consolidated financial statements for the second quarter of 2025. 2. Proposal to amend the Company's "Property Management Policy." 3. Proposal to establish the "Sustainability and Risk Management Committee" and to formulate the "Organizational Rules of the Sustainability and Risk Management Committee." 4. Proposal for the appointment of members of the Company's first-term Sustainability and Risk Management Committee. 5. Proposal to amend the Company's "Corporate Governance Best Practice Principles." 6. Proposal to amend the Company's "Organizational Rules of the Remuneration Committee." 7. Proposal to amend the Company's "Operational Management Guidelines for the Remuneration Committee." 8. Proposal to formulate the Company's "Retirement Incentive Payment Policy for Division-Level Supervisors (Including Appointed Managers)." 9. The Company's bank credit line proposal. 10. Proposal to approve the distribution of director compensation and managerial employee compensation for fiscal year 2024.
8th Term, 21st Meeting	2025/11/12	1. Proposal for the Company's consolidated financial statements for the third quarter of 2025. 2. Proposal to amend the Company's "Personal Data Protection Management Policy." 3. Proposal to formulate the Company's "Risk Management Policy and Procedures." 4. Proposal to amend the Company's "Internal Control System" and "Internal Audit Rules." 5. Proposal to amend the Company's "Procedures for

Meeting Name	Date	Important Resolutions
		<p>Transactions with Group Enterprises, Specific Companies, and Related Parties."</p> <p>6. Proposal for the Company's 2026 audit plan.</p> <p>7. The Company's bank credit line proposal.</p>
8th Term, 22nd Meeting	2025/12/23	<p>1. Proposal for the Company's business plan and budget for fiscal year 2026.</p> <p>2. The Company's bank credit line proposal.</p> <p>3. Proposal for the Company's Managerial Year-End Bonus and Special Project Bonus for Fiscal Year 2025.</p> <p>4. Proposal for capital expenditure for the construction of the Longtan Science Park Plant.</p>
8th Term, 23rd Meeting	2026/03/11	<p>1. Evaluation of the independence and competence of the CPA responsible for auditing the Company's financial reports.</p> <p>2. Pre-approval of the list of non-assurance services for fiscal year 2026.</p> <p>3. Proposal to increase the capital expenditure budget for the construction of the Longtan Science Park Plant .</p> <p>4. Proposal for the Company to conduct a cash capital increase through the issuance of new shares and the first domestic unsecured convertible corporate bonds.</p> <p>5. Proposal for the distribution of employee compensation and director compensation for fiscal year 2025.</p> <p>6. The Company's 2025 business report and financial statements.</p> <p>7. The Company's 2025 table of earnings distribution.</p> <p>8. The Company's "Internal Control System Declaration" for 2025.</p> <p>9. Proposal to amend certain provisions of the Company's "Internal Control System" and "Internal Audit Rules."</p> <p>10. Proposal to amend the Company's Articles of Incorporation.</p> <p>11. Proposal for the re-election of the Company's ninth Board of Directors.</p> <p>12. Proposal for the list of nominees for director (including independent director) candidates.</p> <p>13. Proposal to lift the non-competition restriction for newly elected directors.</p> <p>14. Establish the date, time, location, and other related matters for the convening of the Company's 2026 Annual Shareholders' Meeting.</p> <p>15. Announcement of written proposals and nominations by minority shareholders.</p> <p>16. The Company's bank credit line proposal.</p> <p>17. Proposal for the definition of the scope of entry-level employees for fiscal years 2025 and 2026.</p> <p>18. Proposal for the distribution of patent bonuses to the Company's managers.</p>
8th Term, 24th Meeting	2026/04/08	<p>1. Proposal for the construction project of the Company's Longtan Science Park Plant.</p> <p>2. Proposal to revise the list of nominees for director (including independent director) candidates.</p> <p>3. The Company's bank credit line proposal.</p>

- (X) Significant differences or written statements from directors or supervisors regarding important resolutions passed by the Board of directors during the most recent fiscal year or up to the date of the annual report printing: None.

IV. Disclosure of CPA Remuneration

Unit: NT\$ thousand

Name of Accounting Firm	Name of CPA	Audit Period	Audit Fees	Non-Audit Fees (Note 1)	Total	Remarks
Deloitte & Touche	Shang-Chih Lin	2025	5,100	402	5,502	Note 1
	Cheng-Chih Lin					

Note 1: Non-audit fees primarily consist of capital change audit, and transfer pricing report fees.

- (I) If the accounting firm is changed and the audit fees paid for the new audit period are lower than those of the previous year, the amounts and reasons for the change in audit fees before and after the change should be disclosed: Not applicable.
- (II) If the audit fees have decreased by 10% or more compared to the previous year, the amount, percentage, and reasons for the decrease should be disclosed: Not applicable.

V. Change of CPA : None.

- (I) Regarding the former accountant: Not applicable.
- (II) Regarding the successor accountant: Not applicable.
- (III) The response from the former accountant regarding Subsection 3, Items 1 and 2, Paragraph 6, Article 10 of this regulation: Not applicable.

VI. Any of the Company's Chairman, President, or any manager involved in financial or accounting affairs being employed by the accounting firm or any of its affiliated enterprise(s) within the most recent year : None.

VII. Details of shares transferred or pledged by directors, supervisors, managers, and shareholders with more than 10% ownership interest

- (I) Changes in Shareholdings of Directors, Managers, and Major Shareholders  
Please refer to the Public Information Observatory at <https://mops.twse.com.tw/mops/#/web/IRB110>
- (II) Information on the counterparties involved in the transfer of equity: None.
- (III) Equity pledge information: None.  
Please refer to the Public Information Observatory at <https://mops.twse.com.tw/mops/#/web/stapap1>

VIII. Relationship characterized as spouse or second -degree relative or closer among top-ten shareholders

Date: April 13, 2026; Unit: Share; %

NAME	SHAREHOLDING OF THE INDIVIDUAL		SHARES HELD BY SPOUSE AND CHILDREN OF MINOR AGE		SHAREHOLDING BY NOMINEE ARRANGEMENT		FOR TOP TEN SHAREHOLDERS WITH RELATED PARTIES OR SPOUSE/SECOND-DEGREE RELATIVES, THEIR NAMES AND RELATIONSHIPS		REMARKS
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Chang Wah Electromaterials Inc. Responsible Person: Chuen Sing, Hung	5,546,500	5.98%	—	—	—	—	—	—	—
Fine Ace Asset Management Co. Responsible Person: Wen He ,Chan	3,371,304	3.64%	—	—	—	—	Mei Ling, Chen	Second-degree relative	—
I-Kej Investment Co., Ltd. Responsible Person: Mei-Ling Chen	1,800,000	1.94%	—	—	—	—	Wen-He Chan	Second-degree relative	—
Fubon Life Insurance Co., Ltd. Responsible Person: Fu-Hsing Lin	1,511,000	1.63%	—	—	—	—	—	—	—
Hong Jen, Chuang	1,437,083	1.55%	—	—	—	—	—	—	—
Hsing Chuan, Tsai	1,400,000	1.51%	—	—	—	—	—	—	—
Citibank Taiwan Limited – Custodian Account for Norges Bank (Central Bank of Norway) – External Manager Arrowstreet Capital Asia Limited Investment Account	1,394,049	1.50%	—	—	—	—	—	—	—
Lian Ding Capital Investment Co., Ltd. Responsible Person: Lian Ding Capital Co., Ltd	1,223,834	1.32%	—	—	—	—	—	—	—
Standard Chartered Bank (Taiwan) Limited – Custodian Account for Advanced Series Trust – Advanced Total International Stock Index Fund Investment Account	1,017,870	1.10%	—	—	—	—	—	—	—
Cheng-Tsan Chu	1,011,000	1.09%	—	—	—	—	—	—	—

IX. Investments jointly held by the Company, the Company’s directors, supervisors, managers, and enterprises directly or indirectly controlled by the Company, and shareholding in aggregate of the above parties: None.

### Three. Capital Overview

#### I. Capital and shares

##### (I) Source of Capital

##### 1. Source of capital

Unit: Shares: Thousand Shares/Amount: NT\$ thousand

Year and Month	Issue Price (NT\$)	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Capital	Capital increased by assets other than cash	Other
2017.01	12.187	100,000	1,000,000	49,203	492,032	Employees stock option \$7,150	—	Note 1
2018.01	10	100,000	1,000,000	24,602	246,016	Reduction of \$246,016	—	Note 2
2018.01	12.187	100,000	1,000,000	25,695	256,951	Employees stock option \$10,935	—	Note 3
2018.05	20	100,000	1,000,000	50,695	506,951	Cash capital increase of \$250,000	—	Note 3
2018.09	10	100,000	1,000,000	55,765	557,646	The surplus is converted into capital amounting to \$50,695	—	Note 4
2019.09	10	100,000	1,000,000	58,553	585,528	The surplus is converted into capital amounting to \$27,882	—	Note 5
2020.01	18.8	100,000	1,000,000	60,828	608,278	Employees stock option \$22,750	—	Note 6
2020.01	25	100,000	1,000,000	64,828	648,278	Cash capital increase of \$40,000	—	Note 6
2020.12	25	100,000	1,000,000	74,828	748,278	Cash capital increase of \$100,000	—	Note 7
2021.12	88	100,000	1,000,000	79,828	798,278	Cash capital increase of \$50,000	—	Note 8
2021.12	20	100,000	1,000,000	80,498	804,984	Employees stock option \$6,705	—	Note 9
2022.06	20	100,000	1,000,000	80,644	806,438	Employees stock option \$1,455	—	Note 10
2023.02	20	100,000	1,000,000	81,314	813,144	Employees stock option \$6,705	—	Note 11
2023.07	20	100,000	1,000,000	81,386	813,864	Employees stock option \$720	—	Note 12
2024.02	20	100,000	1,000,000	82,005	820,054	Employees stock option \$6,190	—	Note 13
2024.09	20	100,000	1,000,000	82,175	821,748	Employees stock option \$1,694	—	Note 14
2024.12	20	100,000	1,000,000	82,276	822,764	Employees stock option \$1,016	—	Note 15
2025.02	480	100,000	1,000,000	92,562	925,624	Cash capital increase of \$102,860	—	Note 16
2025.04	20	100,000	1,000,000	92,733	927,329	Employees stock option \$1,705	—	Note 17
2025.06	—	150,000	1,500,000	92,733	927,329	Increase of authorized capital of \$500,000	—	Note 18

- Note 1: Taoyuan City Government, Bei-Fu-Jing-Deng No. 10690719170, dated January 18, 2017.  
 Note 2: Taoyuan City Government, Bei-Fu-Jing-Deng No. 10691115730, dated January 5, 2018.  
 Note 3: Ministry of Economic Affairs, Jing-Shou-Shang-Zi No. 10701053360, dated May 19, 2018.  
 Note 4: Ministry of Economic Affairs, Jing-Shou-Shang-Zi No. 10701111050, dated September 19, 2018.  
 Note 5: Ministry of Economic Affairs, Jing-Shou-Shang-Zi No. 10801120220, dated September 5, 2019.  
 Note 6: Ministry of Economic Affairs, Jing-Shou-Shang-Zi No. 10901013790, dated February 24, 2020.  
 Note 7: Ministry of Economic Affairs, Jing-Shou-Shang-Zi No. 10901242340, dated January 6, 2021.  
 Note 8: Ministry of Economic Affairs, Jing-Shou-Shang-Zi No. 11001223510, dated December 13, 2021.  
 Note 9: Ministry of Economic Affairs, Jing-Shou-Shang-Zi No. 11001239180, dated January 7, 2022.  
 Note 10: Ministry of Economic Affairs, Jing-Shou-Shang-Zi No. 11101133770, dated August 22, 2022.

