

Holtek Semiconductor Inc.

2025 Annual Report

Notice to readers

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

Taiwan Stock Exchange Market Observation Post System: <https://mops.twse.com.tw>

Holtek Semiconductor Inc.

Website: https://www.holtek.com.tw/page/investor_relations/Financial_Statement/annual_report

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Holtek Semiconductor Inc.

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I. Letter to the Shareholders

Dear Shareholders,

1. 2025 Operational Results

In 2025, the global semiconductor industry underwent cyclical adjustments, alongside shifts in the supply chain landscape driven by geopolitical tensions and U.S. tariff policies. Fortunately, as inventory corrections concluded, the industry began to see a clear recovery. The market not only welcomed signs of revival but also reached a pivotal turning point in its development. Riding the wave of the “AI-driven new economy,” the sector has reignited its growth engine. In response to an increasingly complex international trade environment and market segmentation, Holtek continued to optimize its operational structure while strategically positioning for the future, achieving year-on-year growth in both overall revenue and profitability.

In 2025, Holtek reported consolidated revenue of NT\$3.508 billion, representing a 22.2% increase compared to NT\$2.502 billion in the previous year. The company achieved a gross margin of 38.9%, with net income attributable to the parent company of NT\$173 million, corresponding to earnings per share of NT\$0.76.

Holtek has actively optimized its product line portfolio to enhance product competitiveness and expanded strategic collaborations with key domestic and international customers. The company has also proactively developed overseas markets, including India and Southeast Asia, thereby mitigating geopolitical risks and injecting new growth momentum. Overall, Holtek’s performance in 2025 has gradually returned to a trajectory of growth and profitability.

2. 2025 Research and Development

Holtek remains focused on MCU products, while actively developing ICs for applications in “green energy, smart living, and AIoT” to enhance the functionality and performance of its MCU portfolio. In 2025, Holtek continued to invest in key technologies, including chip development, modules and digital sensors, and algorithm initiatives. The Company also launched a range of new products, such as Arm® Cortex®-M4 32-bit MCUs, health measurement, wireless communication, security protection, environmental sensing, BLDC motor control, solar energy storage inverters, lithium battery management, BMduino, and professional modules. In response to ESG initiatives, Holtek places greater emphasis on developing green, energy-efficient, and low-carbon products, including BLDC motor controller MCUs, energy storage inverters, and integrated solutions for two- and three-wheeled electric vehicles, all based on highly integrated SoC technology. Holtek continues to enhance product competitiveness by developing high-performance, low-power solutions, reducing external components, and shortening customer development cycles through integrated platforms and algorithm support.

3. 2025 Business Strategies and Future Plans

Holtek has long focused on the development and sales of MCUs and MCU peripherals. Its 8-bit Flash MCUs and high-resource 32-bit Arm® Cortex®-M0+ and M4 MCUs provide a complete product lineup, supporting expansion into industrial control and AI edge computing. Leveraging integrated digital modules, advanced foundry processes, and specialized packaging, Holtek meets diverse customer needs. Its standard MCUs, ASSPs, and digital modules, including sensors, driver, display, and wireless communication modules—continue to enhance quality and performance, offering customers comprehensive and functional solutions.

With the deep integration of Artificial Intelligence (AI) and Internet of Things (IoT) technologies, AIoT has evolved from a forward-looking concept into a mainstream global industry, rapidly permeating various sectors. In smart home and industrial IoT control applications, sensors serve as critical interfaces, requiring MCUs with higher computational performance and edge computing capabilities. In response to these market trends, Holtek continues to focus on 32-bit MCU development, integrating sensor components and leveraging digital sensor modules to enhance product differentiation and maintain a competitive edge.

Aligning with AI development trends, Holtek is actively expanding into the Edge AI domain, leveraging advanced algorithms such as BPNN, CNN, and SVM to develop diverse innovative products. Current offerings include 2D IR gesture recognition modules, card-type blood pressure monitors, continuous glucose monitoring (CGM), and body composition analysis. The Company continues to expand its 32-bit Arm® core MCU product line for applications in image recognition, motor control, fingerprint identification, health measurement, and security protection. By integrating AES encryption, 24-bit high-resolution ADCs, front-end AFE circuits, and combining Bluetooth and Sub-1 GHz wireless technologies, Holtek equips end products with precise and real-time computational capabilities, actively addressing the growing AIoT market.

Facing the increased power and cooling demands driven by AI computing growth, Holtek leverages its long-established BLDC motor control expertise to enter AI server cooling systems, offering fan drive solutions compatible with various voltage specifications and supporting stable computing performance. In line with global net-zero and green energy trends, the Company is also developing high-efficiency energy storage inverters, BMS battery management systems, and CAN Bus industrial applications, significantly improving power efficiency through intelligent MCU management. Holtek will continue to develop high-performance, low-power, and edge-intelligent products, enhancing user experience and safety while accurately addressing key market trends, forming the core focus of its 2026 innovation and competitiveness strategy.

4. Future development strategies, influenced by external competition, regulations and the overall operating environment

Looking ahead to 2026, although inventory adjustments in the microcontroller industry have largely concluded, consumer demand recovery remains limited. The global economy continues to face challenges such as U.S. “Tariff 2.0” trade uncertainties, inflationary pressures, and semiconductor capacity imbalances. In particular, the Chinese market is under pressure from both domestic demand weakness and a trend toward localization, making low-cost competition the norm and testing the overall business environment.

To mitigate potential impacts from consumer markets, Holtek has adjusted its market and product strategies, strengthening its presence outside China. The Company focuses on customer-driven solutions and continues to develop specialized 32-bit MCUs to meet high-end and complex application requirements, enhancing market competitiveness in a changing environment. Operations are expected to stabilize in 2026, laying the foundation for the next phase of growth. Finally, Holtek would like to express its sincere appreciation to all shareholders for their ongoing support.

We wish all shareholders good health, fulfillment, peace, and abundant prosperity.

Chairman: Wu, Chi-Yung

President: Tsai, Jung-Tsung

II. Corporate Governance

2.1 Directors and Management Team

2.1.1 Directors

Date: March 27, 2026, Unit: Shares

Title	Nationality/ Country of Origin	Name	Gender / Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Specific Person Shareholding		Experience (Education)	Other Positions	Executives or Directors who are spouses or within two degrees of kinship			Note 1
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	R.O.C.	Bo-Kang Investment Ltd	-	May 28, 2025	3	May 24, 2022	6,578,502	291%	6,578,502	2.86%	0	0%	0	0%	None	None	None	None	None	None
		Wu Chi-Yung	Male/ 71~75	May 28, 2025	3	Sep. 7, 1998	3,932,905	1.74%	4,776,905	2.07%	0	0%	6,578,502	2.86%	Bachelor of Electronic Engineering Department, Feng Chia University Chairman, Holtek Semiconductor Inc.	Chairman, Holtek Semiconductor Inc. Representative of the Corporate Director, Holtek Semiconductor Holding (BVI) Ltd., Holtek Investment Co., Ltd., Best Modules Corp., Xinqun Semiconductor (XIAMEN) Inc., Holtek Semiconductor (China) Independent director, Greatek Electronics Inc.	None	None	None	None
Director	R.O.C.	Tsai, Jung-Tsung	Male/ 61~70	May 28, 2025	3	May 29, 2019	320,000	0.14%	360,000	0.16%	186,580	0.08%	0	0%	Bachelor of Automatic Control Engineering Department, Feng Chia University Vice President of Sales & Marketing Center, Holtek Semiconductor Inc.	General Manager, Holtek Semiconductor Inc. Representative of the Corporate Director, Holtek Semiconductor Holding (BVI) Ltd., MCU Holdings Ltd., Best Health Electronics Corporation, Best Modules Corp., Best Modules (Xiamen) Corp., Santek Holdings Ltd., Santek Electronics HK Limited, Newtek	None	None	None	None

Title	Nationality/ Country of Origin	Name	Gender / Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Specific Person Shareholding		Experience (Education)	Other Positions	Executives or Directors who are spouses or within two degrees of kinship			Note 1
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
															Electronics Ltd., Newtek Electronics HK Limited, New Wave Electronics Holding Ltd., Truetek Technology Ltd., Truetek Technology HK Limited, E-Micro Technology Holding Ltd., E-Micro Technology (Qingdao) Ltd., Forlc Electronics Holding Ltd., Forlc Electronics (Beijing) Ltd., Forlc Electronics HK Limited, Crown Rich Technology Holding Ltd., Crown Rich Technology (Shenzhen) Ltd., Quanding Technology Holding Ltd., Quanding Technology (Suzhou) Ltd., Quanding Technology HK Limited, Tech Wave Ltd., Tech Wave (Shenzhen) Ltd., Xinqun Semiconductor (Xiamen) Inc., Holtek Semiconductor (China) Inc., Holtek Investment Co., Ltd., Best Modules Corp., Signal Electronic Co. Ltd.					
Director	R.O.C.	Gau, Kuo-Tung	Male/ 61~70	May 28, 2025	3	Sep. 7, 1998	6,701,176	296%	7,545,176	3.27%	0	0%	0	0%	Bachelor of Electronic Engineering Department, Hwa Hsia University of Technology President, Holtek Semiconductor Inc	Director of Holtek Semiconductor Inc.	None	None	None	None

Title	Nationality/ Country of Origin	Name	Gender / Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Specific Person Shareholding		Experience (Education)	Other Positions	Executives or Directors who are spouses or within two degrees of kinship			Note 1
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	R.O.C.	Chang, Chi	Male/ 71~75	May 28, 2025	3	June 1, 2004	1,111,785	0.49%	1,111,785	0.48%	276,389	0.12%	0	0%	Master of Electrical Engineering Department, National Cheng Kung University Executive Vice President of Design and Product Center, Holtek Semiconductor Inc.	Director of Holtek Semiconductor Inc.	None	None	None	None
Director	R.O.C.	Yu, Kuo-Cheng	Male/ 51~60	May 28, 2025	3	May 28, 2025	131,654	0.06%	131,654	0.06%	29,839	0.01%	0	0%	Feng Chia University, Department of Electronic Engineering Vice President of Design Center, Holtek Semiconductor Inc.	Vice President of Design Center, Holtek Semiconductor Inc. Representative of the Corporate Director, Xinqun Semiconductor (Xiamen) Inc.	None	None	None	None
Director	R.O.C.	Pan, Chien-Chou	Male/ 51~60	May 28, 2025	3	May 28, 2025	120,000	0.05%	150,000	0.07%	10,000	0.00%	0	0%	Taiwan Institute of Technology, Department of Electrical Engineering Vice President of Sales and Marketing Center, Holtek Semiconductor Inc.	Vice President of Sales and Marketing Center, Holtek Semiconductor Inc. Representative of the Corporate Director, MCU Holdings Ltd., Best Modules Corp., Holtek Semiconductor (China) Inc., Best Modules (Xiamen) Corp., Best Modules Corp., Signal Electronic Co. Ltd., Holtek Semiconductor (India) Private Ltd.	None	None	None	None

Title	Nationality/ Country of Origin	Name	Gender / Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Specific Person Shareholding		Experience (Education)	Other Positions	Executives or Directors who are spouses or within two degrees of kinship			Note 1
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	R.O.C.	Hsing, Chih-Tien	Male/ 76~80	May 28, 2025	3	June 1, 2004	36,000	0.02%	36,000	0.02%	0	0%	0	0%	Ph.D., Electrical Department, University of Florida Senior Vice President, Quanta Computer Inc. Director, Electronics Research & Service Organization, Industrial Technology Research Institute	Independent Director of Holtek Semiconductor Inc.	None	None	None	None
Independent Director	R.O.C.	Hsu, Jui-Ting	Female /51~60	May 28, 2025	3	May 24, 2022	0	0%	0	0%	0	0%	0	0%	Bachelor of Accounting Department, Tunghai University Director and Associate Vice President, Management Division, Evest Corporation	Associate Vice President of Management, Evest Corporation Independent Director of Holtek Semiconductor Inc.	None	None	None	None
Independent Director	R.O.C.	Li, Pei-Ying (Note 2)	Female /51~60	May 28, 2025	3	June 15, 2010	0	0%	0	0%	0	0%	0	0%	University of California, Riverside Institute of Business Administration National Yang Ming Chiao Tung University Institute of Technology Law Managing Attorney, Patty Li Law Firm	Managing Attorney of Patty Li Law Firm, Chairman of Patty Li Management Consulting Co., Ltd., Managing CPA of Patty Li CPA Firm, Independent Director of Harvatek Corporation, Director of JBG Hot Spring Resort Hotel, Independent Director of M31 Technologies Ltd Independent Director of	None	None	None	None

Title	Nationality/ Country of Origin	Name	Gender / Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Specific Person Shareholding		Experience (Education)	Other Positions	Executives or Directors who are spouses or within two degrees of kinship			Note 1
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
														Managing CPA, Patty Li CPA Firm	Holtek Semiconductor Inc.					

Note 1: If the Chairperson and the President (or equivalent highest-ranking executive) are the same person, or if they are spouses or first-degree relatives, the Company shall disclose the reasons, rationality, necessity, and corresponding measures (e.g., increasing the number of independent directors or ensuring that a majority of directors are not concurrently employees or managers). Not applicable.

Note 2: Independent Director Ms. Pei-Ying, Li previously served as a director of the Company from June 15, 2010 to May 26, 2019, and resigned due to retirement. She was appointed as an Independent Director on May 29, 2024.

Form 1: Major Shareholders of Corporate Shareholders

March 27, 2026

Name of Institutional Shareholder	Major Shareholders of Institutional Shareholders (shareholding %)
Bo-Kang Investment Ltd.	Chang, An-Hua(42%) 、 Wu, Chi-Yung(58%)

2.1.2 Professional Qualifications of Directors and Disclosure of Independence for Independent Directors

Criteria Name	Professional qualifications and experience (Note)	Independent status	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Chairman Bo-Kang Investment Ltd. Representative Wu, Chi-Yung	Mr. Wu has accumulated over 40 years of practical experience in the semiconductor industry with a focus in strategic management, industry knowledge, leadership skills and day to day operations. There are no violations arising out of Article 30 of the Company Act.	Not applicable	1
Director Tsai, Jung-Tsung	Mr. Tsai has over 30 years of professional experience in the MCU product market, with strengths in operational judgment, strategic decision-making, crisis management, and international market insight. He also has extensive experience in marketing, sales, and strategic planning. He is not subject to any disqualifying conditions under Article 30 of the Company Act.	Not applicable	0
Director Gao, Kuo-Tung	Mr. Gao has over 40 years of experience in decision making and crisis management, practical experience, industry knowledge and international market perspective, with a focus on semiconductor industry management. There are no violations arising out of Article 30 of the Company Act.	Not applicable	0
Director Chang, Chih	Mr. Chang has over 40 years of experience in technology development, crisis management, practical experience and industry knowledge, specializing in operational planning related to the semiconductor industry. There are no violations arising out of Article 30 of the Company Act.	Not applicable	0
Director Yu, Kuo-Cheng	Mr. Yu has experience in technology development, industry knowledge, practical experience, management and decision-making skills. There are no violations arising out of Article 30 of the Company Act.	Not applicable	0
Director Pan, Chien-Chou	Mr. Pan has experience in marketing and technical services, industry knowledge, practical experience, management and decision-making skills. There are no violations arising out of Article 30 of the Company Act.	Not applicable	0

Criteria Name	Professional qualifications and experience (Note)	Independent status	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Independent Director Hsing, Chih-Tien	<p>Mr. Hsing is fully conversant with semiconductor industry chain technological developments and additionally has expertise in corporate governance, technology industry and crisis management.</p> <p>He has served as an independent director for more than three terms (nine years), he is able to provide industry analysis and insight into the application of technology in operational management. During the exercising of his duties as an independent director, this expertise is used to provide supervision and advice to the board. There are no violations arising out of Article 30 of the Company Act.</p>	<p>Comply with the independence requirements, including but not limited to the following matters:</p> <p>The person concerned, his/her spouse and relatives within the second degree of kinship (or in the name of others) hold the shares of the Company in 36,000 shares (0.02%). The person is not a director, supervisor, or employee of an enterprise related to the Company (Reference to the Article 3, Paragraph 1, Paragraphs 5 to 8 of the Rules Governing the Establishment and Compliance of Independent Directors of Publicly Traded Companies). The person concerned do not receive any remuneration for providing business, legal, financial, and accounting services to the Company or its affiliated companies in the past 2 years.</p>	0
Independent Director Hsu, Jui-Ting	<p>Mrs. Hsu has experience in Accounting and financial analysis skills, corporate governance, human resource management, operational management and practical experience. There are no violations arising out of Article 30 of the Company Act.</p>	<p>Comply with the independence requirements, including but not limited to the following matters:</p> <p>The person concerned, his/her spouse and relatives within the second degree of kinship (or in the name of others) do not hold shares of the Company. The person is not a director, supervisor, or employee of an enterprise related to the Company (Reference to the Article 3, Paragraph 1, Paragraphs 5 to 8 of the Rules Governing the Establishment and Compliance of Independent Directors of Publicly Traded Companies). The person concerned do not receive any remuneration for providing business, legal, financial, and accounting services to the Company or its affiliated companies in the past 2 years.</p>	0

Criteria Name	Professional qualifications and experience (Note)	Independent status	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Independent Director Li, Pei-Ying	Ms. Li holds professional qualifications as both a lawyer and a CPA, with expertise in financial management and corporate governance. She possesses industry knowledge, practical experience, and strong managerial and decision-making capabilities. She is also a certified lecturer in finance, taxation, corporate governance, and ESG sustainability. She is not subject to any disqualifying conditions under Article 30 of the Company Act.	Meets independence requirements, including but not limited to: neither the individual, their spouse, nor relatives within the second degree of kinship serve as a director, supervisor, or employee of the Company or its affiliates; neither the individual nor related parties (including via nominee arrangements) hold any shares in the Company; not serving as a director, supervisor, or employee of entities with specific relationships to the Company (as defined in Article 3, Paragraph 1, Subparagraphs 5–8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); and any remuneration received within the past two years for providing business, legal, financial, or accounting services to the Company or its affiliates is in compliance with applicable regulations.	2

Note : Please refer to “3.1.1 Directors” in the annual report for professional qualifications and experiences of the Board members.

Diversity and independence of the Board of Directors

1. According to Article 20 of the company's "Corporate Governance Best Practice Principles," the composition of the board of directors should consider diversity and establish appropriate diversification guidelines based on its operations, business type, and development needs. These guidelines should preferably include, but are not limited to, the following two main criteria :

- (A) Fundamental qualities and values : such as gender, age, nationality, and cultural background. The proportion of female directors is recommended to reach one-third of total board seats.
- (B) Professional knowledge and skills : including professional backgrounds (e.g., law, accounting, industry, finance, marketing, or technology), professional expertise, and industry experience.

Members of the board of directors should generally possess the necessary knowledge, skills, and qualities required to perform their duties. To achieve the ideal goal of corporate governance, the board as a whole should possess the following capabilities:

- A. Ability to make business judgments.
- B. Accounting and financial analysis skills.
- C. Operational and management skills.
- D. Crisis management ability.
- E. Industry knowledge.
- F. International market perspective.

G. Leadership skills.

H. Decision-making ability.

2. The specific management objectives of the company's board diversity policy are as follows:

(A) Fundamental qualities and values :

The Company shall have at least one female director and strive toward the goal of having female directors represent over one-third of all board seats.

(B) Professional knowledge and skills :

- At least one director shall have a background in finance or accounting.
- At least one director shall have practical or academic experience in legal affairs.
- Industry experience shall be diversified, with board members collectively covering at least three distinct industry sectors.

3. The achievement of the board's diversity policy is as follows:

A. The Company is committed to promoting diversity in the composition of its Board of Directors, valuing gender balance, professional backgrounds, and industry experience. In past terms, the Company has selected directors based on considerations of professional expertise and operational stability, and board members have generally been experienced professionals from relevant industries.. In consideration of gender balance, the Company elected a new Board of Directors (including independent directors) on May 28, 2025, adding one female independent director. As a result, the number of female directors on the current Board increased to two, accounting for 22% of the total. Going forward, the Company will continue to give priority to female candidates in director nominations and will cultivate female senior managerial talent internally to gradually enhance gender diversity on the Board.

B. The Company's current Board of Directors consists of nine members, all of whom are of local nationality. The Company values gender equality in board composition and is committed to increasing the proportion of female directors to over one-third (33%) of the board. Currently, male directors account for 78% (7 members), and female directors account for 22% (2 members). The Company will continue its efforts to increase the number of female board members.

The age distribution of the board members is as follows: four directors are between 51-60 years old, two directors are between 61-70 years old, and three directors aged above 71. All independent directors meet the independence requirements set by the Securities and Futures Bureau of the Financial Supervisory Commission. For detailed information regarding each director's education, experience, gender, professional qualifications, and work background, please refer to "3.1.1 Directors" in the Annual Report.

C. All members of the Company's Board are distinguished professionals from academia and industry, with solid professional backgrounds and extensive experience in sectors including semiconductors, technology management, finance, and law. Leveraging their diverse expertise, the Board is able to offer comprehensive professional insights that significantly enhance the Company's operational performance and management effectiveness.

- Independent Director Ms. Hsu, Jui-Ting has a professional background in accounting and also possesses experience in financial and human resources management, and currently serves as the convener of the Company's Audit Committee.
- Independent Director Ms. Li, Pei-Ying holds both legal and financial/accounting qualifications and is a professional lecturer in corporate governance and ESG sustainability, and currently serves as the convener of the Company's Sustainability Development Committee.
- Directors Wu, Chi-Yung; Tsai, Jung-Tsung; Gau, Kuo-Tung; Chang, Chih; Yu, Kuo-Cheng;

Pan, Chien-Chu; and Hsing, Chih-Tien have industry experience spanning more than three different sectors, including the semiconductor industry, computer and peripheral equipment manufacturing, and technology industry management.

In summary, the Company's Board has achieved the policy objective of diversity in industry experience.

4. Implementation of diversification in the Board:

Title		Chairman	Director				Independent Director			
Name		Wu, Chi-Yung	Tsai, Jung-Tsung	Gau, Kuo-Tung	Chang, Chih	Yu, Kuo-Cheng	Pan, Chien-Chou	Hsing, Chih-Tien	Hsu, Jui-Ting	Li, Pei-Ying
Gender		Male	Male	Male	Male	Male	Male	Male	Female	Female
Age		71-75	61-70	61-70	71-75	51-60	51-60	76-80	51-60	51-60
Nationality		Republic of China								
Employee		√	√			√	√			
Independent Director Term	3 Terms or Less								√	√
	More than 3 Terms							√		
Background										
Technology		√	√	√	√	√	√	√	√	√
Finance		√	√	√	√	√	√	√	√	√
Law										√
Professional knowledge and skills										
Industry experience		√	√	√	√	√	√	√	√	√
Operational		√	√	√	√	√	√	√	√	√
Management		√	√	√	√	√	√	√	√	√
Risk Management		√	√	√	√	√	√	√	√	√
International perspective		√	√	√	√	√	√	√	√	√
Leadership and Strategy Decision		√	√	√	√	√	√	√	√	√

Board Independence

- (1) The company's board of director guides company strategy, supervises management, and is accountable to the company and its shareholders. In the company's governance system and various arrangements, the board of directors exercises its authority according to relevant laws, regulations, and shareholder meeting resolutions. The board of directors emphasizes independence in operations and transparency. Both the directors and the independent directors are independent individuals who exercise their powers autonomously.
- (2) The nomination and election procedures for all directors of the Company are conducted in an open and fair manner, in compliance with the Company's Articles of Incorporation, Rules for Election of Directors, Corporate Governance Best Practice Principles, Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and Article 14-2 of the Securities and Exchange Act.

The current composition of the Board consists of three independent directors (33%) and six non-independent directors (67%), among whom four directors (44%) also serve as employees of the Company. None of the directors have a spousal relationship or a relationship within the second degree of kinship, in accordance with Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act.

2.1.3 Management Team

As of March 31, 2025, Unit: Shares

Title	Nationality/ Country of Origin	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Specific Person Shareholding		Experience (Education)	Other Positions	Managers who are Spouses or Within Two Degrees of Kinship			Note 1
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chief Executive Officer	R.O.C.	Wu Chi-Yung	Male	Oct. 01, 1998	4,776,905	207%	0	0%	6,578,502	286%	Bachelor of Electronic Engineering Department, Feng Chia University Chairman, Holtek Semiconductor Inc.	Chairman, Holtek Semiconductor Inc. Representative of the Corporate Director, Holtek Semiconductor Holding (BVI) Ltd., Holtek Investment Co., Ltd., Best Modules Corp., Xinqun Semiconductor (XIAMEN) Inc., Holtek Semiconductor (China) Independent director, Greatek Electronics Inc.	None	None	None	None
President	R.O.C.	Tsai, Jung-Tsung	Male	June 15, 2010	360,000	0.16%	186,580	0.08%	0	0.00%	Bachelor of Automatic Control Engineering Department, Feng Chia University President, Holtek Semiconductor Inc.	General Manager, Holtek Semiconductor Inc. Representative of the Corporate Director, Holtek Semiconductor Holding (BVI) Ltd., MCU Holdings Ltd., Best Health Electronics Corporation, Best Modules Corp., Best Modules (Xiamen) Corp., Santek Holdings Ltd., Santek Electronics HK Limited, Newtek Electronics Ltd., Newtek Electronics HK Limited, New Wave Electronics Holding Ltd., Truetek Technology Ltd., Truetek Technology HK Limited, E-Micro Technology Holding Ltd., E-Micro Technology (Qingdao) Ltd., Forlc Electronics Holding Ltd., Forlc Electronics (Beijing) Ltd., Forlc Electronics HK Limited, Crown Rich Technology Holding Ltd., Crown Rich Technology (Shenzhen) Ltd., Quanding Technology Holding Ltd., Quanding Technology (Suzhou) Ltd., Quanding	None	None	None	None

Title	Nationality/ Country of Origin	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Specific Person Shareholding		Experience (Education)	Other Positions	Managers who are Spouses or Within Two Degrees of Kinship			Note 1
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
												Technology HK Limited, Tech Wave Ltd., Tech Wave (Shenzhen) Ltd., Xinqun Semiconductor (Xiamen) Inc., Holtek Semiconductor (China) Inc., Holtek Investment Co., Ltd., Best Modules Corp., Signal Electronic Co. Ltd.				
Executive Vice President	R.O.C.	Chang, Chi (Note2)	Male	Dec. 11, 1998	1,111,785	0.48%	276,389	0.12%	0	0.00%	Master of Electrical Engineering Department, National Cheng Kung University Executive Vice President, Design and Product Center, Holtek Semiconductor Inc.	None	None	None	None	None
Vice President	R.O.C.	Liu, Yuan-Ho (Note3)	Male	January 1, 2017	50,422	0.02%	10,000	0.00%	0	0%	Bachelor of Electronic Engineering Department, National Taipei University of Technology Vice President, Product Center, Holtek Semiconductor Inc.	None	None	None	None	None
Vice President	R.O.C.	Wang, Min-Kun (Note3)	Male	April 01, 2011	27,349	0.01%	1,000	0.00%	0	0%	Bachelor of Electronic Engineering Department, National Taiwan Institute of Technology Vice President of Product Center, Holtek Semiconductor Inc.	None	None	None	None	None

Title	Nationality/ Country of Origin	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Specific Person Shareholding		Experience (Education)	Other Positions	Managers who are Spouses or Within Two Degrees of Kinship			Note 1
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Vice President	R.O.C.	Yu, Kuo-Cheng	Male	May 02, 2011	131,654	0.06%	29,839	0.01%	0	0%	Bachelor of Electronic Engineering Department, Feng Chia University Vice President Design Center, Holtek Semiconductor Inc.	Representative of the Corporate Director, Xinqun Semiconductor (Xiamen) Inc.	None	None	None	None
Vice President	R.O.C.	Pan, Chien-Chou	Male	May 20, 2019	150,000	0.07%	10,000	0.00%	0	0%	Bachelor of Electrical Engineering Department, National Taiwan Institute of Technology Vice President, Sales and Marketing Center, Holtek Semiconductor Inc.	Representative of the Corporate Director, MCU Holdings Ltd., Best Modules Corp., Holtek Semiconductor (China) Inc., Best Modules (Xiamen) Corp., Best Modules Corp., Signal Electronic Co. Ltd., Holtek Semiconductor (India) Private Ltd.	None	None	None	None
Assistant Vice President	R.O.C.	Chou, Jung-Feng (Note3)	Male	July 01, 2024	63,011	0.03%	31,000	0.01%	0	0.00%	Department of Information Management, Chung Hua University Assistant Vice President, Production Planning and Engineering Division, Holtek Semiconductor Inc.	None	None	None	None	None
Assistant Vice President	R.O.C.	Lai, Jen-Shan (Note3)	Male	July 01, 2024	105,000	0.05%	18,000	0.01%	0	0.00%	Department of Electrical Engineering, National Cheng Kung University Assistant Vice President,	Representative of the Corporate Director and General Manager, Holtek Semiconductor (India) Private Limited	None	None	None	None

Title	Nationality/ Country of Origin	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Specific Person Shareholding		Experience (Education)	Other Positions	Managers who are Spouses or Within Two Degrees of Kinship			Note 1
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
											Overseas Sales Division, Holtek Semiconductor Inc.					
Assistant Vice President	R.O.C.	Mai, Che-Ming (Note4)	Male	Mar. 01, 2025	0	0.00%	0	0.00%	0	0.00%	Graduate Institute of Mechanical Engineering, National Central University Assistant Vice President, Product Center, Holtek Semiconductor Inc.	None	None	None	None	None
Head of Accounting Department	R.O.C.	Liao, Ming-Tung	Male	June 01, 2018	18,000	0.01%	0	0%	0	0%	Master of Accounting Department, National Chung Cheng University	Representative of the Corporate Supervisor for the following companies: Holtek Semiconductor (China) Inc., Xinqun Semiconductor (Xiamen) Inc., Anchip Technology (Dongguan) Corporation, Best Health Electronics (Dongguan) Corporation, Santek Electronics (Xiamen) Ltd., New Wave Electronics (Shenzhen) Ltd., Truetek Technology (Shanghai) Ltd., E-Micro Technology (Qingdao), ForIC Electronics (Beijing) Ltd., Quanding Technology (Suzhou) Ltd., Fine Chip Electronics (Shanghai) Inc., Best Modules (Xiamen) Corp., Holtek Investment Co., Ltd., and Best Modules Corp., Supervisor, Signal Electronic Co., Ltd.	None	None	None	None
Head of Finance Department				February 01, 2019												

Note 1: If the Chairperson and the President (or the highest-ranking executive) are the same person, or if they are spouses or first-degree relatives, the Company shall disclose the reasons, rationality, necessity, and corresponding measures (e.g., increasing the number of independent directors or ensuring that a majority of directors are not concurrently employees or managers). Not applicable.

Note 2: Vice President, Chang, Chi was retired from the Company on May 29, 2025.

Note 3: Vice President, Liu, Yuan-Ho and Wang, Min-Kun were retired from the Company on December 29, 2025, and their shareholdings are disclosed up to the date of retirement.