- Note 11: Ministry of Economic Affairs, Jing-Shou-Shang-Zi No. 11230010490, dated February 9, 2023.  
 Note 12: Ministry of Economic Affairs, Jing-Shou-Shang-Zi No. 11230137500, dated July 27, 2023.  
 Note 13: Ministry of Economic Affairs, Jing-Shou-Shang-Zi No. 11330007510, dated February 7, 2024.  
 Note 14: Ministry of Economic Affairs, Jing-Shou-Shang-Zi No. 11330145460, dated September 3, 2024.  
 Note 15: Ministry of Economic Affairs, Jing-Shou-Shang-Zi No. 11330216930, dated December 14, 2024.  
 Note 16: Ministry of Economic Affairs, Jing-Shou-Shang-Zi No. 11430012410, dated February 17, 2025.  
 Note 17: Ministry of Economic Affairs, Jing-Shou-Shang-Zi No. 11430070990, dated June 16, 2025.  
 Note 18: Ministry of Economic Affairs, Jing-Shou-Shang-Zi No. 11430100730, dated September 4, 2025.

## 2. Types of Shares

Date: April 13, 2026; Unit: Share; %

Types of Shares	Approved Share Capital			Remarks
	Outstanding shares	Unissued Shares	Total	
Registered Common Stock	92,732,865	57,267,135	150,000,000	-

3. The issuer has been approved to raise funds through the comprehensive declaration system for the issuance of securities: None.

## (II) List of Major Shareholders

April 13, 2026

Name of Major Shareholder	Stock	Number of Shares Held	Shareholding Percentage
Chang Wah Electromaterials Inc.		5,546,500	5.98%
Fine Ace Asset Management Co.		3,371,304	3.64%
I-Kej Investment Co., Ltd.		1,800,000	1.94%
Fubon Life Insurance Co., Ltd.		1,511,000	1.63%
Hong Jen, Chuang		1,437,083	1.55%
Hsing Chuan, Tsai		1,400,000	1.51%
Citibank Taiwan Limited – Custodian Account for Norges Bank (Central Bank of Norway) – External Manager Arrowstreet Capital Asia Limited Investment Account		1,394,049	1.50%
Lian Ding Capital Investment Co., Ltd.		1,223,834	1.32%
Standard Chartered Bank (Taiwan) Limited – Custodian Account for Advanced Series Trust – Advanced Total International Stock Index Fund Investment Account		1,017,870	1.10%
Cheng-Tsan Chu		1,011,000	1.09%

## (III) Dividend Policy and Implementation Status

### 1. Dividend Policy as Specified in the Articles of Incorporation

If the Company's annual financial statements show a net profit after tax for the current period, the profit shall first be used to offset accumulated losses. Then, 10% shall be appropriated as legal reserve in accordance with the law; however, this requirement may be waived once the legal reserve has reached the Company's total paid-in capital. A special reserve shall be appropriated or reversed in accordance with laws or the requirements of the competent authority. The remaining earnings, together with undistributed earnings at the beginning of the period, shall be proposed by the Board of Directors in an earnings distribution plan and submitted to the shareholders' meeting for approval as shareholder dividends.

The Company's dividend policy is aligned with current and future development plans, taking into account the investment environment, capital requirements, and international competitive conditions, while also considering the interests of shareholders. Each year, at least 10% of the accumulated distributable earnings for that year shall be allocated; however, if the accumulated distributable earnings for that year are less than 10% of the Company's paid-in capital, the distribution of dividends to shareholders may be omitted. When distributing dividends to shareholders, it may be done in cash or stock, with cash dividends not being less than 10% of the total dividends.

2. Dividend Distribution Resolution for the Current Year:

On March 11, 2026, the Board of Directors resolved to distribute cash dividends totaling NT\$741,863 thousand to shareholders (NT\$8 per share). This will be reported at the 2026 Annual General Shareholders' Meeting.

3. Expected Major Changes to Dividend Policy: None.

(IV) Effect on the Operating Performance and Earnings per Share of Distribution of Stock Dividends Proposed or Adopted in the Most Recent Shareholders' Meeting: Not applicable.

(V) Employee Bonuses and Compensation for Directors and Supervisors:

1. The Company's Articles of Incorporation stipulate that if the Company generates a profit for the year (profit being defined as pre-tax income before the distribution of employee remuneration and director remuneration), no less than 5% shall be allocated as employee remuneration and no more than 3% shall be allocated as director remuneration. However, if the Company still has accumulated deficits, an amount sufficient to cover such deficits shall be set aside in advance. Of the employee remuneration ratio set forth above, no less than 10% shall be allocated to entry-level employees. The aforementioned employee remuneration may be distributed in the form of shares or cash, and the recipients may include employees of any controlling or subsidiary companies who meet the conditions established by the Board of Directors. The aforementioned director remuneration shall be distributed in cash only. The two preceding items shall be resolved by the Board of Directors and reported to the shareholders' meeting.

2. Calculation basis for the current valuation of employee bonus and director's remuneration amount, the calculation basis of the stock dividend and the actual distribution amount if there is a difference from the estimated number of rows:

The Company's estimation of employee bonuses and director compensation is in accordance with legal regulations and the provisions of the Company's Articles of Incorporation. After the end of the fiscal year, if there are significant changes to the amount to be distributed as resolved by the Board of Directors prior to the release date, such changes will adjust the expenses originally allocated for that fiscal year. If there are still changes in the amount after the financial report has been released, they

will be handled according to accounting estimate values and recorded in the following fiscal year. If the shareholders' meeting resolves to distribute employee bonuses in the form of shares, the number of shares to be distributed shall be determined by dividing the approved bonus amount by the fair market value of the shares. In terms of calculating the number of stock dividend shares, the fair value of the stock refers to the value determined by technical assessment.

3. Board Resolution on the Distribution of Remuneration:

(1) Distribution Amounts for Employee Cash Bonuses, Stock Bonuses, and Remuneration for Directors and Supervisors: If there is any discrepancy between the approved amounts and the estimated expenses recognized in the financial statements, the differences, reasons, and handling shall be disclosed:

The profit distribution plan for the fiscal year 2025 was approved by the Board of Directors on March 11, 2026. The employee compensation for the fiscal year 2025 amounts to NT\$111,337 thousand, while the director compensation is set at NT\$25,051 thousand. There is no discrepancy between the Board approved employee bonuses and compensation for directors and the estimated figures.

(2) The amount of employee remuneration distributed in the form of shares and its ratio to the total net income after tax for the period and total employee remuneration: None.

(3) Actual Distribution of Employee Bonuses and Remuneration for Directors and Supervisors for the Previous Year:

The proposal for the distribution of employee compensation and director compensation for fiscal year 2024 was approved by the Board of Directors on March 14, 2025 and by the shareholders' meeting on June 18, 2025. Both were disbursed in cash, with employee compensation amounting to NT\$73,380 thousand and director compensation amounting to NT\$16,510 thousand. There were no discrepancies between the amounts approved by the Board of Directors and the estimated amounts recorded on the books.

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

II. Disclosure relating to corporate bonds

None.

III. Preferred shares

None.

IV. Global depositary receipts

None.

V. Employee stock options

None.

VI. Issuance of restricted employee stock awards

None.

VII. New shares issued for merger or acquisition

None.

VIII. Progress on planned use of capital

(I) Plan Details: As of the date of publication of the annual report, for any previous issuances or private placements of securities that have not been completed or have been completed within the last three years but whose planned benefits have not yet materialized, a detailed explanation of the content of these previous issuances or private placements of securities must be provided. This includes a description of all changes to the planned content, sources and uses of funds, reasons for changes, benefits before and after the changes, and the date on which the revised plan was submitted to the shareholders' meeting. Additionally, the date of publication on the designated information reporting website of this association must be included.

1. Approval Date and Document Number by the Competent Authority: In order to facilitate the public offering prior to the initial listing, the Company is conducting a cash capital increase by issuing 10,286,000 shares of common stock, with a par value of NT\$10 per share, totaling NT\$102,860,000. This has been reported and is effective as per the letter No. 1130011365 issued by the Securities and Futures Bureau of the Republic of China on December 13, 2024.
2. Total funding required for the plan: NT\$5,730,248 thousand
3. Source of Funds: Cash capital increase through the issuance of 10,286 thousand shares of common stock, with a par value of NT\$10 per share and an issuance price of NT\$587.07 per share. The anticipated amount to be raised is NT\$5,730,248 thousand
4. Project Items and Planned Fund Utilization Progress

Unit: NT\$ thousand

Plan Item	Estimated Completion Date	Total Required Funding	Projected Fund Utilization Progress
			First Quarter of 2025
Enhancement of Operating Capital	First Quarter of 2025	5,730,248	5,730,248

5. Projected Potential Benefits  
The amount of NT\$5,730,248 thousand in this fundraising plan will be used to enhance working capital, which will contribute to improving the flexibility of capital utilization, strengthening the Company's financial structure, and enhancing the Company's long-term competitiveness.

## (II) Implementation Status:

Unit: NT\$ thousand

Plan Item	Implementation Status			Reasons for Progress Ahead of or Behind Schedule and Improvement Plans
Strengthening of Working Capital	Amount Utilized	Projected	5,730,248	The current funding plan has been executed and completed as planned in the first quarter of 2025.
		Actual	5,730,248	
	Implementation Progress	Projected	100%	
		Actual	100%	

## (III) Implementation Results:

Item	Fiscal Year	Before Capital Increase	After Capital Increase	
		2024 Q3	2024	2025 Q1
Current Assets		1,943,266	1,815,040	6,436,844
Current Liabilities		1,157,573	1,155,885	1,391,364
Total Liabilities		2,338,968	2,399,508	1,757,888
Interest Expense		15,166	20,158	5,574
Operating Revenue		2,406,633	3,321,861	959,316
Earnings Per Share (NT\$)		6.39	8.5	2.28
Financial Structure	Debt-to-Assets Ratio (%)	45.80	44.98	17.38
	Long-term Capital to Property, Plant and Equipment Ratio (%)	158.19	150.85	296.40
Solvency	Current Ratio (%)	167.87	157.03	462.63
	Quick Ratio (%)	90.62	88.41	411.19

Following the completion of the cash capital increase to strengthen working capital, the Company's revenue and profit growth rates have both improved compared to the period prior to the capital increase. The additional funds raised will support the Company's future development needs and contribute to the stability of its long-term operations. This demonstrates that the completion of the fundraising has had a genuinely positive impact on the Company's overall operational planning and development.

## Four. Operation Overview

### I. Business content

#### (I) Business Scope

##### 1. Primary Business Operations

- (1) Wholesale of Electronic Materials
- (2) Manufacturing of Other Chemical Products
- (3) Recycling Industry
- (4) In addition to licensed business activities, the Company may also engage in any operations not prohibited or restricted by law.