Note 4: Mr. Mai, Che-Ming was promoted to Assistant Vice President of the Company on March 1, 2025.

Independent Director	Li, Pei-Ying																			
<p>1. The remuneration for independent directors is determined based on their level of involvement in the company's operations and the value they contribute, while also referencing the standard practices within the industry. According to Article 24 of the company's Articles of Incorporation, if the company makes a profit during the year, no more than 1.5% of the profit should be allocated for directors' remuneration. The compensation for business-related expenses considers that independent directors often simultaneously serve on functional committees like the Audit Committee and the Compensation Committee, requiring more responsibilities, higher risks, and greater time commitment compared to other directors. They may receive travel expenses and attendance fees for participating in functional committees, among other things. According to the "Board Performance Evaluation Measures," remuneration systems are regularly reviewed to ensure the management of risk and reward is balanced, taking into account the potential risks and correlations with future operational performance. The related performance assessments and remuneration justifications are approved by the Compensation Committee and the Board of Directors.</p> <p>2. In addition to the above remuneration, director remuneration shall be disclosed as follows when received from companies included in the consolidated financial statements and reinvestment companies in the most recent year to compensate directors for their services, such as being independent contractors: None.</p>																				

Range of Remuneration	Name of Directors			
	Total of Aggregate of first four items of remunerations (A+B+C+D)		Total of Aggregate of first seven items of remunerations (A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies in the consolidated financial statements (Note 9) H	The Company (Note 8)	All companies in the consolidated financial statements (Note 9) I
Below NT\$ 1,000,000	Bo-Kang Investment Ltd. Tsai, Jung-Tsung, Gau, Kuo-Tung, Chang, Chi, Pan, Chien-Chou, Yu, Kuo-Cheng, Hsing, Chih-Tien, Hsu, Jui-Ting, Li, Pei-Ying	Bo-Kang Investment Ltd. Tsai, Jung-Tsung, Gau, Kuo-Tung, Chang, Chi, Pan, Chien-Chou, Yu, Kuo-Cheng, Hsing, Chih-Tien, Hsu, Jui-Ting, Li, Pei-Ying	Bo-Kang Investment Ltd. Hsing, Chih-Tien, Hsu, Jui-Ting, Li, Pei-Ying	Bo-Kang Investment Ltd. Hsing, Chih-Tien, Hsu, Jui-Ting, Li, Pei-Ying
NT\$1,000,000 (incl.) ~ NT\$2,000,000 (not incl.)	—	—	—	—
NT\$2,000,000 (incl.) ~ NT\$3,500,000 (not incl.)	—	—	Wu, Chi-Yung, Tsai, Jung-Tsung, Gau, Kuo-Tung, Pan, Chien-Chou, Yu, Kuo-Cheng	Wu, Chi-Yung, Tsai, Jung-Tsung, Gau, Kuo-Tung, Pan, Chien-Chou, Yu, Kuo-Cheng

Range of Remuneration	Name of Directors			
	Total of Aggregate of first four items of remunerations (A+B+C+D)		Total of Aggregate of first seven items of remunerations (A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies in the consolidated financial statements (Note 9) H	The Company (Note 8)	All companies in the consolidated financial statements (Note 9) I
NT\$3,500,000 (incl.) ~ NT\$5,000,000 (not incl.)	—	—	Chang, Chi	Chang, Chi,
NT\$5,000,000 (incl.) ~ NT\$10,000,000 (not incl.)	—	—	—	—
NT\$10,000,000 (incl.) ~ NT\$15,000,000 (not incl.)	—	—	—	—
NT\$15,000,000 (incl.) ~ NT\$30,000,000 (not incl.)	—	—	—	—
NT\$30,000,000 (incl.) ~ NT\$50,000,000 (not incl.)	—	—	—	—
NT\$50,000,000 (incl.) ~ NT\$100,000,000 (not incl.)	—	—	—	—
Above NT\$100,000,000	—	—	—	—
Total	9	9	10	10

Note 1: Names of directors shall be listed separately, including directors and independent directors and the amount of each payment shall be disclosed in summary accordingly.

Note 2: The remunerations paid to directors in the latest year (including salaries, additional pay, service pay, various prizes, rewards, etc.).

Note 3: The value of remunerations approved to be assigned to directors by the Board of Directors in the most recent year.

Note 4: This is the expenses incurred by directors over the past years from carrying out related tasks, including transportation, special expenditure, various types of allowances, dormitory, and company cars, among other supplies in kind).

Note 5: Salaries, additional pay, service pay, various prizes, rewards, transportation, special expenditure, various allowances, dormitory, cars, and other actual items that are claimed by directors and employees (including part-time President, vice presidents, other managers and employees) in the latest year.

Note 6: This means that directors and employees (including part-time President, vice presidents, other managers, and employees) having claimed employee remunerations (including shares and cash) shall disclose employee remunerations distributed through the Board of Directors in the most recent year. If it is impossible to estimate the value planned to be distributed this year, follow the actual value distributed last year and calculated proportionally and Exhibit 1-3 shall be completed.

Note 7: The total value of remunerations paid to directors of the Company by all companies in the Consolidated Report (including the Company) shall be disclosed.

Note 8: For the total value of various remunerations paid to each director by the Company, disclose the name of the director in the respective bracket.

Note 9: For the total value of various remunerations paid to each director of the Company by all companies (including the Company) in the Consolidated Report, disclose the name of the director in the respective bracket.

Note 10: Net income is the value in the latest year. When the International Financial Reporting Standards are adopted, net income is the value indicated in the entity or individual financial report from the most recent year.

Note 11: a. This column should clearly be filled out with the remuneration amount related to non-consolidated affiliates or parent company for directors of the Company.

b. If the directors of the Company receive the remuneration from the non-consolidated affiliates or parent company, the remuneration shall be merged with the column I of the emolument bracket sheet; and the name of the column shall be changed to "Remuneration from Non-consolidated Affiliates or Parent Company".

c. Remuneration refers to the emolument (including employees, directors and supervisors emoluments) and business operation expense, etc., for directors of the Company as they are directors, supervisors or managers of non-consolidated affiliates or parent company.

Note 12: Director Gau, Kuo-Tung and Director Chang, Chi received retirement income in their concurrent capacities as employees.

Note 13: Mr. Pan, Chien-Chou and Mr. Yu, Kuo-Cheng were elected as Directors at the Annual General Meeting of Shareholders held on May 28, 2025.

2.2.2 Remuneration of the President and Vice President

Date: December 31, 2025; Unit: Value in NT\$ thousands

Title	Name	Salary(A) (Note 2)		Severance Pay (B)		Bonuses and Special Allowances (C) (Note 3)		Employee Bonus (D) (Note 4)				Total Remuneration and Ratio of total Remuneration (A+B+C+D) to Net Income (%) (Note 8)		Remuneration Paid to the President and Vice Presidents from Non-consolidated Affiliates or Parent Company		
		The Company	All companies in the consolidated financial statements (Note 5)	The Company	All companies in the consolidated financial statements (Note 5)	The Company	All companies in the consolidated financial statements (Note 5)	The Company		All companies in the consolidated financial statements (Note 5)		The Company	All companies in the consolidated financial statements (Note 5)			
								Cash	Stock	Cash	Stock					
Chief Executive Officer	Wu, Chi-Yung	13,686	13,686	1,929	1,929	2,520	2,520	922	0	922	0	19,057	11.00%	19,057	11.00%	None
President	Tsai, Jung-Tsung															
Executive Vice President	Chang, Chi (Note 10)															
Vice President	Liu, Yuan-Ho (Note 11)															
Vice President	Wang, Min-Kun (Note 11)															
Vice President	Yu, Kuo-Cheng															
Vice President	Pan, Chien-Chou															

Range of Remuneration	Name of President and Vice Presidents	
	The Company (Note 6)	All companies in the consolidated financial statements (Note 7) E
Below NT\$ 1,000,000	—	—
NT\$1,000,000 (incl.) ~ NT\$2,000,000 (not incl.)	—	—
NT\$2,000,000 (incl.) ~ NT\$3,500,000 (not incl.)	Wu, Chi-Yung, Tsai, Jung-Tsung, Liu, Yuan-Ho, Wang, Min-Kun, Yu, Kuo-Cheng, Pan, Chien-Chou	Wu, Chi-Yung, Tsai, Jung-Tsung, Liu, Yuan-Ho, Wang, Min-Kun, Yu, Kuo-Cheng, Pan, Chien-Chou
NT\$3,500,000 (incl.) ~ NT\$5,000,000 (not incl.)	Chang, Chi	Chang, Chi
NT\$5,000,000 (incl.) ~ NT\$10,000,000 (not incl.)	—	—
NT\$10,000,000 (incl.) ~ NT\$15,000,000 (not incl.)	—	—
NT\$15,000,000 (incl.) ~ NT\$30,000,000 (not incl.)	—	—
NT\$30,000,000 (incl.) ~ NT\$50,000,000 (not incl.)	—	—
NT\$50,000,000 (incl.) ~ NT\$100,000,000 (not incl.)	—	—
Above NT\$100,000,000	—	—
Total	7	7

Note 1: Names of president and vice president shall be listed separately and individual payments made shall be disclosed through a summary.

Note 2: The remunerations paid to president and vice president in the latest year (including salaries, additional pay, service pay, various prizes, rewards, etc.).

Note 3: This is the expenses incurred by president and vice president over the past years from carrying out related tasks, including transportation, special expenditure, various types of allowances, dormitory, and company cars, among other supplies in kind).

Note 4: This means that president and vice president having claimed employee remunerations (including shares and cash) shall disclose employee remunerations distributed through the Board of Directors in the most recent year. If it is impossible to estimate the value planned to be distributed this year, follow the actual value distributed last year and calculated proportionally and Exhibit 1-3 shall be completed.

Note 5: The total value of remunerations paid to president and vice president of the Company by all companies in the Consolidated Report (including the Company) shall be disclosed.

Note 6: President and vice president by the Company, disclose the name of the president and vice president in the respective bracket.

Note 7: For the total value of various remunerations paid to president and vice president of the Company by all companies (including the Company) in the Consolidated Report, disclose the name of the president and vice president in the respective bracket.

Note 8: Net income is the value in the latest year. When the International Financial Reporting Standards are adopted, net income is the value indicated in the entity or individual financial report from the most recent year.

Note 9: a. This column should clearly be filled out with the remuneration amount related to non-consolidated affiliates or parent company for Presidents and vice presidents of the Company.

b. If the president s and vice presidents of the Company receive the remuneration from non-consolidated affiliates or parent company, the remuneration shall be merged with the column E of the emolument bracket sheet; and the name of the column shall be changed to “Remuneration from Non-consolidated Affiliates or Parent Company”.

c. Remuneration refers to the emolument (including employees, directors and supervisors emoluments) and business operation expense, etc., for president s and vice presidents of the Company as they are directors, supervisors or managers of non-consolidated affiliates or parent company.

Note 10: Vice President, Chang, Chi was retired from the Company on May 29, 2025.

Note 11: Vice President, Liu, Yuan-Ho and Vice President, Wang, Min-Kun were retired from the Company on December 29, 2025.

2.2.3 Names and Distribution of Managers Assigned with Employee Rewards

Date: December 31, 2025; Unit: Value in NT\$ thousands

	Title	Name	Employee Bonus in Stock (Fair Market Value)	Employee Bonus in Cash	Total	Ratio of Total Amount to Net Income (%)
Managers	Chief Executive Officer	Wu Chi-Yung	0	1,844	1,844	1.06%
	President	Tsai, Jung-Tsung				
	Executive Vice President	Chang, Chi (Note3)				
	Vice President	Liu, Yuan-Ho (Note4)				
	Vice President	Wang, Min-Kun (Note4)				
	Vice President	Yu, Kuo-Cheng				
	Vice President	Pan, Chien-Chou				
	Assistant Vice President	Chou, Jung-Feng				
	Assistant Vice President	Lai, Jen-Shan				
	Assistant Vice President	Bee, Chap-Meng (Note5)				
	Head of Accounting/ Finance Department	Liao, Ming-Tung				

Note 1: The disclosed amount represents the most recent annual employee compensation (in cash or stock) approved by the Board of Directors for distribution to managerial officers. If the proposed distribution amount for the current year cannot be reasonably estimated, it is calculated based on the actual distribution ratio from the previous year. Net income after tax refers to the most recent annual net income; for companies applying International Financial Reporting Standards (IFRS), it refers to the net income reported in the most recent standalone financial statements.

Note 2: The scope of “managerial officers” is defined in the official letter No. 0920001301 issued by the Securities and Futures Commission on March 27, 2003, and includes the following:

- (1) President and equivalent positions
- (2) Vice Presidents and equivalent positions
- (3) Assistant Vice Presidents and equivalent positions
- (4) Head of the Finance Department
- (5) Head of the Accounting Department
- (6) Other personnel involved in company management and holding signature authority

Note 3: Vice President, Chang, Chi was retired from the Company on May 29, 2025.

Note 4: Vice President, Liu, Yuan-Ho and Vice President, Wang, Min-Kun were retired from the Company on December 29, 2025.

Note 5: Mr. Bee, Chap-Meng assumed the position of Associate Vice President on March 1, 2025.

2.2.4 Compare and Describe the Analysis of Ratios of Total Remunerations Paid to Directors, Presidents, and Vice Presidents of the Company for the past two years by the Company

1. Analysis of Remuneration of Directors, President, and Vice President in the last two years

Unit: Value in NT\$ thousands

Title	Item	The Company				All companies in the consolidated financial statements			
		2024		2025		2024		2025	
		Total remuneration	The ratio to net profit after tax	Total remuneration	The ratio to net profit after tax	Total remuneration	The ratio to net profit after tax	Total remuneration	The ratio to net profit after tax
	Remuneration of Directors (including independent directors)	372	-0.26%	2,427	1.40%	372	-0.26%	2,427	1.40%
	Remuneration of the President and Vice President	18,536	-12.39%	19,057	11.00%	18,536	-12.39%	19,057	11.00%

- The total remuneration paid to Directors in 2025 increased compared to 2024. This was primarily due to the fact that no Director remuneration was distributed in 2024 following a net loss after tax.

The total remuneration for the General Manager and Vice Presidents in 2025 increased compared to 2024, primarily due to the payment of retirement pension benefits in 2025.

- Policy, Standards, and Composition of Remuneration; Determination Procedures; and Its Correlation with Operational Performance and Future Risks:

(1) Policy, Standards, and Composition of Remuneration:

(A) Director Remuneration Policy:

Pursuant to Article 19 of the Company's Articles of Incorporation, directors may be compensated for performing their duties regardless of the Company's profitability. The amount of remuneration is determined by the Board of Directors based on the director's level of involvement and contribution to the Company's operations and shall not exceed the maximum pay grade set forth in the Company's remuneration regulations.

If the Company generates profit in a given fiscal year, up to 1.5% of the profit may be allocated as director remuneration in accordance with Article 24 of the Articles of Incorporation.

In consideration of the responsibilities, risks, and time commitments undertaken by independent directors—particularly those concurrently serving on functional committees such as the Audit Committee and the Remuneration Committee—they may be granted transportation

allowances and attendance fees for committee participation.

In addition, in accordance with the Company's Board Performance Evaluation Measures and with reference to industry benchmarks, the performance and remuneration of directors are evaluated periodically. Based on each director's level of engagement, the Remuneration Committee discusses and allocates remuneration within the approved amount, which is then submitted to the Board for resolution.

(B) Managerial Officer Remuneration Policy:

Under the "Personnel Compensation System" and the "Performance Evaluation Guidelines," and with reference to prevailing industry compensation practices, the Company's overall operating performance, financial condition, and other relevant factors, the compensation structure includes fixed salary, allowances, bonuses, salary adjustments, severance payments, and employee remuneration. Bonuses are determined based on the Company's annual operating performance, financial results, individual performance, and the achievement rate of corporate sustainability objectives.

In accordance with Article 24 of the Company's Articles of Incorporation, 5% to 15% of profits shall be allocated as employee remuneration, of which not less than 1% shall be distributed to entry-level employees.

(C) The Company's remuneration structure is defined in accordance with the Remuneration Committee Charter and is consistent with the scope set forth in the Regulations Governing Information to be Published in Annual Reports of Public Companies regarding the remuneration of directors and managerial officers.

(2) Procedure for Determining Remuneration:

(A) Director Performance Evaluation Items:

Performance evaluations are conducted in accordance with the Board Performance Evaluation Measures, covering six key areas: understanding of the Company's goals and missions, awareness of directors' responsibilities, level of participation in Company operations, internal relationship management and communication, professionalism and continuing education, and internal control. The Remuneration Committee evaluates each director based on their level of engagement in Company affairs, time commitment, responsibilities undertaken, and oversight of sustainability planning. The committee assesses the correlation between individual performance, Company performance, and potential future risks, then provides recommendations to the Board of Directors for resolution.

(B) Managerial Officer Performance Evaluation Items:

In addition to financial results, the annual performance evaluation of executives incorporates ESG performance as part of the assessment criteria. The evaluation items include, but are not limited to, green product development, growth in sustainable product revenue and market share, sustainable supply chain management, energy efficiency, carbon emission management, employee diversity and equality, and transparency in corporate governance.

Accordingly, executive compensation is determined not only by reference to the company's overall operating performance, but also based on each executive's position, contribution to the company's operations, individual performance, financial indicators, and sustainability indicators (covering environmental, social, and governance aspects). In addition, future company risks and industry compensation benchmarks are taken

into consideration. After individual review and evaluation of overall compensation reasonableness by the Compensation Committee, the proposal is submitted to the Board of Directors for resolution.

The Company will regularly review the effectiveness of the linkage between compensation and ESG performance, and continuously enhance the management mechanism to ensure that the remuneration system aligns with the Company’s long-term sustainability goals while attracting talented individuals with a strong sense of social responsibility. The ESG indicators will be proposed by the Office of the President and, upon review by the Compensation Committee, incorporated into the performance evaluation with a weighting of up to 30% of the total performance score.

Total Compensation	Compensation Components and Weightings		
Fixed Compensation	Compensation is determined with reference to the responsibilities and relative significance of the position, as well as prevailing industry standards.		
Variable Compensation	Financial Indicators	70%	The evaluation items include, but are not limited to, operating margin, gross margin, and return on equity, among others.
	Sustainability Indicators	30%	The evaluation items include, but are not limited to, green product development, growth in sustainable product revenue and market share, sustainable supply chain management, energy efficiency, carbon emission management, employee diversity and equality, and transparency in corporate governance, among others.
Notes: 1. Considering different compensation objectives, a diverse range of rewards will be provided, such as performance bonuses and employee remuneration, among others. 2. Based on the execution and achievement of the operational strategies and objectives for which each executive is responsible. 3. Calculations are based on the actual cash rewards received in the current fiscal year			

(C) To reward employees for their contributions at work, the Company has structured its compensation system to include performance-based bonuses that are directly linked to Company operating results, team performance, and individual achievements. This approach reflects the Company’s commitment to profit-sharing between labor and management.

(3) Correlation Between Remuneration, Operational Performance, and Future Risk

(A) The remuneration of the Company’s directors and managerial officers is determined not only by benchmarking against industry peers and the Company’s operational performance, but also by linking individual performance to the achievement of the Company’s sustainability goals. This approach aims to enhance corporate governance, fulfill corporate social responsibilities, safeguard shareholder interests, and achieve both economic and social value. The remuneration structure, standards, and system are reviewed and adjusted as needed based on the Company’s

actual business performance, risk associated with goal achievement, and changes in applicable regulations, to maintain a proper balance between risk and reward.

- (B) The Company reviews its remuneration policies, standards, and systems annually by referencing industry salary surveys, conducting exit interviews, evaluating operational performance, and considering individual performance. Compensation adjustments are discussed in senior management meetings to ensure alignment with market levels and internal equity.

2.3 Implementation of Corporate Governance

2.3.1 Board of Directors

Board Operations: In 2025, the Board of Directors held 8 meetings, of which 4 were convened prior to the shareholders' meeting held on May 28, 2025 for the re-election of directors, and 4 were held thereafter. The attendance of directors is as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Chairman	Bo-Kang Investment Ltd. Representative: Wu Chi-Yung	8	0	100%	re-elected
Director	Tsai, Jung-Tsung	8	0	100%	re-elected
Director	Gau, Kuo-Tung	7	1	88%	re-elected
Director	Chang, Chi	7	1	88%	re-elected
Director	Yu, Kuo-Cheng	4	0	100%	newly appointed
Director	Pan, Chien-Chou	4	0	100%	newly appointed
Director	Liu, Yuan-Ho	4	0	100%	incumbent
Director	Wang, Min-Kun	4	0	100%	incumbent
Independent Director	Hsing, Chih-Tien	8	0	100%	re-elected
Independent Director	Hsu, Jui-Ting	7	1	88%	re-elected
Independent Director	Li, Pei-Ying	8	0	100%	re-elected

Other mentionable items:

1. Meetings of the Board of Directors, if in accordance with the following conditions, shall clearly state the date of the Board of Directors' Meeting, the term number, the contents of the proposals, and opinions from all Independent Directors and the follow-up procedures of the Company:
 - (1) Matters listed in Article 14-3 of the Securities and Exchange Act:

The Company has established the Audit Committee and is therefore exempted from Article 14-3 of the Securities and Exchange Act. Please refer to "Operation of Audit Committee" in the Annual Report for related information.
 - (2) Written or otherwise recorded resolutions on which an independent director had a dissenting opinion or qualified opinion: None.
2. Execution of the directors' interests evasion: The directors have avoided the proposal with personal stake.
3. The evaluation cycle and period, evaluation scope, method and evaluation content and other information of the self (or peer) evaluation of the Board of Directors:
 - (1) Evaluation Cycle: At least once a year.
 - (2) Evaluation Period: Period from 2025/01/01 to 2025/12/31.
 - (3) Evaluation Scope: The Board of Directors, Individual Directors, Audit Committee, Compensation Committee, and Sustainability Development Committee.
 - (4) Evaluation Method: Internal self-evaluation by members of the Board of Directors, individual

directors, internal self-evaluation by members of audit committee, internal self-evaluation by members of compensation committee and internal self-evaluation by members of Sustainability Development Committee.

(5) Evaluation Content:

- A. The performance assessment of the Board of Directors: The following five aspects are included:
- (a) The degree of participation in the Company's operations.
 - (b) Improvement in the quality of decision making by the Board of Directors.
 - (c) The composition and structure of the Board of Directors.
 - (d) The election of the directors and their continuing professional education.
 - (e) Internal controls.
- B. The performance assessments of board members shall include at least the following six aspects:
- (a) Their grasp of the Company's goals and missions.
 - (b) Their recognition of director's duties.
 - (c) Their degree of participation in the Company's operations.
 - (d) Their management of internal relationships and communication.
 - (e) Their professionalism and continuing professional education.
 - (f) Internal controls.
- C. The performance assessment of the Audit Committee members shall include at least the following five aspects:
- (a) Their degree of participation in the Company's operations.
 - (b) Their recognition of the duties of the Audit Committee.
 - (c) Improvement in the quality of decision making by the Audit Committee.
 - (d) The composition of the Audit Committee, and election and appointment of committee members.
 - (e) Internal control.
- D. The performance assessment of the Compensation Committee members shall include at least the following five aspects:
- (a) Their degree of participation in the Company's operations.
 - (b) Their recognition of the duties of the Compensation Committee.
 - (c) Improvement in the quality of decision making by the Compensation Committee.
 - (d) The composition of the Compensation Committee, and election and appointment of committee members.
- E. The performance assessment of the Sustainability Development Committee members shall include at least the following four aspects:
- (a) Their degree of participation in the Company's operations.
 - (b) Their recognition of the duties of the Sustainability Development Committee.
 - (c) Improvement in the quality of decision making by the Sustainability Development Committee.
 - (d) The composition of the Sustainability Development Committee, and election and appointment of committee members.

Performance Evaluation Results: The performance evaluation results for the Board of Directors, Individual Directors, Audit Committee, Compensation Committee, and Sustainability Development Committee for 2025 were all "Excellent." The results were reported to the board on February 9th, 2026.

4. Goals to enhance the Board's operations:

- (1) The Company established the Compensation Committee on October 25, 2011, the Audit Committee on May 27, 2016, and the Sustainability Development Committee on July 29, 2024, to enhance the operational effectiveness of the Board of Directors.
- (2) The Company’s Board approved the “Rules and Procedures of Board of Directors’ Meetings”, “Board of Directors Self-Assessment of Performance”, “Ethical Corporate Management Best Practice Principles”, “Corporate Governance Best Practice Principles” , “Sustainable Development Best Practice Principles ” and “Risk Management Methods and Procedures”. The board and individual directors shall perform evaluation in accordance with “Board of Directors Self-Assessment of Performance” by conducting self-assessment annually. The self-evaluation of the Board of Directors, Board members, and other functional committee members were all “outstanding” in 2022.

2.3.2 Operation of Audit Committee

The Audit Committee was held by independent directors and its major duty is that assisting the Board of Directors to execute and supervise their duties engaging in the tasks in accordance of the Company Act, the Securities and Exchange Act and any other relevant regulations or laws. The matters discussed in the Audit Committee mainly include:

1. Formulate or amend internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
2. Assessment of the effectiveness of the internal control system.
3. Operating procedures for obtaining or disposing of assets, engaging in derivative transactions, outward loans to others, endorsement and guarantee to others, in accordance with Article 36-1 of the Securities and Exchange Act.
4. Matters relating to the director’s own interests.
5. Material asset or derivative transactions.
6. Significant outward loans to others, endorsement and guarantee to others.
7. Transaction of public offering, issuance or private placement of equity-type securities.
8. Appointment, discharge or remuneration of CPA.
9. Appointment and discharge of finance, accounting or internal audit supervisor.
10. The annual financial report signed or sealed by the Chairman, managers, and accounting officers, as well as the Q2 financial report required to be audited and certified by accountants.
11. Merger activities regulated under the Business Mergers and Acquisitions Act.
12. Other material matters set forth by the competent authority, or by the Company.

- The Audit Committee will review the following matters in 2025 in accordance with the Charter of the Audit Committee:

- (1) Review financial statements, business Report and proposal for loss appropriation.
- (2) Assessment of the effectiveness of the internal control system.
- (3) Appointment and evaluation of the CPAs independence.
- (4) Approved the intercompany lending among subsidiaries. Approved the proposal for a private placement of common shares through a cash capital increase.
- (5) Amendment to the “Articles of Incorporation” and “Procedures for Lending Funds to Others”.

- Review annual financial report:

The Board of Directors has prepared the Company’s 2024 Business Report, Financial Statements and proposal for loss appropriation. The 2024 Financial Statements were audited by independent auditors, Cheng, An-Chih and Lu, ChienHui of KPMG, who issued an Independent Audit Report. The 2024 Business Report, Financial Statements and proposal for loss a propriation have been checked by the Audit Committee and no irregularities were found.

- Assessment of the effectiveness of the internal control system

The Audit Committee evaluated the effectiveness of the Company's internal control system policies and procedures (including financial, operational, risk management, information security, and compliance controls) and reviewed the periodic reports of the CPA, audit department, and management (including risk management and compliance), and the Audit Committee concluded that the Company has adopted the necessary control mechanisms to monitor and correct non-compliance.

- Appointment and evaluation of the CPAs independence

The company's audit committee and board of directors evaluate the independence and competency of the CPA every year. In addition to requiring the CPA to provide a statement of independence and audit quality indicators (AQIs), they also conduct evaluations based on accountant standards and 13 AQIs indicators. Confirm that the CPA has no other financial interests and business relationships with the company, and refer to the AQI indicator information to confirm that the CPA and the firm's verification experience and training hours are higher than the average level of the industry.

The Audit Committee of the Company on February 7, 2025 and the Board of Directors of the Company on February 10, 2025 approved the appointment of Mr. Cheng, An-Chih, CPA and Ms. Lu, Chien-Hui CPA, both of KPMG & Associates, as the Company's certifying accountants for the 2025.

The Audit Committee held 7 sessions in 2025. The attendance of the independent directors is shown in the following table:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Independent Director (Convener)	Hsu, Jui-Ting	6	1	86%	
Independent Director	Hsing, Chih-Tien	7	0	100%	
Independent Director	Li, Pei-Ying	7	0	100%	

Other mentionable items:

1. If any of the following circumstances occur, the dates of meetings, Terms, contents of motion, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified:

(1) Matters listed in Article 14-5 of the Securities and Exchange Act:

Date	Resolution	Result	Action of the Company in responding to the Audit Committee
2025.02.07 The 3 th Term, the 14 th Meeting	<ol style="list-style-type: none"> 1. Approved 2024 consolidated and individual financial statements. 2. Approved the allocation of 2024 employee bonuses and directors' remuneration. 3. Approved the internal audit report for the four quarter of 2025. 4. Approved of the internal control system statement for 2024. 5. Approved the assessment report of CPA's independence and competence. 	Approved by all Audit Committee Members.	None

	<ol style="list-style-type: none"> 6. Approved the appointment of representative of a juridical person director and general manager of re-invested companies and the permit of its directors' engagement in competitive conducts. 7. Approved the appointment of representative of a juridical person director of re-invested companies and perm. 		
2025.03.05 The 3 th Term, the 15 th Meeting	<ol style="list-style-type: none"> 1. Approved the internal audit report for January 2025. 2. Approved the amendment to the Articles of Incorporation. 3. Approved the amendment to the Internal Control System and Internal Audit System. 4. Approved the intercompany lending among subsidiaries. 5. Approved the amendment to the “Procedures for Lending of Funds to Others.” 6. Approved the proposal for a private placement of common shares through a cash capital increase. 7. Approved the release of restrictions on directors' engagement in competitive conduct. 8. Approved the issuance of short-term currency exchange credit of Bank. 	Approved by all Audit Committee Members.	None
2025.04.09 The 3 th Term, the 16 th Meeting	<ol style="list-style-type: none"> 1. Approved the internal audit report for February 2025. 2. Approved the addition of subscribers to the list of participants in the private placement of common shares. 	Approved by all Audit Committee Members.	None
2025.04.25 The 3 th Term, the 17 th Meeting	<ol style="list-style-type: none"> 1. Approved the internal audit report for March 2025. 2. Approved the company's consolidated financial statements for the first quarter of 2025. 	Approved by all Audit Committee Members.	None
2025.07.02 The 4 th Term, the 1 th Meeting	<ol style="list-style-type: none"> 1. Approved the internal audit report for April 2025. 2. Approved the private placement of new shares. 	Approved by all Audit Committee Members.	None
2025.07.28 The 4 th Term, the 2 th Meeting	<ol style="list-style-type: none"> 1. Approved the internal audit report for May to June 2025. 2. Approved the company's consolidated financial statements for the second quarter of 2025. 3. Approved the Company's discontinuation of the private placement of securities approved by the 2025 Shareholders' Meeting. 4. Approved the withdraw investment of Holtek Investment Co., Ltd., 5. Approved the release of restrictions on directors' engagement in competitive conduct. 	Approved by all Audit Committee Members.	None
2025.10.28 The 4 th Term, the 3 th Meeting	<ol style="list-style-type: none"> 1. Approved the internal audit report for the third quarter of 2025. 2. Approved the company's consolidated financial statements for the third quarter of 2025. 3. Approved the issuance of short-term currency 	Approved by all Audit Committee Members.	None

	<p>exchange credit of Bank.</p> <p>4. Approved the issuance of short-term currency exchange credit of Bank.</p> <p>5. Approved the purchase of the directors and managers liability insurance.</p> <p>6. Approved the 2026 audit operational risk assessment reports and annual audit plans.</p>		
	<p>7. Approved the 2026 business plan.</p> <p>8. Approved the additional investment in MCU Holdings Ltd.</p> <p>9. Approved the amendment to the “Procedures for the Preparation and Assurance of Sustainability Reports.”</p> <p>10. Approved the amendment to the Internal Control System and Internal Audit System.</p> <p>11. Approved the amendment to the general principles of the pre-approval non-confirmation service policy.</p> <p>12. Approved the re-designation of the corporate representative of an investee company.</p> <p>13. Approved the release of restrictions on directors’ engagement in competitive conduct.</p>		

(2) In addition to the above matters, other resolutions passed by two-thirds of all the directors but yet to be approved by the Audit Committee: None.