##### 2. Revenue Breakdown

Unit: NT\$ thousand

Item \ Year	2024		2025	
	Sales Revenue	Percentage (%)	Sales Revenue	Percentage (%)
Specialized Precision Chemical Materials	3,321,861	100.00%	4,261,836	100.00%
Total	3,321,861	100.00%	4,261,836	100.00%

##### 3. Current Products and Services

The Company's main products currently include:

- (1) Materials for IC semiconductor photolithography processes
- (2) Advanced packaging materials for semiconductors
- (3) Photoresists and related materials for semiconductor optical components
- (4) Display materials

##### 4. Planned Product Development

- (1) DUV photoresists for advanced semiconductor lithography processes
- (2) Ancillary materials for advanced semiconductor lithography processes
- (3) Advanced 2.5D/3D semiconductor packaging materials (CoWoS、SoIC、InFO)
- (4) Semiconductor optical component materials (Metalens、CPO)
- (5) Liquid crystal alignment film materials

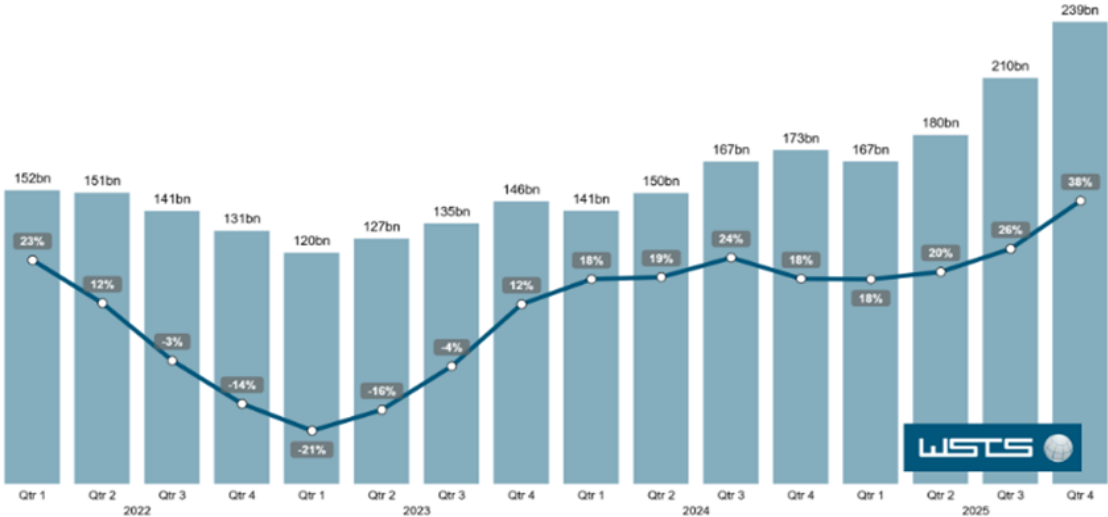
(II) Industry Overview

1. Current Industry Status and Development

**Semiconductor Industry**

According to WSTS, global semiconductor sales reached US\$795 billion in 2025, representing a year-over-year increase of 26.2% and marking one of the strongest annual expansions in industry history. Growth accelerated throughout the year, with fourth-quarter 2025 revenue reaching US\$238.9 billion, up 38.4% compared to the fourth quarter of 2024, reflecting robust demand across multiple key application segments. From an end-market perspective, growth in 2025 was primarily driven by the computer segment, which expanded by more than 60% year-over-year. Supported by demand for high-performance chips in data centers, AI accelerators, and advanced computing systems, memory revenue grew 39%, making it the fastest-growing product category, followed by logic IC revenue at 38.8%, sensor revenue at 10.4%, analog IC revenue at 8.7%, microprocessor revenue at 7.9%, and optoelectronics revenue at 4.7%; discrete component revenue declined 1%, weighed down by softening demand in the automotive sector. Semiconductor sales in the Asia Pacific/other regions posted strong growth of 45.4% year-over-year, followed by the Americas at 31.4% and China at 17.9%, reflecting continued strong demand for data center, AI-related, and advanced logic applications. Europe recorded moderate full-year growth of 6.7%, while Japan declined 4.3%.

Historic shipments by quarter  
 ● Revenue in US\$ ● YoY growth in percent

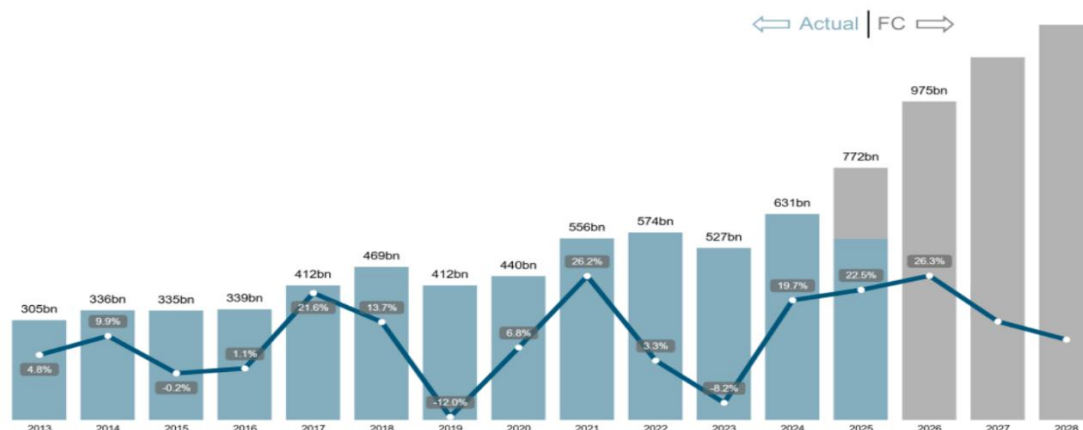


Source: World Semiconductor Trade Statistics (2026/3)

According to WSTS forecasts, global semiconductor sales are projected to continue growing in 2026, with the industry poised to reach the milestone of US\$1 trillion.

## Global semiconductor market (billion US\$)

Actual & Forecast in billion US\$, YoY growth in percent



( Source : WSTS · 下同 )

Source: World Semiconductor Trade Statistics (2025/12)

According to the latest research report from DIGITIMES, driven by strong AI demand growth, global foundry market revenue is expected to reach US\$199.4 billion in 2025, representing a year-over-year increase of over 25%. With continued investment in AI infrastructure, the market is projected to grow a further 17% in 2026, surpassing US\$230 billion. The global foundry market is forecast to achieve a revenue CAGR of 14.3% from 2025 to 2030. Against a backdrop of global economic uncertainty and sluggish consumer electronics demand, AI has emerged as the core driver sustaining semiconductor industry momentum. Cloud service providers (CSPs) continue to expand AI computing capacity, fueling demand for AI accelerators and proprietary AI ASICs, which will drive mid-term growth in the foundry industry. By 2030, industry revenue is expected to double compared to 2025 levels.

## 2025~2030年全球晶圓代工業營收預測

2025~2030年營收CAGR 14.3%

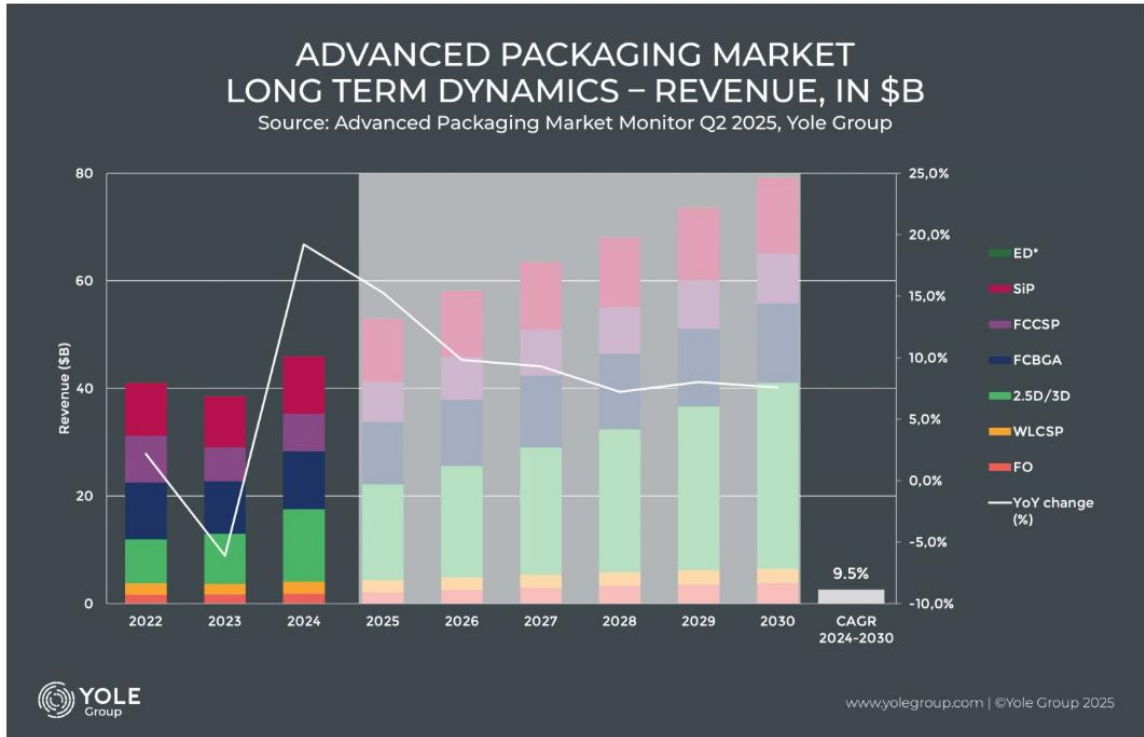


資料來源：DIGITIMES，2025/11

▲2025~2030年全球晶圓代工業營收預測。(表/DIGITIMES提供)

Source: DIGITIMES (2025/11)

As artificial intelligence drives demand growth at both the edge and in the cloud, advanced packaging presents abundant opportunities and significant growth potential. According to a semiconductor packaging market report published by market research firm Yole, the advanced packaging market was valued at approximately US\$45 billion in 2024 and is projected to grow at a robust compound annual growth rate of 9.4%, reaching approximately US\$80 billion by 2030.

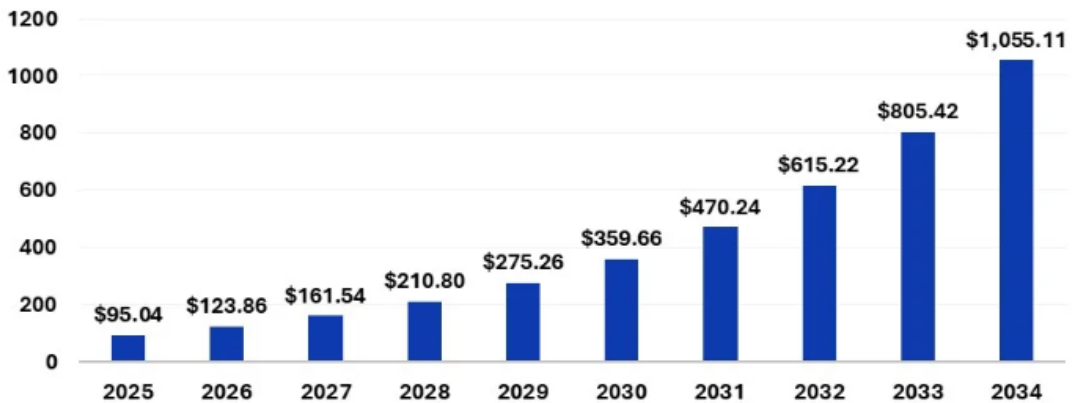


Source: YOLE Group (2025/8)

### Semiconductor Optical Component Market Overview

Driven by factors including artificial intelligence, machine learning, cloud computing, and the proliferation of large-scale data centers, the demand for high-speed data transmission is growing rapidly, fueling the swift development of the co-packaged optics (CPO) market. CPO integrates optical components into application-specific integrated circuits (ASICs) or switch chips, enabling reduced power consumption and latency while improving bandwidth efficiency. According to a report by Precedence Research, the global co-packaged optics (CPO) market was valued at US\$95.04 million in 2025 and is projected to grow from US\$124 million in 2026 to approximately US\$1.055 billion by 2034, representing a compound annual growth rate of 30.66% from 2025 to 2034.

### Co-Packaged Optics (CPO) Market Size 2025 to 2034 (USD Million)



The global co-packaged optics (cpo) market size is predicted to increase from USD 95.04 million in 2025 to approximately USD 1,055.11 million by 2034, expanding at a CAGR of 30.66% from 2025 to 2034.

Source: <https://www.precedenceresearch.com/co-packaged-optics-market>

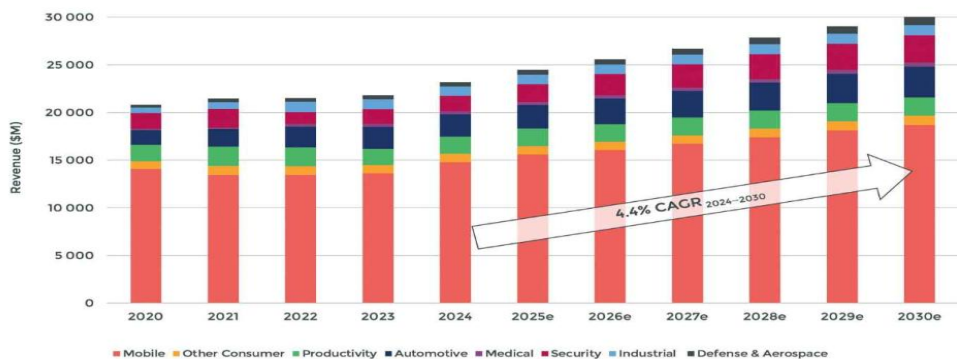
Source: Precedence Research (2025/11)

According to Yole, the CIS market is projected to expand at a CAGR of 4.4% from 2024 to 2030, with shipment volumes growing from 7 billion units to 9 billion units, supported by momentum in mobile, automotive, and security applications. Overall CIS revenue is expected to grow from US\$23.2 billion in 2024 to US\$30.1 billion in 2030.