2. If there are independent directors’ avoidance of motions in conflict of interest, the directors’ names, contents of motion, causes for avoidance and voting should be specified: The Company’s independent directors have consistently recused themselves from all proposals involving conflicts of interest.
3. Communications between the independent directors, the head of the auditing department and CPAs (which should include the material items, channels, and results of the audits on the corporate finance and/or operations, etc.):
 - (1) The company's audit supervisor delivers the previous month's audit report and follow-up report to the independent directors for review before the end of each month, and convene the quarterly audit committee meeting to report the audit business to the independent directors and track the implementation, and present board meetings to report internal audit operations.
 - (2) The audit supervisor explained and discussed the implementation of the company's internal audit with the independent directors through E-mail, telephone calls and meetings.

Date	Mode	Main Issues	Result
2025.02.07	Audit Committee Pre-meeting	1. Proposed internal audit report of 4Q24. 2. Proposed the 2024 internal control system statement.	No comments
2025.03.05	Audit Committee	1. Proposed internal audit report (January 2025) 2. The amendment to Internal Control System	No comments
2025.04.09	Audit Committee	1. Proposed internal audit report (February 2025)	No comments
2025.04.25	Audit Committee	1. Proposed internal audit report (March 2025)	No comments
2025.07.02	Audit Committee	1. Proposed internal audit report (April 2025)	No comments
2025.07.28	Audit Committee	1. Proposed internal audit report (May / June 2025)	No comments
2025.10.28	Audit Committee	1. Proposed internal audit report of 3Q25. 2. Proposed the 2026 audit operational risk	No comments

	Pre-meeting	assessment reports and annual audit plans. 3. The amendment to Internal Control System	
<p>(3) During the annual financial statement review, the company’s external auditors attend the Audit Committee and Board of Directors meetings to present the audit results of the financial reports, the impact of recent amendments to auditing standards, and updates on key securities and tax regulations. The auditors also engage in discussions and communicate regarding questions raised by the directors.</p>			
Date	Mode	Main Issues	Result
2025.02.07	Audit Committee Pre-meeting	<ol style="list-style-type: none"> 1. Audit results of the consolidated and individual financial reports for the year 2024, key audit matters, significant accounting estimates, and accounting policies. 2. Matters communicated with those charged with governance. 3. Report on the firm’s quality management system. 4. Impact of recent amendments to auditing standards, and updates on key securities and tax regulations. 	No comments

2.3.3 Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Does the Company follow the “Taiwan Corporate Governance Implementation” to establish and disclose its corporate governance practices?	✓		The Company has formulated the Corporate Governance Best Practice Principles based on the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and disclosed relevant information on the “Corporate Governance” section of its website.	None
2. Shareholding Structure & Shareholders’ Rights (1) Does the Company have Internal Operation Procedures for handling shareholders’ suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	✓		(1) The Company conducts “Rules and Procedures of Shareholders' Meeting” and has a spokesperson who designates appropriate personnel engaged in the business of investor relations and legal issues dealing with shareholder suggestions, doubts, disputes and lawsuits. The contact information has been disclosed on the Holtek website.	None
(2) Does the Company possess a list of major shareholders and beneficial owners of these major shareholders?	✓		(2) The Company controls the shareholding of directors, managers and shareholders, who hold more than 10% of the outstanding shares.	None
(3) Has the Company built and executed a risk management system and “firewall” between the Company and its affiliates?	✓		(3) The Company conducts "Regulations of Supervision and Management of Subsidiaries” and “Regulations on Financial and Business Transactions between Related Parties” regulating the establishment and improvement of the financial, business and accounting management system, the implementation of requested control mechanism and the establishment of appropriate firewall mechanisms.	None
(4) Has the Company established internal rules prohibiting insider trading on undisclosed information?			(4) 1. The Company conducts “Ethical Corporate Management Best Practice Principles”, the “Procedures for Handling Material Insider Information” and the “Insider Trading Policy” to prohibit insiders from trading on	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			<p>undisclosed information. The Company has also strongly advocated these rules in order to prevent any violations.</p> <p>2. In August 2025, the Company notified the directors of the expected date of the 2026 board meeting, and notified directors and managers the closed period before each the quarterly financial report, reminding insiders not to trade in shares during the closed period of 30 days prior to the announcement of the annual financial report and 15 days prior to the announcement of each quarterly financial report to prevent directors and managers from accidentally violated the regulations.</p>	
<p>3. Composition and Responsibilities of the Board of Directors</p> <p>(1) Does the Board established a diversity policy, specific management goals and implemented it accordingly?</p>	✓		<p>(1)</p> <p>1. In accordance with Article 20 of the Company's "Corporate Governance Best Practice Principles," the composition of the Board of Directors shall consider diversity. A suitable diversity policy should be formulated based on the Company's operational model, business nature, and development needs. The policy should include, but not be limited to, the following two major aspects: (1) Basic qualities and values: such as gender, age, nationality, and cultural background. It is recommended that female directors account for at least one-third of the Board seats. (2) Professional knowledge and skills: including professional backgrounds (e.g., law, accounting, industry, finance, marketing, or technology), expertise, and industry experience.</p> <p>Members of the board of directors should generally possess the necessary knowledge, skills, and qualities required to perform their duties. To achieve the ideal goal of corporate governance, the board as a whole should possess the following capabilities: (1) Ability to make business judgments, (2) Accounting and financial analysis skills, (3) Operational and management skills, (4) Crisis management ability, (5) Industry knowledge, (6) International market perspective, (7) Leadership skills, (8) Decision-making ability.</p>	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>2. The specific management objectives of the company's board diversity policy are as follows:</p> <p>(1) Fundamental qualities and values :</p> <p>The Company shall have at least one female director and strive toward the goal of having female directors represent over one-third of all board seats.</p> <p>(2) Professional knowledge and skills: A. At least one director shall have a background in finance or accounting. B. At least one director shall have practical or academic experience in legal affairs. C. Industry experience shall be diversified, with board members collectively covering at least three distinct industry sectors.</p> <p>3. Status of Implementation of Board Diversity Policy:</p> <p>(1) The Company is committed to promoting diversity in the composition of its Board of Directors, valuing gender balance, professional backgrounds, and industry experience. In past terms, the Company has selected irectors based on considerations of professional expertise and operational stability, and board members have generally been experienced rofessionals from relevant industries.. In consideration of gender balance, the Company elected a new Board of Directors (including independent directors) on May 28, 2025, adding one female independent director. As a result, the number of female directors on the current Board increased to two, accounting for 22% of the total. Going forward, the Company will continue to give priority to female candidates in director nominations and will cultivate female senior managerial talent internally to gradually enhance gender diversity on the Board.</p> <p>(2) The Company’s current Board of Directors consists of nine</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>members, all of whom are of local nationality. The Company values gender equality in board composition and is committed to increasing the proportion of female directors to over one-third (33%) of the board. Currently, male directors account for 78% (7 members), and female directors account for 22% (2 members). The Company will continue its efforts to increase the number of female board members.</p> <p>The age distribution of the board members is as follows: four directors are between 51-60 years old, two directors are between 61-70 years old, and three directors are aged above 71.</p> <p>(3) All members of the Company’s Board are distinguished professionals from academia and industry, with solid professional backgrounds and extensive experience in sectors including semiconductors, technology management, finance, and law. Leveraging their diverse expertise, the Board is able to offer comprehensive professional insights that significantly enhance the Company’s operational performance and management effectiveness.</p> <p>A. Independent Director Ms. Hsu, Jui-Ting has a professional background in accounting and also possesses experience in financial and human resources management, and currently serves as the convener of the Company’s Audit Committee.</p> <p>B. Independent Director Ms. Li, Pei-Ying holds both legal and financial/accounting qualifications and is a professional lecturer in corporate governance and ESG sustainability, and currently serves as the convener of the Company’s Sustainability Development Committee.</p> <p>C. Directors Wu, Chi-Yung; Tsai, Jung-Tsung; Gau, Kuo-Tung; Chang, Chih; Yu, Kuo-Cheng; Pan, Chien-Chu; and Hsing, Chih-Tien have industry experience spanning more than three</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>different sectors, including the semiconductor industry, computer and peripheral equipment manufacturing, and technology industry management.</p> <p>In summary, the Company’s Board has achieved the policy objective of diversity in industry experience.</p>	
(2) Other than the Compensation Committee and the Audit Committee which are required by law, does the Company plan to set up other Board committees?	✓		(2) In addition to establishing the Remuneration Committee and the Audit Committee to assist the Board of Directors in performing its duties, the Company established the “Sustainability Development Committee” on July 29, 2024. The second-term Sustainability Development Committee was re-elected in May 2025 and consists of three members, including two independent directors and one director. The Committee assists the Board of Directors in continuously promoting the Company’s sustainability strategy and vision, with the objectives of strengthening corporate governance, environmental protection, and fulfilling social responsibility.	None
(3) Has the Company formulated the regulations and method for the performance evaluation of the board of directors, conducts performance evaluation regularly every year, reports the results of the performance evaluation to the board of directors, and takes it as a reference for the remuneration, nomination and re-appointment of each director?	✓		<p>(3)</p> <p>A. On January 25, 2016, the Board of Directors approved the "Regulations for Board Performance Evaluation." Under these regulations, performance evaluations are conducted annually and cover, at a minimum, the following aspects:</p> <p>(1) Board Performance Evaluation: Participation in the Company’s operations, enhancement of board decision-making quality, board composition and structure, selection and continuing education of directors, and internal control.</p> <p>(2) Individual Director Performance Evaluation: Understanding of the Company’s goals and missions, awareness of responsibilities, participation in Company operations, management of internal relationships and communication, professionalism and ongoing training, and internal control.</p>	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>(3) Functional Committee Performance Evaluation: Participation in Company operations, understanding of committee responsibilities, enhancement of decision-making quality, composition and member selection of the committees, and internal control.</p> <p>B. On February 9, 2026, the Company reported to the Board the results of the 2025 performance evaluations for the Board of Directors, individual directors, the Audit Committee, Remuneration Committee and the Sustainability Development Committee — all of which were rated as “Excellent.” The evaluation results will serve as a reference for determining individual directors’ remuneration and reappointment nominations.</p>	
(4) Does the Company regularly evaluate its external auditors’ independence?	✓		<p>(4)</p> <p>A. The Company’s Audit Committee and Board of Directors evaluate the independence and suitability of the external auditors annually. In addition to requiring the auditors to provide a statement of independence and Audit Quality Indicators (AQIs), the Company conducts the evaluation based on auditor assessment criteria and 13 AQI metrics.</p> <p>B. It has been confirmed that the external auditors have no financial interests or business relationships with the Company other than audit-related fees. The evaluation also considered Audit Quality Indicators (AQIs), including audit experience, training hours, professional support, and engagement quality reviews, all of which are above the industry average. The most recent evaluation results were approved by the Audit Committee and the Board of Directors on February 9, 2026.</p> <p>C. Independence assessment standards for accountant(s)</p>	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons																								
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			<table border="1"> <thead> <tr> <th>Assessment Items</th> <th>Assessment Results</th> <th>Independence</th> </tr> </thead> <tbody> <tr> <td>1. Does the Accountant has direct or major indirect financial interests with the Company?</td> <td>No</td> <td>Yes</td> </tr> <tr> <td>2. Does the Accountant have financing or guarantee behaviors with the Company or the Company’s Directors?</td> <td>No</td> <td>Yes</td> </tr> <tr> <td>3. Does the accountant intermediate the stocks or other securities issued by the Company?</td> <td>No</td> <td>Yes</td> </tr> <tr> <td>4. Does the Accountant and its audit team member currently or use to serve in the Company as a director, manager or other position having major influence on the audit work in the Last Two Years?</td> <td>No</td> <td>Yes</td> </tr> <tr> <td>5. Does the Accountant have close business relationship and potential employment relationship with the Company?</td> <td>No</td> <td>Yes</td> </tr> <tr> <td>6. Does the Accountant ever serve as the Company’s defender or represent the Company incoordinating conflicts with other third parties?</td> <td>No</td> <td>Yes</td> </tr> <tr> <td>7. Does the Accountant provide the Company with non-audit service item</td> <td>No</td> <td>Yes</td> </tr> </tbody> </table>	Assessment Items	Assessment Results	Independence	1. Does the Accountant has direct or major indirect financial interests with the Company?	No	Yes	2. Does the Accountant have financing or guarantee behaviors with the Company or the Company’s Directors?	No	Yes	3. Does the accountant intermediate the stocks or other securities issued by the Company?	No	Yes	4. Does the Accountant and its audit team member currently or use to serve in the Company as a director, manager or other position having major influence on the audit work in the Last Two Years?	No	Yes	5. Does the Accountant have close business relationship and potential employment relationship with the Company?	No	Yes	6. Does the Accountant ever serve as the Company’s defender or represent the Company incoordinating conflicts with other third parties?	No	Yes	7. Does the Accountant provide the Company with non-audit service item	No	Yes	
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Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			that may directly affect audit the work?	
			8. Does the Accountant have served less than 7 years?	No Yes
4. Has the Company have deployed appropriate numbers of suitable corporate governance personnel, and designated corporate governance directors responsible for corporate governance-related matters (including but not limited to providing directors, supervisors with information required to perform business, assisting directors, supervisors in complying with laws, handled matters related to meetings of the board of directors and shareholders' meeting on the basis of the laws, and prepared the minutes of the board of directors and shareholders' meetings, etc.?)	✓		On October 26, 2020, the Board of Directors approved the appointment of Mr. Liao Ming-Tung, Head of Finance, as the Corporate Governance Officer. The primary responsibilities of the Corporate Governance Officer include: handling matters related to Board and shareholders' meetings in accordance with the law; preparing meeting minutes for the Board and shareholders' meetings; assisting directors with onboarding and continuing education; providing directors with necessary information to perform their duties; assisting directors in complying with applicable laws and regulations; reporting to the Board on the review of the qualifications of independent director nominees at the time of nomination, election, and during their term of office; handling matters related to changes in directors; and other responsibilities as stipulated in the Company's Articles of Incorporation or contractual obligations.	None
5. Has the Company established a means of communicating with its Stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) or created a Stakeholders Section on its Company website? Does the Company respond to stakeholders' questions on corporate responsibilities?	✓		A. The Company has established a dedicated Investor Relations (IR) unit responsible for communicating with stakeholders, including shareholders, customers, suppliers, and investors. A dedicated “Stakeholders” section is also available on the Company's website, providing contact information for relevant personnel to address stakeholder concerns. The implementation status is reported to the Board of Directors at least once a year (most recently reported to the Board on July 29, 2024). B. For details on stakeholder concerns, as well as the Company's communication methods and frequency, please refer to the Stakeholders section on the Company's website.	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
6. Has the Company appointed a professional registrar for its Shareholders’ Meetings?	✓		The Company has appointed the Transfer Agency Department of SinoPac Securities Corporation to deal with shareholder affairs.	None
7. Information Disclosure (1) Has the Company established a corporate website to disclose information regarding its financial, business and corporate governance status?	✓		(1) The Company has set up a Chinese/English website (www.holtek.com.tw) to disclose information regarding regularly disclosed financial business and corporate governance information.	None
(2) Does the Company use other information disclosure channels (e.g. maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investor conference etc.)?	✓		(2) A. The Company has assigned appropriate personnel engaging in the collection and disclosure of corporate information and has a spokesperson to regularly disclose financial business and corporate governance information. B. The Company holds quarter investor conferences regularly and discloses publicly available materials on the Holtek website and TWSE’s Market Observation Post System	None
(3) Does the Company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the first, second, and third quarter financial statements as well as the operating status of each month before the prescribed deadline?	✓		(3) The Company publishes and reports its annual financial report within two months after the end of a fiscal year, and publishes and reports its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline in accordance with relevant laws and regulations.	None
8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (e.g. including but not limited to employee rights, employee	✓		A. The Company discloses financial, operational, and corporate governance information in a timely manner through its official website, ensuring transparency and accessibility for employees, investors, suppliers, and other stakeholders.	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
wellness, investor relations, supplier relations, rights of stakeholders, directors’ training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies and purchasing insurance for directors)?			<p>B. The Company has established various policies in compliance with labor laws to safeguard employee rights and interests. Regular labor-management meetings are held to facilitate effective communication. In addition, the Company has set up an Employee Welfare Committee that regularly organizes activities such as holiday gift vouchers, employee trips, club events, health check-ups, and group insurance programs.</p> <p>C. The Company has established a spokesperson system and designated Investor Relations personnel to handle matters related to shareholders’ rights and interests.</p> <p>D. All directors of the Company recuse themselves from discussions and voting on proposals in which they have a conflict of interest.</p> <p>E. The Company places great importance on whether its suppliers comply with international environmental regulations and labor health and safety standards, and is committed to building a green supply chain.</p> <p>F. The Company arranges annual training programs for directors to enhance their professional knowledge and practical competencies. For details, please refer to page 71 of this Annual Report.</p> <p>G. Implementation of Risk Management Policies and Risk Measurement Standards: The Company established the “Risk Management Committee” in July 2023 under the supervision of the Audit Committee. The Committee is responsible for formulating risk management policies, planning significant risk management matters, promoting and coordinating risk management activities, and overseeing improvements in risk monitoring.</p> <p>The Committee holds regular meetings, during which each operating unit reports on various risk management mechanisms in sequence to ensure the effective implementation of risk management plans and related control procedures. In addition, the chairperson of the Committee reports at least</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>annually to the Audit Committee on the major risk areas of the year and corresponding mitigation measures, and, incorporating the Audit Committee’s recommendations, submits a report to the Board of Directors on an annual basis.</p> <p>(This report was submitted to the Audit Committee on October 28, 2025, and to the Board of Directors on October 29, 2025.)</p> <p>H. With the approval of the Audit Committee on October 28, 2025, and the Board of Directors on October 29, 2025, the Company renewed its directors’ and officers’ liability insurance policy. For 2025, the insured amount is USD 5 million, and the relevant disclosure has been filed on the Market Observation Post System in accordance with regulations.</p> <p>I. The Company has formulated an intellectual property (IP) management policy aligned with its operational objectives and R&D resources, and has established an IP management plan to enhance its competitiveness through the use of intellectual property rights. The policy not only protects the Company from infringement risks but also strengthens its competitive advantages and supports profitability. The implementation status is reported to the Board of Directors at least once a year (submitted to the Board of Directors on October 29, 2025). Please refer to page 29 of this Annual Report (Note 1)</p>	
<p>9. Explanation of Improvements Based on the Corporate Governance Evaluation Results Published by the Corporate Governance Center of the Taiwan Stock Exchange Corporation, and Priority Enhancement Measures for Areas Not Yet Improved.</p> <p>The Company’s improvements in the 2025 Corporate Governance Evaluation are as follows:</p> <p>(1) In 2025, the Company formulated the “Enhancement of Enterprise Value Plan” and submitted it to the Board of Directors for approval.</p> <p>(2) In consideration of gender balance, during the full re-election of the Board of Directors (including independent directors) on May 28, 2025, one additional female independent director was appointed, increasing the number of female directors on the current Board to two and raising the proportion to 22%. Going forward, the Company will continue to prioritize female candidates for director positions and develop internal female senior management talent to further enhance gender diversity on the Board.</p>				