The CIS market recorded strong growth in 2024, driven primarily by a rebound in the smartphone market as well as demand from the security, defense and aerospace, and consumer electronics sectors. The mobile device segment remains the dominant application in the CIS market; however, automotive imaging is growing rapidly, propelled by expanding demand for applications such as ADAS (advanced driver assistance systems), in-cabin monitoring, and surround-view systems. Camera module shipments reached 6.57 billion units in 2023, of which the automotive sector accounted for 236 million units, representing close to 4% of the total, with nearly three cameras installed per vehicle on average.

### 2020 - 2030 CIS REVENUE FORECAST BY MARKET

Source: Status of the CMOS Image Sensor Industry 2025 report, Yole Group

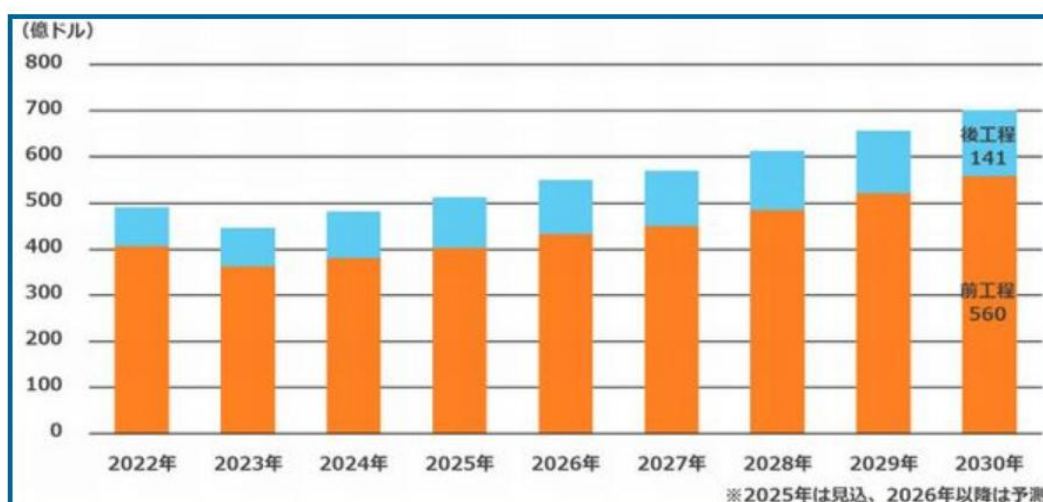


Source: YOLE Group (2025/7)

## Semiconductor Materials Market Overview

According to a report by Fuji Keizai, a Japanese market research firm, the global semiconductor materials market is expected to exceed US\$50 billion in 2025 and reach approximately US\$70 billion by 2030. Within this, the front-end process materials market is forecast to grow to US\$56 billion, while the back-end process materials market is projected to reach US\$14.1 billion. The primary driver of market growth is the strong demand for AI-related advanced semiconductors. Supported by data center investment and AI core technologies, demand for advanced semiconductors continues to rise, and the materials market is expected to expand steadily. Growth in the front-end process materials market is anticipated to benefit from advances in backside metallization (BSM) technology and through-silicon via (TSV) stacking technology, which will drive increases in wafer starts and in turn boost overall materials demand. Among specific categories, photoresists, photomasks, and silane-based precursor gases are expected to record notable growth. In the back-end process materials segment, bonding wire for packaging and interconnection remains the category with the highest share of material usage.

The Fuji Keizai report specifically identifies three markets of particular interest: photoresists, CMP slurries, and copper-clad laminates for packaging substrates. The photoresist market is expected to grow from US\$2.5 billion in 2025 to US\$3.6 billion in 2030. Demand in 2025 is primarily driven by AI-related advanced logic chips and high-bandwidth memory (HBM) using stacked DRAM. Going forward, the market will expand through demand for g/i-line and KrF products for general semiconductor applications, as well as the adoption of extreme ultraviolet (EUV) lithography technology in advanced process nodes.



半導体材料(前工程、後工程)の世界市場[クリックで拡大] 出所:富士経済

Source: Fuji Keizai (October 2025)

Overall, the Company has demonstrated innovation capabilities and technological strength in the semiconductor sector, having developed customized specialty materials tailored to customer requirements across application markets including advanced processes, advanced packaging, and optical components, with multiple products already in mass production. Although mature process nodes face certain near-term challenges, the global semiconductor market is expected to enter a new growth cycle as demand continues to rise

across sectors such as AI, high-performance computing (HPC), and automotive electronics. Against this backdrop, the Company will continue to concentrate resources on developing related materials, with the goal of becoming an internationally recognized supplier of semiconductor specialty materials and securing a position in the future wave of semiconductor technology innovation.

### **Display Industry Market Overview**

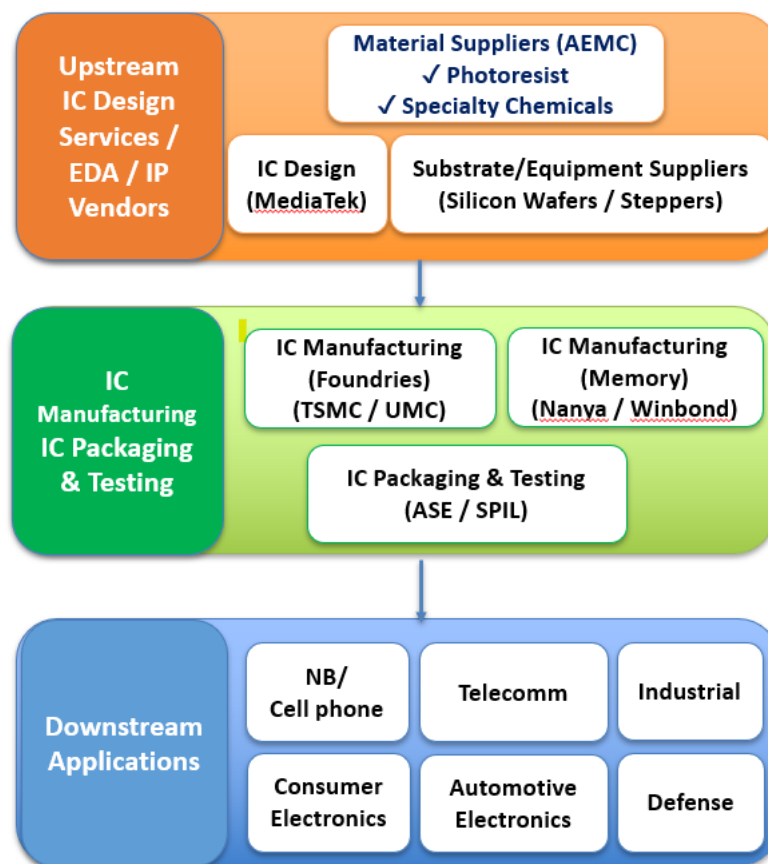
TFT-LCD production technology is currently widely applied across a broad range of flat panel display products, primarily including LCD televisions, desktop monitors, notebook computers, tablet computers, smartphones, commercial displays, and other professional display applications. With the proliferation of internet connectivity and smart applications, entertainment and audiovisual display products continue to evolve toward panel specifications featuring ultra-narrow bezels, high-resolution image quality, large screen sizes, and curved form factors.

The Company supplies a range of photoresist products for TFT-LCD applications. These products have been in stable mass production and are continuously sold in the market. In accordance with customer process and application requirements, the Company will continue to introduce upgraded products with enhanced functionality and quality to strengthen customer service capabilities and increase market share. Taking 2025 as an example, the Company's positive photoresist holds approximately 26% market share in the Taiwan market, making it the largest domestic supplier; in the mainland China market, market share remains at approximately 3%, constrained by local content policies.

Liquid crystal alignment films are one of the key materials in TFT-LCD displays that facilitate liquid crystal orientation. The global market for this product remains dominated by a small number of foreign suppliers. This product represents an important new materials development initiative for the Company in the TFT-LCD segment. From 2022 to 2025, the Company has been actively conducting tests of IPS and photo-alignment related products at panel customers in Taiwan, with the goal of leveraging the advantages of localized production and supply to meet customer requirements and secure substantive orders.

## 2. Industry Value Chain Structure

### Semiconductor Industry Value Chain Diagram



## 3. Product Development Trends

Semiconductor industry-related products represent the primary direction of the Company's full-scale development efforts in recent years, with the Company's revenue exhibiting a high positive correlation with capital expenditure in the semiconductor industry. The semiconductor products currently under active R&D investment can be categorized into three main applications: (1) semiconductor lithography process materials, (2) advanced semiconductor packaging materials, and (3) semiconductor optical components.

In the display industry, the Company primarily supplies a range of photoresist products for TFT-LCD and OLED applications. Related products will continue to be manufactured in volume and supplied on a stable basis, with the core focus on providing high cost-performance and quality-stable solutions to serve the long-term needs of customers, serving as the primary direction for driving continued growth in market share.

## 4. Competitive Landscape

### (1) Semiconductor Industry-Related Products

The main competitors in this sector are foreign companies, such as the Japanese firms FujiFilm, JSR, TOK, and Shin-Etsu, as well as the American firm DuPont.

Advanced Echem Materials Company has emerged as a newcomer in this field, successfully achieving multiple product results and holding several patented formulations. Amid growing trends of supply chain localization and demand for real-time service, Advanced Echem Materials Company holds a cost advantage with localized production and has made significant breakthroughs in the Taiwanese market. Advanced Echem Materials continues to expand its product line and increase market share while steadily gaining traction through additional mass production wins.

(2) Display Industry-Related Products

The main competitors in this sector are primarily foreign companies, such as the American firm Qnity and the South Korean firm Dongjin. The Company has currently become the leading domestic supplier in the Taiwanese market, ranking among the top two in overall market share in Taiwan, and has also emerged as one of the major suppliers in the global TFT-LCD photoresist materials market.

(III) Overview of Technology and Research & Development (R&D)

1. R&D Expenses for the Most Recent Fiscal Years and up to the Annual Report Publication Date

Unit: NT\$ thousand

Item \ Year	2024	2025	Up to March 31, 2026 (Note)
R&D Expenses	278,907	385,438	115,171

Note: Data up to March 31, 2026, is based on internally consolidated R&D expenses.