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) To strengthen the concept of sustainable development and implement corporate social responsibility, the Company has linked the compensation system for managerial officers with ESG (Environmental, Social, and Governance) performance indicators.				
(4) The Company’s 2024 Sustainability Report was prepared in accordance with the latest GRI Standards and was approved by the Board of Directors on July 29, 2025.				
(5) In 2025, the Company conducted an employee satisfaction survey for the first time, aiming to obtain quantitative insights into employees’ overall work experience and management conditions, which will serve as an important reference for future human resource policies and management optimization.				

Note 1 : Report on the Intellectual Property Management Plan and Its Implementation

I. Intellectual Property Management Plan

Holtek establishes the intellectual property management policy in consideration of Holtek's operational objectives and R&D resources. The intellectual property management plan that uses intellectual property rights to enhance Holtek's competitiveness can not only protect Holtek against infringement risks but also strengthen Holtek's competitive advantages and improve profits.

To build a strong intellectual property portfolio, internally, Holtek has developed measures to encourage innovation and continuously motivate employees to apply for their invention. At the same time, Holtek has established a systematic patent management system accompanying proposal reviews of evaluation processes, which can enhance both the quantity and quality of patent applications. Externally, Holtek cooperates closely with external patent consultants and competent authorities to improve examination efficiency and obtain high-quality patents.

To prevent the impact of intellectual property litigation on Holtek's operation, Holtek has obtained necessary licenses from some semiconductor companies and tech companies strategically. Therefore, Holtek can protect its technology and business instantly and reduce intellectual property claims or litigation that may cause potential harm to stockholders' equity or operational risks as far as possible.

II. 2025 Implementation Report

1. Holtek has been actively promoting intellectual property management plan, and the main implementation of this plan in recent years is as follows:

- (1) In 2008, Holtek formulated regulations on intellectual property management. These regulations have been reviewed and revised year by year in consideration of the operation and internal/external changes.
- (2) Since 2008, the electronic system and database of intellectual property management have been established and updated continuously.
- (3) In 2020, Holtek reformulated the intellectual property management policy and management plan in compliance with the new codes of "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies".
- (4) In 2021, Holtek established Patent Monitoring Project and continued paying attention to its competitors' patent arrangements.

2. The Achievement of Obtaining Intellectual Property by Holtek and its subsidiaries (hereinafter referred to as "Holtek"):

(1) Patent:

Until the end of 2025, Holtek submitted 2 new patent applications, and was granted 5 patents. The number of Holtek's patent applications worldwide has accumulated more than 900, and the total number of patents issued worldwide has reached 809.

(2) Trademark:

Until the end of 2025, Holtek filed 11 new trademark applications, and was granted 8 trademarks and 6 trademark extensions. The total number of trademarks granted to Holtek worldwide has accumulated to 90.

(3) Integrated Circuit Layout:

3. Intellectual Property Maintenance:

There are 2 suspected patent infringement cases.

4. Intellectual Property Education and Training:

Holtek held 6 intellectual property training courses, with a total number of 559 attendees.

2.3.4 Composition, Responsibilities and Operations of the Compensation Committee

1. The duties of Compensation Committee:

- (1) Prescribe and periodically review the annual and long-term performance and remuneration policy, system, standards and structure for directors and managers.
- (2) Periodically evaluate achievement of performance targets by directors and managers and prescribe their individual scope and amount of remuneration.

2. Professional qualifications and independence analysis of Compensation Committee members:

Criteria		Professional qualifications and experience	Independent status	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member
Title	Name			
Independent Director (Convener)	Hsing, Chih-Tien	<p>Mr. Hsing is fully conversant with semiconductor industry chain technological developments and additionally has expertise in corporate governance, technology industry and crisis management.</p> <p>He has served as an independent director for more than three terms (nine years), he is able to provide industry analysis and insight into the application of technology in operational management. During the exercising of his duties as an independent director, this expertise is used to provide supervision and advice to the board. There are no violations arising out of Article 30 of the Company Act.</p>	<p>Comply with the independence requirements, including but not limited to the following matters:</p> <p>The person concerned, his/her spouse and relatives within the second degree of kinship (or in the name of others) hold the shares of the Company in 36,000 shares (0.02%). The person is not a director, supervisor, or employee of an enterprise related to the Company (Reference to the Article 6, Paragraph 1, Paragraphs 5 to 8 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange). The person concerned do not receive any remuneration for providing business, legal, financial, and accounting services to the Company or its affiliated companies in the past 2 years.</p>	0
Independent Director	Hsu, Jui-Ting	<p>Mrs. Hsu has experience in Accounting and financial analysis skills, corporate governance, human resource management, operational management and practical experience. There are no violations arising out of Article 30 of the Company Act.</p>	<p>Comply with the independence requirements, including but not limited to the following matters:</p> <p>The person is not a director, supervisor, or employee of an enterprise related to the Company (Reference to the Article 6, Paragraph 1, Paragraphs 5 to 8 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange). The person concerned do not receive any remuneration for providing business, legal, financial, and accounting services to the Company or its affiliated companies in the past 2 years.</p>	0

Criteria		Professional qualifications and experience	Independent status	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member
Title	Name			
Independent Director	Li, Pei-Ying	Ms. Li holds professional qualifications as both a lawyer and a CPA, with expertise in financial management and corporate governance. She possesses industry knowledge, practical experience, and strong managerial and decision-making capabilities. She is also a certified lecturer in finance, taxation, corporate governance, and ESG sustainability. She is not subject to any disqualifying conditions under Article 30 of the Company Act.	Complies with the independence requirements, including but not limited to the following matters: The person is not a director, supervisor, or employee of an enterprise related to the Company (reference: Article 6, Paragraph 1, Subparagraphs 5 to 8 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange). The amount of remuneration received in the past two years for providing business, legal, financial, or accounting services to the Company or its affiliated enterprises complies with applicable regulatory requirements.	2

3. Attendance of members at Compensation Committee meetings:

- (1) The Company's Compensation Committee has 3 members in total.
- (2) Current members will serve from May 28, 2025 to May 27, 2028. the Remuneration Committee held a total of four meetings, of which two meetings were held prior to the re-election at the shareholders' meeting on May 28, 2025, and two meetings were held after the re-election. The attendance of the members is set out below:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Convener	Hsing, Chih-Tien	4	0	100%	reappointment
Committee Member	Hsu, Jui-Ting	3	1	75%	reappointment
Committee Member	Li, Pei-Ying	4	0	100%	reappointment

Other mentionable items:

1. If the Board of Directors declines to adopt or modifies a recommendation of the Compensation Committee, it should specify the date of the meeting, session, content of the motion, resolution by the Board of Directors, and the Company's response to the Compensation Committee's opinion (eg., the remuneration passed by the Board of Directors exceeds the recommendation of the Compensation Committee, the circumstances and cause for the difference shall be specified): None.
2. Resolutions of the Compensation Committee objected to by members or subject to a qualified opinion and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.
3. The discussion item and resolution results of the Compensation Committee, and the Company's action to the advices of the Compensation Committee:

Date	Resolution	Result	Action of the Company in responding to the Compensation Committee
2025.02.07 The 5 th Term, the 11 th Meeting	<ol style="list-style-type: none"> 1. Approved the Company's "Regulations Governing the Compensation System of the Directors and the Managers". 2. Approved the managers' annual bonuses for 2024. 3. Approved the managers' payroll adjustments of 2025. 4. Approved the managers' quarterly performance allowances. 5. Approved the managers' monthly position allowances of 2025. 	Approved by all Compensation Committee Members.	None
2025.04.25 The 5 th Term, the 12 th Meeting	<ol style="list-style-type: none"> 1. Approved the managers' quarterly performance allowances. 2. Approval the managers' retirement. 	Approved by all Compensation Committee Members.	None
2025.07.28 The 6 th Term, the 1 th Meeting	<ol style="list-style-type: none"> 1. Approved the managers' quarterly performance allowances. 2. Approved the Integration of 2025 Q4 Performance Allowance into Base Salary. 3. Planning of 2026 Quarterly Performance Bonus Proposal. 	Approved by all Compensation Committee Members.	None
2025.10.28 The 6 th Term, the 2 th Meeting	<ol style="list-style-type: none"> 1. Approved the integration of October 2025 performance allowance into base salary. 2. Approval the managers' retirement. 3. Approved the policy proposal for linking managerial remuneration with ESG performance. 	Approved by all Compensation Committee Members.	None

2.3.5 Fulfillment of Sustainable Development and Discrepancies with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons thereof

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
1. Does the Company establish a governance structure to promote sustainable development, established a dedicated (part-time) unit to promote sustainable development; and did the Board of Directors authorize senior management to handle it and report the supervisory status to the Board of Directors?	✓		<ol style="list-style-type: none"> 1. Sustainable Development Committee On July 29, 2024, the Company established the Sustainable Development Committee as one of the functional committees under the Board of Directors, serving as the highest decision-making center for promoting sustainable development. Comprised of two independent directors and one director, the Committee assists the Board in reviewing core operational capabilities and planning mid-to-long-term sustainability strategies to strengthen Environmental, Social, and Governance (ESG) operations. 2. Under the Committee, a "Sustainable Development Task Force" has been established, consisting of eight working groups covering Corporate Governance, Environmental Sustainability, Social Inclusion, Product Responsibility, Employee Care, R&D and Innovation, Sustainability Disclosure, and Information Security. Chaired by the General Manager, the task force manages CSR-related initiatives. An Executive Secretary position has also been established to coordinate these groups in addressing key corporate sustainability issues. 3. The Committee meets at least twice a year. The convener of the Task Force reports on operations to the Committee, which then submits findings to the Board. In 2025, the Committee held three meetings (February 7, July 28, and October 28). The Board reviews these reports to monitor strategic progress and directs the Committee to make necessary adjustments. 	None
2. Does the Company follow materiality principle to conduct risk assessment for environmental, social and corporate governance topics related to company operation, and establish risk management related policy or strategy?	✓		<ol style="list-style-type: none"> 1. This disclosure covers the period from January to December 2025, with the risk assessment boundary primarily focused on Holtek’s Taiwan operational sites, including the Hsinchu headquarters and the Taipei office. 2. The Company established the “Risk Management Committee” in July 	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			<p>2023 under the supervision of the Audit Committee. The Committee is responsible for formulating risk management policies, planning major risk management matters, promoting and coordinating risk management-related activities, and overseeing improvements in risk monitoring.</p> <p>The Committee holds regular meetings, during which each operating unit sequentially reports on various risk management mechanisms to ensure the effective implementation of risk management plans and related control procedures. In addition, the Chairperson of the Committee reports at least annually to the Audit Committee on the major risk management areas for the year and corresponding mitigation measures. Taking into account the Audit Committee’s recommendations, a report is also submitted to the Board of Directors once a year.</p> <p>3. Risk management policies are formulated based on the results of risk assessments. Please refer to page 40 of this Annual Report (Note 2).</p>	
<p>3. Environmental Topic</p> <p>(1) Has the Company set an environmental management system designed to industry characteristics?</p>	✓		<p>(1)</p> <p>A. The ISO 14001: 2015 environmental management system (valid until November 26, 2027) has been certified by a third-party independent certification agency and continues to be valid. The Company’s management system covers relevant employees in the Hsinchu headquarters who carry out related work and activities, including employees and contractors for IC design, development, sales, quality inspection and contracting.</p> <p>B. To strengthen environmental management, the Company has established an Environmental Policy and a Hazardous Substance-Free (HSF) Policy. Regular Environmental Management Review Committee meetings are convened with senior management to assess the implementation status and ensure continuous improvement.</p>	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
(2) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	✓		<p>(2)</p> <p>A. The Company is committed to promote the efficient usage of various resources. The main framework for the development of pollution prevention and continuous improvement is researching the energy-saving concepts of green products, improving its process technology to reduce environmental impacts, importing from green supply chains, promoting environmental education and enforcing recycling to protect water resources and maintain a sustainable earth.</p> <p>B. The Company’s energy consumption is primarily derived from office electricity usage, with air conditioning systems, lighting, and office equipment being the main sources. To improve energy efficiency, the Company has implemented various conservation measures tailored to each category. Since 2020, LED lighting retrofits have been introduced to reduce lighting-related energy consumption. Air conditioning systems are operated seasonally and maintained at a constant temperature of 26°C to optimize cooling efficiency. Office equipment is set to energy-saving modes, and employees are regularly encouraged to power off computers when not in use. In 2024, the company will review the service life and condition of its main energy-consuming equipment and formulate a carbon reduction plan. In 2025, the company will prioritize the replacement of all lighting fixtures at its Taipei office. Other carbon reduction measures will be implemented gradually based on the company's current operating conditions to achieve environmental sustainability goals.</p> <p>C. To reduce packaging material usage and minimize resource waste, the Company optimizes packaging designs based on product category, shipping destination, product quantity, and customer requirements. Packaging specifications are standardized and documented in the “Finished Goods Warehouse Packaging Material Specification.” Over 80% of packaging cartons are made from recycled pulp, sourced from</p>	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			<p>suppliers certified by FSC (Forest Stewardship Council) and carrying green labels. Reusable packaging materials are recycled where possible, with a carton reuse rate of 1.60%.</p> <p>D. The average recyclable metal content of defective wafers produced through outsourcing is 24.95%. The recyclability rate of waste is 30.36%.</p> <p>For more information, please refer to Chapter 4, Environmental Sustainability, of the “HOLTEK ESG Report”.</p>	
(3) Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	✓		<p>(3)</p> <p>A. The Company follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) by adopting a framework based on four core elements: Governance, Strategy, Risk Management, and Metrics & Targets. Through this structure, the Company identifies climate-related risks and opportunities that may significantly impact operations and develops corresponding management actions and response strategies.</p> <p>B. These identified climate risks and opportunities, along with related mitigation and adaptation measures, are disclosed in Chapter 4, Environmental Sustainability, of the Company’s Sustainability Report. To date, the Company has identified nine major climate-related risks (e.g., rising average temperatures, water shortages or power rationing, regulatory compliance, and market transition risks) and five key opportunities (e.g., resource recycling, policy incentives, energy-saving initiatives, and new product/business development). Tailored strategies have been developed to address each of these risks and opportunities.</p>	None
(4) Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency	✓		<p>(4)</p> <p>A. The Company set up initiative group to conduct greenhouse house gas emission check in 2022, primarily based on Hsinchu headquarters. It is divided into two categories as direct discharge (category 1) and indirect</p>	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons															
	Yes	No	Abstract Explanation																
and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?			<p>discharge (category 2).</p> <p style="text-align: center;">Greenhouse gas emission from 2024 to 2025</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Year</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Category 1 (Ton CO2e/year)</td> <td>30.9261</td> <td>32.2059</td> </tr> <tr> <td>Category 2 (Ton CO2e/year)</td> <td>1,138.6960</td> <td>1,221.6375</td> </tr> <tr> <td>Total</td> <td>1,169.6221</td> <td>1,253.8434</td> </tr> <tr> <td>Greenhouse gas emission intensity (Ton CO2e/million dollars)</td> <td>0.47</td> <td>0.41</td> </tr> </tbody> </table> <p>Note 1: Greenhouse gas emission intensity: data scope (category 1 + category 2)/revenue (million dollars).</p> <p>Note 2: The scope of data for 2024 covers the Hsinchu headquarters, Taipei office, and staff dormitory (January to September; lease terminated on September 16).</p> <p>Note 3: The scope of data for 2025 covers the Hsinchu headquarters, Taipei office, and Hong Kong branch.</p> <p>Note 4: The calculations were commissioned to an external consulting firm in 2025. This data has not yet been verified by a third-party verification company. Please refer to the “HOLTEK ESG Report” for the actual figures.</p> <p>Energy Reduction goal: The goal is to save 1% of electricity each year over the next five years. Energy-saving measures focus on major energy-consuming equipment through equipment replacement (such as LED lighting), efficiency improvement (such as replacing inverters and motors), reducing consumption (such as zoned switching and standby power-saving), and promoting environmental awareness through regular awareness campaigns and education. These measures are implemented to achieve the energy reduction goal.</p> <p>B. The company primarily uses water for general domestic purposes and air conditioning, with no water used in production processes. The main water</p>	Year	2024	2025	Category 1 (Ton CO2e/year)	30.9261	32.2059	Category 2 (Ton CO2e/year)	1,138.6960	1,221.6375	Total	1,169.6221	1,253.8434	Greenhouse gas emission intensity (Ton CO2e/million dollars)	0.47	0.41	
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Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons																					
	Yes	No	Abstract Explanation																						
			<p>source is the Hsinchu Operations Headquarters, and the water is supplied by the Taiwan Water Corporation.</p> <p>Water consumption statistic from 2024 to 2025 Unit: Cubic Meter</p> <table border="1"> <thead> <tr> <th>Year</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Total water consumption</td> <td>11,420</td> <td>13,778</td> </tr> </tbody> </table> <p>Water saving measures: Water supply devices are all equipped with frequency converters to stabilize water pressure. The company’s restrooms all use automatic sensor taps to efficiently reduce unnecessary water wastage. A storm water recovery system is devised to collect rainwater for reuse as water not in direct contact with the human body.</p> <p>C. The company does not engage in production or manufacturing activities, and the primary type of waste is H-0002. The following statistics are based on data from the Hsinchu Operations Headquarters.</p> <p>Industrial waste output and treatment statistics from 2024 to 2025 Unit: Ton</p> <table border="1"> <thead> <tr> <th>Year</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Domestic waste</td> <td>8.8168</td> <td>6.8485</td> </tr> <tr> <td>Recycling</td> <td>1.7802</td> <td>3.2383</td> </tr> <tr> <td>Hazardous industrial waste</td> <td>0.3703</td> <td>0.5783</td> </tr> <tr> <td>Total weight</td> <td>10.9673</td> <td>10.6651</td> </tr> </tbody> </table> <p>Waste Reduction Measures: The Company continues to promote the electronic document management system. Implement waste classification and resource recovery by appointing dedicated personnel to be responsible for the classification and removal of waste, such as for empty toner cartridges, iron, aluminum, glass, waste paper, etc.</p>	Year	2024	2025	Total water consumption	11,420	13,778	Year	2024	2025	Domestic waste	8.8168	6.8485	Recycling	1.7802	3.2383	Hazardous industrial waste	0.3703	0.5783	Total weight	10.9673	10.6651	
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Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			<p>Please refer to Chapter 4 of the “HOLTEK ESG Report” for information on environmental sustainability.</p> <p>D. Our company has not yet obtained ISO 14064-1 certification, but plans are in place to complete third-party verification for the 2025 fiscal year in 2026.(It was not obtained before the deadline, but will be published in the “HOLTEK ESG Report” after verification by a third party.)</p>	
<p>4. Social Topic</p> <p>(1) Does the Company set policies and procedures in compliance with regulations and internationally recognized human rights principles?</p>	✓		<p>(1)</p> <p>A. Holtek understands and follows related international standards, including the Responsible Business Alliance (RBA) Code of Conduct, the UN Universal Declaration of Human Rights, and the UN Global Compact. We strictly comply with the local laws and regulations in all operating regions as our fundamental requirement. We are specifically committed to protecting human rights in the following areas: providing a safe and healthy work environment, prohibiting discrimination and forced labor, ensuring freedom of association, prohibiting child labor, and ensuring humane treatment. The Administration Division is the unit handling matters related to these commitments. (Please refer to the annual report (Note 3) on page 41).</p> <p>B. In 2025, human rights protection-related education and training courses were hold with a total of 2,851 person-times and 3,580 hours.</p>	None
<p>(2) Has the Company have formulated and implemented reasonable employee benefits measures (including salary, leave and other benefits, etc.), and appropriately reflect the operating performance or results on the compensation of employees?</p>	✓		<p>(2)</p> <p>A. Employee compensation policy: Holtek annually formulates the compensation policy by conducting peer compensation surveys, industry data integrating from exit interviews, and taking into account company’s operation status and personal performance evaluations. Following through review and approval by the senior management meeting, salary adjustments are implemented to ensure that our remuneration remains market-competitive and maintains internal equity.</p>	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons									
	Yes	No	Abstract Explanation										
			<p>B. Performance-linked remuneration and profit sharing: In accordance with Article 24 of the Company's Articles of Incorporation, if the Company generates a profit during the fiscal year, 5% to 15% of the profits shall be allocated for employee remuneration. Holtek places high value on the contributions of grassroots employees (defined as non-managerial personnel) and has established a policy stipulating that no less than 1% must be specifically designated for this group. Furthermore, we provide bonuses directly linked to the Company's operating results, team achievements, and individual performance, including employee bonuses and patent rewards, embodying the spirit of profit-sharing between labor and management.</p> <p>C. The fixed salary for all recruitment positions exceeds the statutory minimum wage. We have established a standardized compensation system based on government regulations, industry practices, and market trends, designed to exclude any bias based on gender, religion, race, or nationality. We apply identical standards for both male and female employees across all job categories to ensure gender equality.</p> <p style="text-align: center;">Gender Distribution by Job Category</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Job Category</th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>General Staff</td> <td>58%</td> <td>42%</td> </tr> <tr> <td>Management Positions</td> <td>73%</td> <td>27%</td> </tr> </tbody> </table> <p>D. The Company provides comprehensive group insurance coverage, generous leave benefits superior to the Labor Standards Act, and regularly scheduled free health check-ups for all employees. An on-site employee cafeteria is operated with company subsidies to deliver nutritious and balanced meals, supporting the daily dietary well-being of our workforce.</p> <p>E. The Employee Welfare Committee is dedicated to creating a high-quality environment for work-life balance. In addition to year-end party and lucky draws events, we provide diverse subsidies including birthday gift vouchers, festival vouchers, travel subsidies, marriage/funeral cash gifts,</p>	Job Category	Male	Female	General Staff	58%	42%	Management Positions	73%	27%	
Job Category	Male	Female											
General Staff	58%	42%											
Management Positions	73%	27%											

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			<p>childbirth, hospitalization and club activities, to enhance employee satisfaction and engagement.</p> <p>Please refer to Chapter 5: Employee Care of the “ESG Report”.</p>	
(3) Does the Company provide employees with a safe and healthy working environment, with regular safety and health training?	✓		(3) The Company keeps continuous improvement of safety and health in employee safety matters to create a good working environment and protect the physical and mental health and safety of employees. (Please refer to the annual report on page 119~121)(Please refer to Chapter 4 of the “ESG Report” for information on environmental sustainability.)	None
(4) Has the Company established effective career development training plans?	✓		(4) Our company is committed to nurturing talent, not only by allocating budgets for employees to pursue external training but also by having department heads design internal training programs to provide a challenging and learning environment. For more details, please refer to pages 118~119 of this annual report and Chapter 5 of the Sustainability Report on Employee Care	None
(5) Has the Company complied with relevant laws and regulations and international standards for the health and safety of customers, customer privacy, marketing and labeling of products and services, and formulated relevant consumer protection policies and complaint procedures?	✓		<p>(5) As a leading microcontroller (MCU) IC design company in Taiwan, our business scope primarily includes the design, R&D, and sales of microcontroller ICs and related peripheral IC products. All product development and design services are guided by customer and market needs. Regarding issues such as customer health and safety, privacy protection, marketing, and product labeling, the Company strictly complies with relevant laws and international standards and has established comprehensive consumer and customer rights protection policies and complaint-handling procedures to safeguard customer interests.</p> <p>A. Policies for Protecting Consumers and Customer Rights</p>	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			<p>(1) Customer Health and Safety</p> <p>The Company has established a “Hazardous Substance-Free Policy” and an “Environmental Policy.” All products comply with RoHS, REACH, halogen-free, and other relevant international standards. We also provide customers with Certificates of Non-Use of Hazardous Substances. Product packaging clearly indicates relevant safety and environmental information to ensure that products do not contain substances harmful to human health.</p> <p>Throughout R&D, procurement, and manufacturing, we strictly follow applicable regulations and implement rigorous quality control to ensure product safety and protect customer rights.</p> <p>(2) Customer Privacy</p> <p>The Company has implemented a comprehensive “Privacy Policy” that governs the collection, processing, and use of personal data in our operations. In addition, we have established an “Information Security Policy” and a robust cybersecurity management framework to ensure data confidentiality and privacy.</p> <p>Key protection measures include:</p> <ul style="list-style-type: none"> • Access control management • Next-generation firewall protection • Automated system updates and patch management • Multi-site data backup and periodic recovery testing • Company-wide deployment of antivirus and EDR (Endpoint Detection and Response) systems <p>These measures ensure the security of Company, employee, and customer information.</p> <p>(3) Marketing and Product Labeling</p> <p>All product information is disclosed on the Company website and</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			<p>distributor platforms, along with complete technical documentation. The Company has established sales and technical support locations domestically and internationally to provide immediate, localized assistance.</p> <p>Our services include:</p> <ul style="list-style-type: none"> • Development tools • FAE (Field Application Engineering) technical support • Safety certification assistance • Software services <p>With a well-established global distribution network, our products are widely adopted by major international companies across the U.S., Europe, Japan, Korea, and other markets.</p> <p>The Company continues to strengthen long-term customer relationships by integrating production and sales, fostering mutually beneficial partnerships, and collaborating with upstream and downstream industry partners to enhance competitiveness. We have also implemented computerized support systems for sales forecasting, production scheduling, inventory management, and subcontracted processing, enabling high-efficiency production turnover management to achieve cost minimization, value maximization, and superior customer service.</p> <p>B. Complaint Handling Mechanisms</p> <p>The Company has established a comprehensive customer complaint and quality issue handling process, supported by formal procedures such as the “Customer Satisfaction Operation Guidelines,” “Customer Complaint Handling Procedures,” and “Customer Return Material Handling Procedures.”</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			<p>Multiple complaint and service channels are available, including:</p> <ul style="list-style-type: none"> • Customer service email • Distributor reporting mechanisms • FAE technical support channels <p>For general issues, an initial response is provided within 2–3 business days from receipt of the complaint. For major quality concerns, the 8D problem-solving process is immediately initiated, with continuous follow-up to ensure effective corrective actions.</p> <ul style="list-style-type: none"> • To maintain continuous improvement, the Company: Holds monthly cross-department quality review meetings to evaluate complaint cases and improvement results • Conducts an annual global customer satisfaction survey. In 2025, the overall satisfaction score reached 4.35 out of 5, demonstrating the effectiveness of ongoing service and quality enhancement efforts <p>In addition, the Company has implemented a “Whistleblowing System” and established policies to prevent conflicts of interest. Appropriate reporting mechanisms are provided (details available on the Company website). All reported cases involving misconduct or illegal behavior are handled promptly and confidentially by designated personnel in accordance with our principles of integrity management.</p>	
(6) Has the Company have formulated a supplier management policy which requires suppliers to comply with the relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and how their implementation is?	✓		<p>(6)</p> <p>A. The Company communicates with and encourages its suppliers to meet the requests for quality and environmental protection, in addition to meet the Company's supplier management policy to become qualified suppliers, continue to claim to supplier to compliance with the green environmental protection laws or regulations, and promote all kinds of</p>	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			<p>policies for environmental protection.</p> <p>B. The Company requires its suppliers to conduct self-evaluation, and site audits according to the self-evaluation results, and design training courses for its suppliers irregularly through the system or site communication, so as to meet the requirements of the Company.</p> <p>C. Regularly evaluate the performance of suppliers’ product quality, delivery time, service and management system indicators on a quarterly basis, in order to serve as a reference for sustainable cooperation between both parties. Please refer to Chapter 3 of the “ESG Report” for information on product liability</p> <p>D. The Company places great importance on human rights management within its supply chain and requires all suppliers to comply with internationally recognized human rights principles as well as applicable local laws and regulations. These requirements include the prohibition of forced labor and child labor, the provision of a safe and healthy working environment, the assurance of reasonable working hours and fair wages, and the prevention of discrimination and inappropriate treatment. Suppliers are also expected to establish effective communication and grievance mechanisms.</p> <p>Through its human rights due diligence process for suppliers, the Company regularly collects and evaluates suppliers’ human rights management practices. Based on the level of risk identified, the Company implements improvement measures and conducts ongoing monitoring. At the same time, suppliers are encouraged to extend these human rights requirements to their own downstream supply chains, thereby jointly strengthening human rights protection and promoting sustainable development across the entire supply chain.</p> <p>Please refer to Chapter 3 (Product Responsibility) of the Sustainability Report for further details.</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
5. Enhanced Information Disclosure Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as corporate social responsibility reports? Do the reports above obtain assurance from a third party verification unit?	✓		The Company compiled its 2024 ESG Report in accordance with the globally recognized GRI Standards (2021), and obtained an independent and credible assurance statement from the British Standards Institution Taiwan Branch (BSI Taiwan) based on the AA1000 AS v3 Type 1 moderate assurance level and GRI Standards (2021). Please refer to the appendix of the sustainability report for the assurance statement.	None
6. If the company has its own sustainable development best practice principles formulated in accordance with the "Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please describe the differences between its operations and the said principles: The Company conducts “Sustainable Development Best Practice Principles ” and its operational status does not differ from the “Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.				
7. Other important information for the understanding of the Company’s promotion/implementation of sustainable development: Refer to the Holtek website for its sustainable development implementation status: https://www.holtek.com.tw/web/guest/responsibility .				