2. Successfully Developed Technologies or Products

Year	Key Product Innovations
2018	High-resolution RGB photoresist for TFT-LCD VR displays TFT photoresist for G8.5 TFT-LCD Specialty optical materials for CIS infrared image sensors I-line photoresist for semiconductor photolithography
2019	TFT photoresist for G10 TFT-LCD Encapsulation materials for Micro-LED displays Specialty materials for CIS photolithography Photoresist for RDL electroplating process in semiconductor packaging
2020	Quantum dot (QD) color conversion technology and related specialty materials for Micro-LED displays Light-adjusting optical materials for CIS photolithography Microlens optical materials for CIS photolithography Optical materials for optical fingerprint recognition sensors Insulating layer materials for advanced semiconductor packaging processes Photoresist modifiers for advanced semiconductor photolithography Photoresist cleaning agents for advanced semiconductor photolithography
2021	Photoresist remover for semiconductor packaging Etch-resistant agent for advanced semiconductor photolithography Developer for advanced semiconductor photolithography Optical tuning materials for CIS High-resolution PI-type positive photoresist for CIS photolithography High aspect ratio positive photoresist for CIS photolithography

Year	Key Product Innovations
	Release layer materials for CIS optical component processing Alignment liquid for IPS TFT-LCD displays Recycling technology for TFT-LCD alignment liquid
2022	Wetting agent for advanced semiconductor photolithography Specialty developer for advanced semiconductor photolithography Specialty cleaning agent for advanced semiconductor photolithography Bottom anti-reflective coating (BARC) materials for advanced semiconductor photolithography Edge bead remover for advanced semiconductor photolithography Microlens materials for CIS optical components Light diffusion materials for CIS optical components
2023	Bottom anti-reflective coating (BARC) materials for advanced semiconductor photolithography Specialty cleaning agent for advanced semiconductor photolithography Specialty developer for advanced semiconductor photolithography Edge bead remover for advanced semiconductor photolithography Protective layer materials for semiconductor packaging processes Photoresists for semiconductor packaging processes Products for image sensors and semiconductor optical components Products for Micro-LED processes: QD ink & related materials PI alignment liquid for TFT-LCD displays
2024	KrF photoresist for advanced semiconductor lithography processes Planarization materials for advanced semiconductor lithography processes Temporary protective layer materials for semiconductor packaging processes Planarization materials for semiconductor packaging processes Microlens-related materials for image sensors and semiconductor optical components Products for Micro-LED processes: QD PR & related materials PI alignment liquid for TFT-LCD displays
2025	KrF photoresist materials for advanced semiconductor lithography processes Bottom anti-etch layer materials for advanced semiconductor lithography processes Planarization materials for advanced semiconductor lithography processes Temporary protective layer materials for dicing processes in semiconductor packaging Planarization materials for semiconductor packaging processes Plasma etch-resistant layer for semiconductor packaging processes Bottom anti-reflective coating (BARC) materials for microlenses in image sensors and semiconductor optical components Photoresist stripping solution for microlenses in image sensors and semiconductor optical components Low-exposure-dose photo-alignment PI alignment liquid for TFT-LCD displays

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

##### 1. Short-Term Development Plans

- (1) Semiconductor Products: Stabilize mass production of existing products and continue to develop new products for advanced process and advanced packaging applications, while accelerating technical communication with clients to shorten development cycles. The Company will also continue to expand production capacity at the southern production base to meet future customer demand.
- (2) Semiconductor Optical Component Products: Through the development of highly customized innovative products and by integrating customer and market resources, continue to expand into next-generation imaging product applications. Simultaneously strengthen overseas production and sales operations to increase the visibility of the Company's products in international markets.
- (3) Display Products: Continue to stabilize and manage the existing TFT-LCD display product lines while increasing production and sales efficiency to drive revenue and market share growth. In the area of liquid crystal PI alignment films, the Company will develop innovative products through proprietary synthesis R&D, integrating customer and market resources, with the goal of becoming the leading domestic supplier of key materials in this field.

##### 2. Long-Term Development Plans

While maintaining a focus on technological R&D to establish the competitiveness of its proprietary brand, the Company will simultaneously strengthen its international marketing channels and build a comprehensive supply chain to secure orders in international markets. The Company further aims to seize the opportunity presented by key customers' active promotion of supply chain localization, developing DUV photoresists to expand the application market for its products and become Taiwan's first domestic semiconductor-grade photoresist supplier.

- (1) Semiconductor-Related Products: Strengthen cooperation with raw material suppliers to diversify risks, and continue to invest R&D resources in the synthesis and manufacturing of upstream raw materials to secure key technologies. Simultaneously, continue to develop next-generation semiconductor materials to provide customers with comprehensive solutions, becoming a key supplier in the advanced process and advanced packaging materials market, thereby driving sustained growth in the Company's revenue and profit.

- (2) Semiconductor Optical Component Products: Invest R&D resources in next-generation optical applications such as Metalens and CPO to expand the potential application market for the Company's optical products..
- (3) Display Materials: Stabilize and manage existing product lines while developing new products to achieve revenue and profit contributions.

## II. Market and production-marketing overview

### (I) Market Analysis

#### 1. Primary Product Sales Regions

Unit: NT\$ thousand

Sales Type \ Year	2024		2025	
	Sales Revenue	Percentage (%)	Sales Revenue	Percentage (%)
Domestic Sales	2,643,069	79.57%	3,552,171	83.35%
Export Sales	678,792	20.43%	709,665	16.65%
Total	3,321,861	100.00%	4,261,836	100.00%

#### 2. Market Share

The Industrial Technology Research Institute (ITRI) anticipates that as AI technology rapidly expands, Taiwan, as a core hub of the global semiconductor industry, will see its IC design, manufacturing, and packaging and testing sectors actively responding to emerging demand. Taiwan's semiconductor industry output value is projected to reach NT\$6.5 trillion in 2025, representing a year-over-year growth rate of 22%, with output value officially surpassing the NT\$7 trillion mark in 2026 at NT\$7.1 trillion, representing a growth rate of 10%. As one of the few material suppliers in Taiwan with the capability for independent research and development and innovative materials design, the Company has been collaborating with major international foundries since 2019 to develop new products in line with customers' advanced process requirements. These products have been introduced into mass production and shipment volumes continue to grow. While deepening its focus on lithography process materials, the Company will also actively invest in the R&D of advanced packaging materials, with the goal of becoming a leading international supplier of semiconductor specialty materials.

The photoresists and other applied chemical materials used by major domestic semiconductor manufacturers have long relied on foreign suppliers. Currently, the Company's market share has not yet reached 1% of the overall market; however, significant growth is anticipated in the coming years, as the revenue of the Company's semiconductor division has shown exponential growth since 2018. As customers actively adopt the Company's products, the Company is able to gradually expand its

market presence and further increase its market share.

### 3. Market Future Supply and Demand Outlook and Growth Potential

Based on the foregoing, the application markets targeted by the Company's products can be categorized into three major areas: (1) semiconductor lithography process materials, (2) advanced semiconductor packaging materials, and (3) semiconductor optical component materials.

Taiwan has become the world's top market for semiconductor material demand, and the demand for lithography process and advanced packaging materials is expected to continue growing. To fully meet customer needs, the Company, as a key developer and manufacturer of locally supplied materials, will continue to expand the production capacity of its southern plant and develop specialty products required for advanced process and packaging technologies, leveraging this momentum to advance alongside the market.

In the semiconductor optical component market, in addition to continuing to cultivate the CIS image sensor market, the Company is also investing significant R&D resources in emerging market applications, such as next-generation optical applications including Metalens and CPO, with the goal of becoming one of the leading specialty material suppliers in the semiconductor optical component market.

### 4. Competitive Advantage

In the materials supply chain of the electronics industry, the high costs associated with customers switching material sources and the lengthy learning curve, combined with the capital-intensive nature and high technical barriers of research and development as well as manufacturing, have resulted in domestic material manufacturers facing significant challenges despite having invested countless resources over the years.

Currently, the electronic materials market is primarily dominated by Japanese suppliers, who hold over half of the market share. In the semiconductor industry's materials market, foreign companies hold over 70% market share. However, Advanced Echem Materials Company, leveraging its years of experience in the electronic materials industry and the accumulation of its independent research and development technologies, along with efforts to align with market trends, can demonstrate competitive advantages in various aspects, as shown in the table below.

Market Competitive Advantage Item	Details of the Competitive Advantage
Regional Advantages	Localized manufacturing and services provide timely and effective product support to enhance customer supply chain efficiency.
Research and Development Innovation Advantages	Customized product services provide unique and proprietary innovative products to enhance the value of customer offerings.
Technical Team Advantages	A highly specialized technical team provides quality product development resources to meet customer growth needs.
Advanced Echem Materials Company ESG	Driving a better future.
Localized Advantages	Reduces international shipping, lowering customer inventory pressure and transport time.
Control of Key Raw Materials	Key materials are synthesized or purified locally in Taiwan, reducing risk; key formulas are controlled domestically.
Environmental Protection and Carbon Reduction	Cuts down on long-distance international shipping.

## 5. Favorable and Unfavorable Factors for Future Development and Response Strategies

### (1) Favorable Factors for Future Development

#### A. Government Initiatives Supporting Industry Deepening

The development of Taiwan's electronics industry has consistently faced the issue of an insufficient domestic supply chain for electronic materials to meet industry demands. The government is actively adopting supportive measures and policies to address this challenge. The Ministry of Economic Affairs of the Executive Yuan has integrated various sectors, including industry, tourism, academia, and research, to enhance and consolidate the development of key materials. The Company, leveraging its long-term research and development capabilities, has secured support from multiple government and industry-specific projects. We collaborate with key clients to integrate upstream and downstream processes in the development of innovative products, dedicating our efforts to the development and mass production of electronic materials.

#### B. Rapid Product Generation Turnover

The rapid changes in end-market products have compelled manufacturers to confront the reality of shortened product life cycles. The Company's

characteristics of local production and customized product service strategies align with the market's demand for swift product development and timely supply. Therefore, the current market changes have created a favorable environment for the Company's development.

C. Enhancement of Overall Customer Value

The Company will become the strongest support for our customers through development strategies such as local manufacturing, customized product services, and innovative product technologies. Upholding the belief in co-prosperity between corporate growth and environmental sustainability, the Company is committed to introducing and developing green technologies, making green manufacturing the cornerstone of its sustainable operations. With the advantages of localized production, the Company's products can enhance the overall value for customers. We firmly believe that only by continuously improving product R&D and manufacturing services, integrating into the green supply chain, and delivering greater overall product value can we create a win-win future for both customers and the Company.

D. Quality Research and Development Capacity

Over 80% of the Company's R&D team members hold master's or doctoral degrees. Each year, R&D expenditures account for more than 8% of revenue, reflecting a steady and consistent investment in all aspects of research, development, and technological advancement. The team is deeply focused on product development, patent writing, and mastering material properties and application technologies. By establishing a high-quality and capable R&D team, the Company is actively developing new products in the aforementioned areas to meet market demand, including semiconductor lithography processes, advanced semiconductor packaging, semiconductor optical components, and display applications. These developments have already been adopted or are undergoing qualification by major international companies. With the rising demand in these industries, this will serve as a key driver of the Company's future business growth.

(2) Unfavorable Factors and Response Strategies

A. Dependence on Imported Key Raw Materials

The Company will continue to implement a strategy of maximizing local sourcing for raw materials used in its semiconductor products. For display products, raw materials are still primarily imported; however, the Company has actively developed secondary and local suppliers in recent years and has initially achieved results in price and lead time control.

**【Response Strategies】**

(A) Increase the use of alternative materials to avoid reliance on a limited

number of suppliers.

- (B) Evaluate locally sourced materials in Taiwan that possess competitive advantages, and actively support and promote their utilization.
- (C) Master synthesis and purification technologies to reduce risks associated with importing foreign raw materials.

**B. Strategic Competition from Foreign Major Manufacturers**

Some foreign competitors have established production in Taiwan and have designated their supporting products and strategic layouts to engage in strong competition.

**【Response Strategies】**

- (A) Deepen engagement with selected friendly and cooperative clients to build long-term partnerships.
- (B) Enhance the professionalism and timeliness of technical services to gain customer recognition and trust through technical strength, while adopting pragmatic approaches to avoid irrational competition and price cutting.

**C. High-Level Product Development**

Semiconductor Industry: Strict quality control due to advanced process developments.

Display Industry: Continuous demand for enhanced display quality.

**【Response Strategies】**

- (A) Continue to actively establish research and development teams, focusing on specific areas of expertise to become a leader.
- (B) Establish strategic partnerships for vertical integration with upstream material suppliers to combine related industry technologies.
- (C) Collaborate with customers to develop unique innovative technologies, mastering the key capabilities for quality enhancement.
- (D) Customize exclusive specialty materials to enhance the uniqueness and value of customer products.

## (II) Key Applications of Major Products and Production Process

### 1. Key Applications of Major Products

Main Category	Application
Semiconductor Application Materials	Used in the photolithography and packaging processes of semiconductor chips Used in manufacturing process of image sensors in CIS
Display Application Materials	Used in the TFT, CF, and Cell processes of TFT-LCD production

### 2. Manufacturing Process

Electronic materials products are highly complex formula products, and their manufacturing processes vary depending on the application fields. Therefore, the manufacturing process of these products is also a highly technology-intensive professional field. The following is a simplified general description of the manufacturing process:

Raw material intake → Incoming quality control (IQC) inspection → Material intake/mixing/reaction → In-process quality control (IPQC) inspection of processed products → Precision separation/filtration → Final quality control (FQC) product inspection → Filling/packaging/stocking → Outgoing quality control (OQC) inspection before shipment

## (III) Supply Status of Main Raw Materials

The main raw materials of the Company include solvents, resins, photosensitive agents, color pastes, and additives. Long-term cooperative relationships have been established with upstream suppliers of these key raw materials, ensuring stable supply and quality. To prevent disruptions in the supply of raw materials due to unforeseen circumstances, the Company has established safety stock levels for each major raw material and is continuously evaluating alternative suppliers.

(IV) List of Major Suppliers and Customers

1. Suppliers Accounting for More Than 10% of Total Purchases

Unit: NT\$ thousand; %

Item	2024				2025			
	Name	Amount	Percentage of Net Annual Purchases (%)	Relationship with the Issuer	Name	Amount	Percentage of Net Annual Purchases (%)	Relationship with the Issuer
1	Oleader	886,593	62.06%	Affiliated Enterprises	Oleader	1,222,045	68.57%	Affiliated Enterprises
2	Supplier A	281,830	19.73%	None	Supplier A	185,928	10.43%	None
3	Other	260,204	18.21%	None	Other	374,304	21.00%	None
	Net Purchases	1,428,627	100.00%	—	Net Purchases	1,782,277	100.00%	—

2. Customers Accounting for More Than 10% of Total Purchases

Unit: NT\$ thousand; %

Item	2024				2025			
	Name	Amount	Percentage of Net Annual Sales (%)	Relationship with the Issuer	Name	Amount	Percentage of Net Annual Sales (%)	Relationship with the Issuer
1	Customer A	2,643,069	79.56%	None	Customer A	3,552,171	83.35%	None
2	Other	678,792	20.44%	None	Other	709,665	16.65%	None
	Net Sales	3,321,861	100.00%		Net Sales	4,261,836	100.00%	

III. Number of employees, average years of service, average age and distribution of educational qualifications in the recent two years as of the publication date of this annual report

ITEM	YEAR	2024	2025	AS OF MARCH 31, 2026
		Number of Employees	Direct	99
	Indirect	203	215	216
	Research and Development	122	135	135
	Total	424	456	460
Average Age		37.3	38.2	38.5
Average Years of Service		4.7	5.3	5.3
Education Distribution Ratio	Doctorate	5%	4%	5%
	Master's	39%	41%	40%
	College	47%	47%	47%
	High School	8%	7%	7%
	Below High School	1%	1%	1%

IV. Disbursements for environmental protection

(I) Monetary losses (including compensation and fines) due to pollution in the most recent year and up to the publication date of this annual report

Item	2025	As of the publication date of 2026 Annual Report
Pollution Status	Violation of the Toxic and Concerned Chemical Substances Management Act	None
Disciplinary Unit	Taoyuan City Government Environmental Protection Bureau	None
Fines	A fine of NT\$60,000	None

(II) Future Response Strategies (Including Improvement Measures) and Possible Expenditures (Including Estimated Amounts for Losses, Disposals, and Compensation if Countermeasures are Not Taken, and if it is Impossible to Estimate, the Facts Should be Explained):

Since the establishment of the Company's plant, we have adhered to the belief of "investing equally in production and pollution prevention." We have continuously invested in pollution prevention equipment and precautionary measures. To make our pollution prevention efforts more comprehensive, the Company has progressively purchased additional equipment and strengthened precautionary measures in order to achieve waste reduction (and cost savings) and fulfill our social responsibility.

Unit: NT\$ thousand

No.	Name	2025 Expenditure Budget	2026 Expenditure Budget
1	Taoyuan Plant: Pollution Control Expenditures and Related Equipment Maintenance Costs	10,380	11,418
2	Tainan Plant: Pollution Control Expenditures and Related Equipment Maintenance Costs	4,333	6,371
3	Kaohsiung Plant: Pollution Control Expenditures and Related Equipment Maintenance Costs	61,023	15,152

Note: In the second half of 2025 (H2), expenditures will be incurred for newly added air pollution control equipment and wastewater treatment facilities at Kaohsiung Plant No. 2. In 2026, the costs will reflect annual operating expenses for air pollution control and waste treatment.

V. Labor relations

(I) The Company's various employee measures, continuing education, training, retirement systems, and their implementation status, as well as the agreements between labor and management and the conditions of various employee rights protection measures:

1. Employee Benefit Measures:

In addition to participating in labor insurance, national health insurance, pension, and group insurance in accordance with the Labor Standards Act and other relevant regulations, the Company has also established an Employee Benefits Committee. Benefits committee members are selected to manage matters related to employee benefits. The Company provides various subsidies for employees in the event of marriage, bereavement, childbirth, or work-related injuries, as well as birthday and holiday bonuses, to support employees in balancing work and family life. Regular employee health checkups, company trips, and year-end parties with raffles are organized to promote employee well-being and strengthen camaraderie among staff. Starting in 2025, the Company has further introduced employee medical insurance coverage and opened the option for employees' dependents to enroll in the group insurance plan at their own expense in accordance with applicable regulations, thereby enhancing the level of medical care and continuing to foster a healthy, secure, and cohesive workplace environment.

In summary, the Company continues to refine its employee benefits system and is committed to creating a friendly workplace environment that supports work-life balance. The relevant benefit measures are described as follows:

- Labor insurance, national health insurance, group accident insurance, and cancer medical insurance.
- Annual employee health check-ups, with arrangements for consultations regarding the medical examination reports.
- Health tracking and management for employees with abnormal health check results.
- Subsidy for health checkups for new employees.
- Free massage services for stress relief and wellness activities.
- Annual blood donation drive.
- Health hazard assessments for pregnant and breastfeeding employees, with lactation rooms and reserved parking spaces provided.

- Parental leave system and childcare subsidies.
- Free lunch provided at noon.
- Quarterly employee meal gatherings.
- Housing allowance subsidies.
- Overtime meal allowance.
- Company-designated special leave days.
- Various sports clubs: badminton club, fitness club, bowling club, karaoke club, cycling club, and jogging club.
- Education and training subsidies, language proficiency bonuses, in-service education subsidies, and a diverse online learning system.

The Company conducts an anonymous employee satisfaction survey at least once a year. In the 2025 survey, the response rate was 66%. The areas receiving lower scores were the promotion system and bonus structure, reflecting employees' continued expectations and room for improvement regarding the transparency of career development pathways and the fairness of the compensation and reward system. In response, the Company actively and openly listened to employee feedback toward the end of 2025, and will adjust the promotion and compensation systems on an annual basis in accordance with operational conditions, with the aim of strengthening competitiveness in the talent market.

## 2. Employee Continuing Education and Training:

In response to the rapid changes in industry technology and to ensure the development of employee skills and careers, the Company has designated employee learning and development as a key focus area in human resource management to achieve operational objectives. The Company believes that only through effective continuing education and training can the value of human resources be maximized. Therefore, we have planned an annual education and training program based on core competencies, which will be developed in alignment with the Company's operational strategies and professional training frameworks. This program incorporates a variety of training methods to provide both internal and external training across different functions and specialties. Additionally, through workplace interactions, experience sharing, and knowledge transfer, we aim to enhance employee competitiveness and cohesion. In 2024, the average training hours per employee reached 41.9 hours, while in 2025 this figure decreased slightly to 37.2 hours. Beyond routine training, the Company has also been actively promoting an "Online Library" system. Although usage hours are not counted toward official training hours, employees can access and borrow books relevant to their functional needs through the online system, encouraging flexible and self-directed learning.

3. Retirement System and Implementation Status:

The Company has established a defined benefit retirement plan in accordance with Taiwan's Labor Standards Act, along with a Labor Retirement Reserve Supervisory Committee. Additionally, a defined contribution retirement plan has been implemented in accordance with the Labor Pension Act, effective from July 1, 2005. For employees who joined the Company after this date, as well as for those who opted into the new pension scheme, the Company contributes 6% of their monthly wages to individual pension accounts managed by the Bureau of Labor Insurance. At the same time, the Company continues to retain and fund the defined benefit plan for employees who opted to remain under the old system or have accrued seniority under the old plan. Pension reserves for the defined benefit plan are set aside in accordance with applicable laws, and actuarial assessments are regularly conducted by professional actuarial firms to ensure the sufficiency of the fund. All pension reserves are deposited into a dedicated account with the Bank of Taiwan. As of the end of 2024, the balance of the old system pension reserve complies with legal requirements and is sufficient to cover all employees eligible for retirement under the old plan by the end of 2025. Retirement systems for overseas subsidiaries are managed in accordance with local government regulations.

4. Labor-Management Agreements and Employee Rights Protection Measures:

The Company practices a human-centered approach to self-management, providing employees with full respect and care. We continuously plan and enhance various employee welfare programs to foster an optimal working environment. Regular labor-management meetings are held to discuss relevant issues, ensuring thorough communication and negotiation. As a result, labor relations remain harmonious, and no major labor disputes have occurred.

## 5. Human Rights Policy and Concrete Management Programs:

Item	Concrete Measures	Affected Parties
Promoting Physical and Mental Well-being and Work-Life Balance	<p><b>【Employee Benefits and Health Promotion】</b></p> <ul style="list-style-type: none"> <li>• Establishing sound basic meal and recreational facilities at plant locations, while actively planning comprehensive employee benefit programs.</li> <li>• Regularly providing employees with health check-ups that exceed regulatory requirements, offering occupational disease prevention management, and conducting ongoing follow-up and counseling.</li> <li>• Medical personnel are stationed at plant locations to provide employees with professional medical guidance and consultation.</li> </ul> <p>For three consecutive years from 2023 to 2025, the Company received the Gold Award for Happy Enterprise in the Technology and Manufacturing sector from the 1111 Job Bank.</p>	All employees
	<p><b>【Marriage and Childbirth Benefits】</b></p> <ul style="list-style-type: none"> <li>• Effective January 1, 2024, the Company provides a childbirth subsidy of NT\$6,000 per birth and a childcare allowance of NT\$1,000 per month until the child reaches the age of six, applicable to employees themselves or their dependents.</li> <li>• When an employee or their family member experiences a marriage or bereavement, the Company presents a congratulatory or condolence gift.</li> <li>• Lactation rooms have been established at plant locations in accordance with applicable regulations, and a parental leave system is provided. Eligible employees may adjust their working hours based on childcare needs.</li> </ul>	Employees with newborns or young children requiring care
Equal Employment to Ensure Equal Job Opportunities	<ul style="list-style-type: none"> <li>• Recruitment practices comply with the Labor Standards Act and adhere to the principles of fairness, impartiality, and transparency, with hiring decisions based on candidates' qualifications and professional backgrounds.</li> <li>• Clear regulations have been established governing employee promotion, performance evaluation, training, and disciplinary and reward systems, ensuring that all employees receive fair treatment.</li> <li>• The Company employs persons with disabilities in numbers exceeding the statutory requirement.</li> </ul>	All employees
Elimination of Forced Labor	In accordance with the Labor Standards Act, international standards, and the "Human Rights Policy and Declaration on Diversity, Equity, and Inclusion (DEI)," the Company does not compel or coerce any unwilling individual into performing labor services for the Company.	All employees
Prohibition of Child Labor	Labor conditions are established in accordance with government labor-related laws and regulations, and the Company has never employed child labor.	New recruits are subject to recruitment and hiring processes conducted in accordance with applicable laws and regulations; child labor has never been employed

Item	Concrete Measures	Affected Parties
Respecting the Right to Privacy and Freedom of Assembly and Association, and Providing Open Labor-Management Communication Channels	Employees are free to join organizations such as labor-management conferences and the Employee Benefits Committee. Meetings are held on a regular basis, at which employees may submit suggestions and engage in consultations.	All employees
Regular Review and Assessment of Human Rights Systems	<ul style="list-style-type: none"> <li>In addition to establishing a human rights policy and related regulations — such as prohibitions on forced labor and child labor, and measures for the prevention of sexual harassment — the Company has incorporated these into its rules and regulations or operational guidelines, with a dedicated unit responsible for regularly reviewing and assessing the appropriateness of the relevant systems.</li> <li>The Company has established labor-management communication channels and feedback mechanisms, and employee-reported matters are incorporated into annual reviews on a regular basis.</li> <li>In 2025, the Company introduced RBA coaching across its plant locations and expects to obtain VAP certification in 2026.</li> </ul>	All employees

- (II) List the losses incurred due to labor disputes in the most recent year and as of the date of the annual report, and disclose the estimated amounts for current and future potential losses and corresponding countermeasures. If it is not reasonably possible to estimate, the facts regarding such inability to estimate should be explained: None.

VI. Information and communication security management

- (I) Outline of the Information Security Risk Management Framework, Information Security Policies, Specific Management Plans, and Resources Invested in Information Security Management.

1. Information Security Risk Management Framework

The highest-ranking executive of the Company's IT department concurrently oversees information security-related matters.

Organization	Responsibilities
Information Security Committee	<ol style="list-style-type: none"> <li>Composed of the President and heads of R&amp;D, process, and administrative units serving as committee members.</li> <li>Reviews and approves information security policies, annual development strategies, and core business objectives.</li> <li>The committee convenes meetings on a regular basis to oversee the effectiveness of information security operations and the efficiency of resource allocation.</li> </ol>
Information Technology Department	<ol style="list-style-type: none"> <li>Drives the implementation of information security policies, and coordinates the allocation of information security resources, the establishment of technical standards, and risk assessments.</li> <li>Appoints a dedicated information security supervisor and personnel responsible for day-to-day security monitoring, incident response, and education and training.</li> </ol>

Organization	Responsibilities
Individual Units	<ol style="list-style-type: none"> <li>1. Responsible for access control and compliance in the use of data and information systems under their purview.</li> <li>2. Identify information security requirements within their business processes, and cooperate in the execution of risk assessments and incident response drills.</li> </ol>
Internal Audit Office	<ol style="list-style-type: none"> <li>1. Conducts annual internal audits of information security on a regular basis to assess the design and operational effectiveness of control measures.</li> <li>2. Tracks the progress of remediation of information security deficiencies and reports audit findings to the Board of Directors.</li> </ol>

## 2. Information Security Policy

To ensure the smooth operation of the Company's business and prevent unauthorized access, use, control, disclosure, destruction, alteration, or other violations of the information systems or data, and to maintain their confidentiality, integrity, and availability, the following information security policies are established for all relevant personnel to adhere to:

- (1) All information security management regulations of the Company must comply with relevant government laws and regulations, such as the Cyber Security Management Act, the Criminal Code, and the Personal Data Protection Act.
- (2) Regular information security training and security awareness campaigns for new employees will be implemented to enhance the Company's information security awareness.
- (3) Effectively manage information assets, continuously conduct risk assessments, and implement appropriate protective measures.
- (4) Protect information and communication systems and data from unauthorized access, maintaining the confidentiality of information and communication systems and information.
- (5) Protect the information and communication systems and ensure the accuracy of their content, preventing any unauthorized alterations.
- (6) Ensure that authorized users can access the information systems and data when needed.
- (7) Assess the impact of various man-made or natural disasters and establish a recovery plan for core information systems to ensure the continuous operation of core business functions.
- (8) Implement vendor management to ensure the security of information and communication services.

- (9) Implement audit execution and management review processes to achieve continuous improvement of the information security management system.
  - (10) Promote the integration of cybersecurity protection, strengthen collaborative cybersecurity defense and intelligence sharing.
3. Specific Management Plans and Resources Invested in Information Security Management
- (1) Specific Management Plans:
    - A. Management Operations: Information security is designated as a key annual focus for the IT Department. Relevant management methods and corresponding mechanisms will be adjusted in response to changes in risk and threat levels.
    - B. Internal Control: Each year, the IT Department conducts internal audits of the information circulation based on the Company's internal control system. The results of these audits are reported to the Board of Directors for review and confirmation. Additionally, an annual review of the information circulation provisions related to internal control is conducted, and relevant operational specifications are revised as needed.
    - C. Collaborative Cybersecurity Defense: We have joined the following cybersecurity intelligence sharing organizations to obtain cybersecurity early warning intelligence, cybersecurity threats, vulnerability information, and cybersecurity training courses.
      - Science Park Information Security Information Sharing and Analysis Center (SP-ISAC)
      - Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC)
      - Taiwan Chief Information Security Officer Alliance (CISO)
  - (2) Resources Invested to Implement Information Security Policies:
    - A. Network hardware equipment such as firewalls, email antivirus, spam filtering, and endpoint protection, as well as arranging for internal information equipment to conduct vulnerability scanning and penetration testing.
    - B. Application systems are protected through regular backup mechanisms and offsite backup storage. Remote access to the Company's intranet requires VPN authentication. Important corporate documents are managed using encryption software.

- C. Personnel are assigned to monitor the status of various IT systems, manage and maintain information assets, and perform information security-related operations. In 2025, business continuity drills were completed for two core systems, and all results met the expected targets.
  - D. The Company conducts two email social engineering drills each year. In 2025, a total of 64 new employees participated in information security training, and the total hours of training attended by IT personnel amounted to 94 hours.
  - E. Each year, audit operations include internal audits such as information cycle audits, accountant audits, and supplier audits. In 2025, a total of 20 regulations related to information will be reviewed and revised.
- (II) List the losses incurred due to significant information material incidents for the most recent fiscal year and up to the date of the annual report's publication, as well as any potential impacts.

In 2025, there were zero material cybersecurity incidents.

In 2025, there were zero material incidents of personal data breaches or leaks.

In 2025, the total amount of fines imposed due to incidents related to information security or network security was NT\$0.

#### VII. Important contracts

Contract Nature	Parties	Contract Duration	Main Content	Restrictive Clauses
Lease Agreement	Southern Taiwan Science Park Bureau	2019/10/28-2039/10/27	Land Lease	None
Lease Agreement	Epileds Technologies, Inc.	2019/06/01-2039/05/31	Factory Lease	None
Lease Agreement	Chung Chuan Industrial Co., Ltd.	2025/05/01-2035/04/30	Factory Lease	None
Lease Agreement	National Science and Technology Council Hsinchu Science Park Administration	2025/10/01-2044/12/31	Land Lease	None

## Five. Review and Analysis of Financial Status, Financial Performance, and Risk Management

### I. Financial status

Unit: NT\$ thousand; %

Item \ Year	2024	2025	Difference	
			Amount	%
Current Assets	1,815,040	5,481,294	3,666,254	201.99
Non-Current Assets	3,519,367	4,988,197	1,468,830	41.74
Total Assets	5,334,407	10,469,491	5,135,084	96.26
Current Liabilities	1,155,885	966,829	(189,056)	(16.36)
Non-Current Liabilities	1,243,623	250,552	(993,071)	(79.85)
Total Liabilities	2,399,508	1,217,381	(1,182,127)	(49.27)
Capital Stock	822,763	927,328	104,565	12.71
Capital Surplus	900,562	6,574,064	5,673,502	630.00
Retained Earnings	1,173,675	1,663,461	489,786	41.73
Total Equity	2,934,899	9,252,110	6,317,211	215.24
<p>1. Explanation of Variance: (Changes that exceed 20% and involve an amount of NT\$10 million or more)</p> <p>(1)Current Assets: Primarily due to an increase in financial assets measured at amortized cost..</p> <p>(2)Non-current Assets: Primarily due to an increase in property, plant and equipment..</p> <p>(3)Total Assets: Primarily due to an increase in financial assets measured at amortized cost and property, plant and equipment.</p> <p>(4)Non-current Liabilities and Total Liabilities: Primarily due to a decrease in long-term borrowings..</p> <p>(5)Capital Surplus: Primarily due to the cash capital increase carried out at a premium in 2025.</p> <p>(6)Retained Earnings: Primarily due to an increase in profits in 2025.</p> <p>(7)Total Equity: Primarily due to the cash capital increase carried out at a premium in 2025.</p> <p>2. Potential Impact on Future Financial Operations: No Significant Impact.</p> <p>3. Future Response Plan: Not Applicable.</p>				

## II. Financial performance

Unit: NT\$ thousand; %

Item	Year	2024	2025	Difference	
				Amount	%
Operating Revenue		3,321,861	4,261,836	939,975	28.30
Operating Costs		2,117,467	2,426,460	308,993	14.59
Gross Profit		1,204,394	1,835,376	630,982	52.39
Operating Expenses		617,613	773,556	155,943	25.25
Operating Profit and Loss		586,794	1,061,165	474,371	80.84
Non-Operating Income and Expenses		241,553	198,166	(43,387)	(17.96)
Net Income Before Tax		828,347	1,259,331	430,984	52.03
Income Tax Expense		131,278	215,391	84,113	64.07
Net Income for the Period		697,069	1,043,940	346,871	49.76
Total Comprehensive Income for the Period		708,069	1,058,149	350,080	49.44
<p>1. Explanation of Variance: (Changes that exceed 20% and involve an amount of NT\$10 million or more)</p> <p>(1) Operating Revenue, Operating Costs, Operating Expenses: This is primarily due to the increase in revenue from semiconductor application products, which has also led to a corresponding increase in operating costs and operating expenses.</p> <p>(2) Net Income Before Tax, Income Tax Expense, Net Income for the Period, and Total Comprehensive Income for the Period: Primarily due to an increase in revenue, resulting in corresponding increases in profit and income tax expense.</p> <p>2. Potential Impact on Future Financial Operations: No Significant Impact.</p> <p>3. Future Response Plan: Not Applicable.</p>					

III. Cash flows

(I) Analysis of Cash flow changes in recent year

Unit: NT\$ thousand

Item \ Year	2024	2025	Difference	
			Amount	%
Operating Activities	944,187	1,116,791	172,604	18.28
Investment Activities	(808,190)	(4,175,991)	(3,367,801)	416.71
Financing Activities	(129,234)	3,628,201	3,757,435	(2,907.47)
Explanation of Variance: (Changes of 20% or more)				
1. Investment Activities: Primarily due to the transfer of funds from the cash capital increase carried out in conjunction with the public offering prior to the initial TPEX listing in early 2025 into time deposits with original maturities exceeding three months.				
2. Financing Activities: Due to the cash capital increase carried out in conjunction with the public offering prior to the initial TPEX listing in early 2025, resulting in an increase in net cash inflows from financing activities.				

(II) Improvement Plan for Insufficient Liquidity: Not Applicable.

(III) Analysis of Cash Flow Liquidity for the Upcoming Year:

Unit: NT\$ thousand

Beginning Cash Balance	Projected Full-Year Net Cash Flow from Operating Activities	Projected Full-Year Net Cash Flow from Investing and Financing Activities	Projected Remaining (Deficit) Cash Balance	Remedial Measures for Projected Cash Shortfall	
				Investment Plan	Financial Plan
937,541	501,685	414,184	1,853,410	-	-
1. Analysis of Cash Flow Changes for the Current Year:					
(1) Operating Activities: In alignment with revenue growth, the increase in accounts receivable collections is sufficient to cover labor costs and expenses, resulting in a net cash inflow.					
(2) Investment and Financing Activities: Primarily due to sufficient cash inflows from financing activities to fund the construction of new plant facilities and the acquisition of equipment, resulting in a net cash inflow.					
2. Remedial Measures for Projected Cash Shortfall: None.					

IV. Impact(s) of major capital expenditure in the recent year on financial position and business performance

The Company's primary operational strategy has shifted towards products related to the semiconductor industry, resulting in continuous growth in performance. In response to order demands, the Company is engaged in the construction of new facilities and ongoing expansion of production lines. Funding sources include internal funds and bank loans. The expansion plans will be flexibly adjusted in accordance with customer requirements and order conditions. Additionally, the Company is conducting a cash capital increase in

conjunction with the initial public offering to adequately support subsequent funding needs. Therefore, capital expenditures do not have a significant impact on financial operations.

V. Investment policy in the recent year, main causes for profits or losses, improvement plan, and investment plan for the coming year

The investment amounts of the Company this year did not exceed 5% of the paid-in capital; therefore, no analysis will be conducted.

(I) Investment Policy: The Company's investment policy is based on the principles of balancing the developmental needs of its core business with long-term strategic investments, rather than focusing on short-term financial investments. It adheres to internal control systems, including the "Investment Cycle" and "Procedures for Acquiring or Disposing of Assets," and is executed in accordance with relevant regulations. The Company conducts prudent evaluations of related investment plans and responds to changes and challenges in the operating environment to ensure stable overall operations and enhance investment returns to increase shareholder equity.

(II) Main Reasons for Gains or Losses from Investments, Improvement Plans, and Investment Plans for the Coming Year

Unit: NT\$ thousand

Investment Holding Company	Investment Gains (Losses) Recognized in 2025	Main Business Activities	Main Reasons for Profit or Loss	Improvement Plan	Investment Plan for the Coming Year
AEMC USA Corporation	14,812	Chemical Material Trading	Normal Operations	None	None
AEMC Japan Co., Ltd.	3,155	Chemical Material Trading	Normal Operations	None	None
SCIWIN Laboratories Co., Ltd.	(315)	Chemical Material Product Development Services	Normal Operations	None	None
Oleader Technologies Co., Ltd.	96,037	Chemical Product Manufacturing and Trading	Normal Operations	None	None
Eray Tech Co., Ltd.	(5,714)	Chemical Material Manufacturing and Trading	Normal Operations	None	None
Advanced Pao Trusval Technology Co., Ltd.	(44)	Semiconductor packaging encapsulant materials	Normal Operations	None	None

- VI. Evaluation of risk management issues in the most recent year up to the publication date of this annual report
- (I) Impact of Interest Rate, Exchange Rate Fluctuations, and Inflation on the Company's Profit and Loss, and Future Measures:
1. Impact of Interest Rate Fluctuations:  
In 2024 and 2025, the Company's interest expenses amounted to NT\$20,158 thousand and NT\$9,796 thousand, respectively, accounting for 0.61% and 0.23% of the annual revenue. The proportion is relatively low. The Company actively monitors the trends in interest rates within the financial market and maintains close communication with various financial institutions. In response to changes in interest rates, adjustments are made to the borrowing positions to mitigate potential risks arising from interest rate fluctuations.
  2. Impact of Exchange Rate Fluctuations:  
In 2024 and 2025, the net exchange (loss) gains of the Company were NT\$22,740 thousand and (NT\$32,030) thousand, respectively, accounting for 0.68% and (0.75)% of the total revenue for each year. The Company holds accounts receivable and payable denominated in foreign currencies, with export sales primarily collected in US dollars and Japanese yen. Additionally, some domestic sales transactions are also collected in US dollars. A portion of our raw materials is procured from overseas, with payments primarily made in US dollars and Japanese yen. The Company will continuously monitor international financial information related to exchange rates and maintain close communication with financial institutions to fully grasp the trends in exchange rate fluctuations. Depending on the changes in exchange rates, we will timely adjust our foreign exchange holdings to mitigate the impact of exchange rate fluctuations on our profit and loss.
  3. Impact of Inflation Fluctuations:  
The Company closely monitors the supply and demand conditions, as well as the price fluctuations of raw materials. It adjusts its inventory levels as needed, researches and develops low-cost alternative materials, and strives to reduce operational costs. These efforts aim to mitigate the impact of inflation on the Company's profit and loss.
- (II) Policies on High-Risk, High-Leverage Investments, Lending Funds to Others, Endorsement and Guarantees, and Derivative Transactions, Main Reasons for Profits or Losses, and Future Measures:
1. The Company follows a prudent approach and a practical business philosophy and does not engage in high-risk or high-leverage investments.
  2. Lending funds to others is conducted in accordance with the Company's "Procedures for Lending Funds to Others."

3. Endorsement guarantees are handled according to the Company's "Endorsement and Guarantee Operating Procedures."
  4. The trading of derivative products is conducted in accordance with the controls established in Chapter 3 of the "Procedures for Acquiring or Disposing of Assets" formulated by the Company.
- (III) Future Research and Development Plans and Projected Research and Development Expenditures:
1. Future Research and Development Plans
    - (1) Semiconductor lithography process materials
    - (2) Semiconductor packaging materials
    - (3) Semiconductor optical component materials
  2. Projected Research and Development Expenditures

In 2024 and 2025, the Company's R&D expenses amounted to NT\$278,907 thousand and NT\$385,438 thousand, respectively, accounting for 8.4% and 9.04% of net operating revenue. The Company's research and development budget is itemized according to the progress of new product and technology development, and resources are continuously invested in research and development to meet market and customer demands, thereby ensuring the Company's competitive advantage. It is anticipated that the research and development expenses to be invested in the coming year will account for a certain percentage of revenue or more.
- (IV) Impact of Significant Domestic and International Policy and Legal Changes on the Company's Financial Operations and Response Measures:
- Recently, significant changes in domestic and international policies and laws have not had a major impact on the Company's financial operations. The Company's operational activities comply with current relevant laws and regulations both domestically and internationally. All relevant management personnel are also attentive to changes in regulations and provide timely information for the reference of the Company's management.
- (V) Impact of Technological Changes (Including Information Security Risks) and Industry Changes on the Company's Financial Operations and Response Measures:
- The Company has always paid close attention to the technological development trends within relevant industries. The management team stays well-informed about future market directions and adjusts its technology development strategies in a timely manner to minimize the impact of technological or industry changes. In addition to actively participating in the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC), the Taiwan Chief Information Security Officer, and the Science Park Information Security Information Sharing and Analysis Center (SP-ISAC), the Company obtains the latest industry cybersecurity intelligence. A contract has also been signed with

a cybersecurity service company to conduct real-time analysis of internal endpoints or network threats, with the aim of identifying potential issues early and preventing them. The Company has established a comprehensive information security management system to ensure the security of information-related activities and services, thereby preventing any impact or influence on the Company. For details regarding the operation of information security risk management, please refer to pages 112 to 113, section six, on information security management. As of the latest fiscal year and the date of the report, the Company has not encountered any major information security risk incidents.

(VI) The Impact of Corporate Image Change on Crisis Management and Response Measures:

The Company adheres to the principles of integrity, stability, and sustainable management, strengthening corporate governance. As of the latest fiscal year and the date of the report, there have been no significant impacts on the Company resulting from changes in its corporate image.

(VII) Expected Benefits, Potential Risks, and Mitigation Measures of Mergers and Acquisitions:

As of the date of publication of this annual report, the Company has no merger or acquisition plans. However, should any merger or acquisition plans arise in the future, the Company will carefully evaluate the benefits of the merger to ensure the protection of shareholder interests.

(VIII) Expected Benefits, Potential Risks, and Measures for Factory Expansion:

The Company has long been dedicated to the research and development and manufacturing of specialty chemical materials for semiconductor and display applications, with a core focus on the synthesis and purification of specialty raw materials and innovative formulation technologies. As the global semiconductor industry continues to develop, the Company's major customers are continuously expanding their advanced process capabilities and production capacity, driving steady growth in demand for semiconductor materials. With the continued growth in operational scale and increasing demand for enhanced R&D capabilities, the existing R&D and office spaces at the Company's various Taoyuan locations, as well as the warehouse space at existing plant sites, have become insufficient. Furthermore, R&D and administrative units are currently dispersed across multiple locations. In order to strengthen the integration of R&D resources, improve operational management efficiency, and align with the Company's long-term business development strategy, the Company, following careful evaluation, resolved at the Board of Directors meeting in late 2025 to construct an R&D center (Longtan Science Park Plant) at the Longtan Science Park for use by administrative management and R&D units, with a portion of the space reserved for manufacturing purposes. Although the construction of the new facility requires substantial investment, thereby increasing operational costs, the new plant and production lines will help expand R&D capacity and provide production space for new products, contributing to the enhancement of the Company's operational momentum and revenue.

(IX) Risks and Mitigation Measures Associated with Centralized Procurement or Sales:

1. Risks and Mitigation Measures Associated with Centralized Procurement

Currently, key materials for the semiconductor industry are primarily supplied by local Taiwanese suppliers, while products for the display industry rely more heavily on overseas imports, which have longer delivery times and make inventory management more challenging. Additionally, catering to customers' orders, which are often small and varied, creates difficulties in coordinating delivery schedules. However, in recent years, the Company has actively supported and developed potential local suppliers, and these suppliers have already been used in actual products. This helps to gradually reduce dependence on foreign-imported raw materials, while continuing to search for more local suppliers and maintaining good relationships with them to ensure stable supply sources. All essential materials are sourced from multiple suppliers, with regular evaluations and selections conducted in accordance with relevant regulations to ensure the stability of supply sources and their quality. To effectively manage supply risks and reduce costs, the Company's specific strategy has achieved preliminary results in integrating the upstream and downstream aspects of the entire supply chain. Increasing the proportion of in-house production will further mitigate the risks associated with concentrated purchasing.

2. Risks and Mitigation Measures Associated with Centralized Sales

The Company's primary customers are domestic and international panel manufacturers and semiconductor manufacturers. The Company is actively expanding its presence in the semiconductor industry and developing new products for various industries.

The Company's specialized semiconductor materials are customized products. Semiconductor customers have stringent requirements for material development, mass production, and delivery schedules. Once materials are certified and adopted by customers, they are rarely replaced. The Company's sales are concentrated with its largest customer, which is primarily engaged in the Taiwan wafer foundry industry. Taiwan's wafer foundry sector controls over 70% of the global wafer foundry market share, creating a highly oligopolistic market structure. As a result, sales concentration among specific customers is a characteristic feature of Taiwan's specialized materials industry. To mitigate the risks of sales concentration, the Company is actively developing specialized materials for emerging semiconductor and display industries. Over the past three years, the Company has allocated approximately 8% to 10% of annual revenue for R&D efforts to develop specialized materials that meet customer requirements and market trends. In addition to its extensive supply of specialized materials for semiconductor lithography processes, the Company is strengthening customer loyalty to its products to stabilize customer orders. The Company also continues to collaborate with existing customers in the semiconductor optical

components and display sectors to develop next-generation products, employing a diversified strategy to reduce the concentration risk of sales.

- (X) Impact, Risks, and Measures Regarding Significant Transfer or Change of Shares by Directors, Supervisors, or Major Shareholders Holding More Than 10% of Shares: None.
  - (XI) Impact, Risks, and Response Measures of Changes in Management Rights: None.
  - (XII) In the case of lawsuits or non-litigation events, the Company must specify any significant lawsuits, non-litigation, or administrative disputes involving the Company, its directors, supervisors, President, substantial responsible persons, major shareholders holding more than 10% of shares, and subsidiaries that have been adjudicated or are still pending. The results of such events that may have a significant impact on shareholder rights or securities prices should disclose the relevant facts, the amount in dispute, the date the litigation commenced, the main parties involved, and the status of the proceedings as of the date of the annual report publication: None.
  - (XIII) Other significant risks and corresponding measures: None.
- VII. Other material issues : None.

## **Six. Special Disclosure(s)**

- I. Affiliated enterprises  
Please visit the Market Observation Post System  
[https://mopsov.twse.com.tw/mops/web/t57sb01\\_q10](https://mopsov.twse.com.tw/mops/web/t57sb01_q10)
- II. Private placement of securities for the most recent year and up to the publication date of this annual report  
None.
- III. Other supplementary information  
None.
- IV. Occurrence significant to shareholders' interests or security prices, as defined in Subparagraph 2, Paragraph 2, Article 36 the Securities and Exchange Act, in the most recent year up to the publication date of this annual report  
None.

Advanced Echem Materials  
Company Ltd.  
Chairman Wen Hsiung, Chan