Note 2 : The Company have conducted risk assessments of environmental, social and corporate governance issues related to its operations in accordance with the materiality principles, and formulated relevant risk management policies or strategies, the policy of risk management is as below :

Materiality principles	Issues in risk assessment	Policies of risk management
Environment	Environmental impact and management	<ol style="list-style-type: none"> In compliance with relevant regulations, the Company has established environmental protection measures and assigned a dedicated unit to review global environmental trends on a quarterly basis. Efforts are focused on enhancing the environmental management system, promoting green product development, and strengthening green supply chain management to maintain industry competitiveness. Internal training and awareness campaigns are also conducted to help employees understand the impacts of climate change. The company is committed to environmental protection. The Company has established an environmental management system (ISO 14001) to promote environmental management policies, and the certification will be obtained regularly in

Materiality principles	Issues in risk assessment	Policies of risk management
		<p>future.</p> <ol style="list-style-type: none"> 3. The inspect the impacts from our operations, we regularly take inventories of our GHG emissions in line with the ISO 14064-1 standard. The company reviews results of carbon inventories and continues to implement carbon reduction measures. This helps us to effectively reduce the risk of category 1 emissions and the indirect emission (category 2) from electricity consumption.
	Product Safety	<ol style="list-style-type: none"> 1. The Company places great importance on product quality, with operational processes and product standards fully compliant with the ISO 9001 international quality management system. 2. All of the Company’s product lines comply with RoHS, REACH, and halogen-free requirements, and declarations of non-use of hazardous substances are provided to customers. 3. To ensure service quality, a customer service website has been established, and annual customer satisfaction surveys are proactively conducted to strengthen relationships and collaboration with clients.
Society	Occupational safety	<ol style="list-style-type: none"> 1. The company has obtained ISO45001 occupational safety and health management system certification, and the certification will be obtained regularly in future. 2. The company conducts regular fire drills and occupational safety training in each year to develop the employees’ emergency response and autonomous safety management skills.
	Talent Development and Compensation & Benefits	<ol style="list-style-type: none"> 1. The Company actively recruits outstanding talent, values employee retention, and provides a fair and market-competitive compensation and benefits system to enhance employee engagement. 2. Emphasis is placed on building a sound workforce structure and talent development framework. A comprehensive training system is in place to encourage continuous learning and support career advancement. 3. The Company is committed to creating a friendly workplace that blends professionalism with positivity, focusing on employees’ physical and mental well-being while fostering professional growth. This approach aims to attract and retain top talent by offering an ideal working environment.
Corporate Governance	Socio-economic and legal compliance	By establishing a governance framework and implementing internal control mechanisms, the Company ensures that all personnel and operations fully comply with relevant laws and regulations.
	Strengthening functions of the Board of	<ol style="list-style-type: none"> 1. Relevant training topics are planned for directors, along with the provision of legal and corporate governance information. 2. Directors’ liability insurance is purchased to protect them in the event of litigation or claims.

Materiality principles	Issues in risk assessment	Policies of risk management
	Directors	
	Information security	<ol style="list-style-type: none"> 1. The Company regularly reviews the adequacy and effectiveness of its information security policy and continuously enhances its protection measures based on the PDCA (Plan-Do-Check-Act) model to strengthen the cybersecurity framework and reduce risks. 2. The secure development process is continually optimized. Professional third-party vendors are engaged to perform vulnerability scans and analysis, assisting in the remediation of high-risk issues on corporate websites to enhance security defenses. 3. Machine learning-based next-generation firewalls have been upgraded to provide zero-day attack protection, network isolation for R&D data, and endpoint threat prevention and control. 4. Training and Awareness: Regular security announcements and training sessions are conducted for employees, along with scheduled social engineering drills, to raise awareness and reinforce cybersecurity knowledge across the organization.

Note 3 : Execution plan for human right management: : The company complies with various labor laws and relevant regulations with no major violations of labor disputes in 2025.

Human right management policy	Target	Execution plan
Provide a safe and healthy work environment	All employees	<ol style="list-style-type: none"> 1. Develop a healthy management service in accordance with the Company's safety and health policies, and conduct health promotion-related measures to improve employees' physical and mental health and prevention of occupational diseases and create a healthy workplace. 2. Management and tracking of abnormal working hours. 3. Conduct education and disseminate to prevent unlawful infringements. 4. Provide doctor consultation services and hire full-time occupational nurses.
Prohibition of discrimination	Applicants/ All/New employees	<ol style="list-style-type: none"> 1. All tangible or intangible sexual harassment and discriminatory behavior in the workplace are prohibited. 2. It is explicitly stated that race, gender, age, marital status, political stance or religious beliefs will not be used as the criteria for employee appointment, assessment or promotion. 3. Job hiring information published externally shall avoid discriminatory requirements to ensure equal job opportunities.
Prohibition of forced labor	All employees	<ol style="list-style-type: none"> 1. When the employment relationship is established, a written labor contract is signed in accordance with the law. 2. The contract stipulates that the employment relationship is established by mutual agreement, and there is a prohibition of forced labor, no illegal human trafficking, and opposition to the slavery system. 3. With the consent of the labor-management meeting, the company may extend working hours. All overtime work is voluntary, and employees required to work overtime for business purposes are entitled to overtime pay or compensatory leave. 4. Implement a leave system and encourage colleagues to pay attention to work-life balance. 5. Provide seven days of flexible leave that is superior to the Labor Standards Act to arrange the leave more appropriately.
Freedom of association	All employees	<ol style="list-style-type: none"> 1. Open and direct communication between employees and the management is the most effective way to address workplace and salary issues. The Company has established internal e-mails, department meetings and other channels for colleagues to express and communicate with team leaders. 2. The rights of employees, including freedom of association, participation in labor-management meetings, and appointment of labor-management representatives are respected. 3. Provide diversified activities and expand interactions among colleagues through club participation to maintain physical and mental health and work-life balance.
Prohibition of child labor	New employees	<ol style="list-style-type: none"> 1. Only workers aged 18 and above are employed. 2. Upon onboarding, a verification process is conducted to ensure the Company does not employ child labor.
Humane treatment	All employees	Employees may not be subjected to cruel and inhumane treatment, including any form of sexual harassment, abuse, corporal punishment, mental or physical oppression or verbal abuse, including threats to engage in any such behavior.

8. Climate-Related Information for Publicly Listed Companies

(1) Implementation status.

Item	Implementation status
<p>1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.</p>	<p>The Board of Directors and its functional committees serve as the highest-level body for risk management. The Company established the “Sustainability Development Committee” on July 29, 2024, which is incorporated as one of the Board’s functional committees. The Committee holds regular annual meetings and reports its implementation status and achievements to the Board of Directors.</p> <p>The Committee consists of two independent directors and one director. It assists the Board in reviewing the Company’s core operational capabilities and in formulating and promoting medium- to long-term sustainability strategies, with the aim of strengthening environmental sustainability, social responsibility, and corporate governance. It also ensures compliance with applicable laws and regulations, and oversees the identification of climate change risks and opportunities, related response strategies, implementation plans, targets, and progress.</p> <p>Under the Sustainability Development Committee, a “Sustainability Promotion Task Force” has been established, chaired by the President (General Manager), to drive sustainability-related strategies and management initiatives. Mid- to senior-level executives are assigned as heads of respective working groups. In addition, a Chief Coordinator has been appointed to coordinate the implementation of corporate sustainability issues across all working groups.</p>
<p>2. Describe how the identified climate risks and opportunities impact the company's business, strategy, and finances (short-term, medium-term, and long-term).</p>	<p>Holtek classifies its climate risks and opportunities into short-term and medium-to-long-term. Short-term risks cover 1-3 years, while medium-to-long-term risks extend beyond 3 years. Holtek has identified six risks and five opportunities. The six risks are: 1. Greenhouse gas-related regulations (policy and regulatory risk), 2. Transition to low-carbon technology (technology risk), 3. Changes in customer behavior (market risk), 4. Shifts in customer preferences and increased stakeholder feedback (reputational risk), 5. Immediate risks, and 6. Long-term risks.</p> <p>The five opportunities include: Resource use efficiency, Energy sources, Products and services, Markets, and Resilience. By managing these risks and opportunities, the company aims to minimize the potential impacts on business, strategy, and financial performance brought about by climate risks. For more detailed information, please refer to the company's ESG Sustainability Report.</p>
<p>3. Describe the financial impact of extreme weather events and transition actions.</p>	<p>Extreme weather events, such as typhoons, floods, and earthquakes, can have financial impacts, including operational disruptions, damage to the supply chain, and increased insurance costs. The financial impact of transition actions is linked to climate change response, as governments worldwide are implementing carbon emission control measures, encouraging industries to transition to a low-carbon economy. To meet carbon regulation requirements, possible transition actions include developing green products and joining the carbon neutrality initiative.</p>

Item	Implementation status
<p>4. Describe how the process for identifying, assessing, and managing climate risks is integrated into the overall risk management system.</p>	<p>The methods for identifying climate risks include reviewing climate change trends, analyzing supply chain risks, and assessing the impacts of extreme weather events.</p> <p>The approach for evaluating climate risks involves analyzing the financial impact of climate risks on revenue, profitability, and capital expenditures, as well as assessing the likelihood and severity of climate risks to determine risk management priorities.</p> <p>The strategy for managing climate risks includes setting carbon reduction targets and action plans to reduce carbon emissions and address climate change challenges, along with developing green products to meet market demand and increase competitiveness.</p> <p>Holtek integrates climate risk management into its overall risk management system by incorporating climate risks into the Holtek risk management framework, conducting regular risk assessments and management, and establishing a climate-related information disclosure system to ensure stakeholders are informed about Holtek 's approach to climate change adaptation.</p>
<p>5. If scenario analysis is used to assess resilience in the face of climate change risks, explain the scenarios, parameters, assumptions, analytical factors, and key financial impacts used in the analysis.</p>	<p>Holtek has not yet begun using scenario analysis to assess resilience in the face of climate change risks.</p>
<p>6. If a transition plan exists to manage climate-related risks, describe its content, along with the indicators and targets used to identify and manage physical risks and transition risks.</p>	<p>The Company categorizes identified physical risks into acute risks and chronic risks. Acute risks primarily include government policy implementation, water shortages or power rationing that may disrupt supply chains or cause shortages of raw materials, as well as heat-related risks leading to power outages or electricity restrictions. Chronic risks mainly include an increased likelihood of water scarcity or heavy rainfall. To address these risks, the Company strengthens on-site water storage capacity and ensures the stable operation of all facility systems.</p> <p>The Company's identified transition risks mainly include policy and regulatory risks, technological risks, market risks, and reputational risks. The Company has progressively assessed short-, medium-, and long-term targets for each risk category to address potential operational and financial impacts.</p> <p>For further details, please refer to Chapter 4, Environmental Sustainability, of the Sustainability Report.</p>
<p>7. If internal carbon pricing is used as a planning tool, explain the basis for setting the price.</p>	<p>Holtek has not yet begun using internal carbon pricing as a planning tool.</p>

Item	Implementation status
<p>8. If climate-related targets are set, describe the activities covered, the scope of greenhouse gas emissions, the planning timeframe, and the annual progress toward achieving these targets. If carbon offsets or Renewable Energy Certificates (RECs) are used to meet these targets, provide information on the source and quantity of carbon offsets or RECs used.</p>	<p>In accordance with its operational objectives and plans, the Company implements various greenhouse gas, energy, and raw material conservation initiatives to reduce greenhouse gas emissions. The Company continuously strengthens energy-saving measures in its operations each year. Through internal energy consumption monitoring, it ensures that electricity usage aligns with actual demand, achieving zero unnecessary electricity waste in office operations.</p> <p>In alignment with national energy policies, the Company commits to achieving an annual energy intensity reduction of more than 1%, thereby reducing Scope 2 emissions from electricity consumption. The Company also plans that by 2030, 70% of its Scope 3 emissions suppliers will be required to set science-based targets (SBT) or implement substantive emission reduction plans.</p> <p>For further details, please refer to Chapter 4, Environmental Sustainability, of the Sustainability Report.</p>
<p>9. Status of greenhouse gas inventory and assurance, along with reduction targets, strategies, and specific action plans.</p>	<p>Also, complete sections 1-1 and 1-2.</p>

A. The status of the company's greenhouse gas inventory and assurance for the last two years.

- (a) Greenhouse Gas Inventory Information: Describe the greenhouse gas emissions for the last two years (in metric tons of CO2 equivalent), the intensity (in metric tons of CO2 equivalent per million dollars), and the scope of the data coverage.

The greenhouse gas inventory plan has been launched and a greenhouse gas inventory promotion group has been established in 2022. The independent inventory results are as follows:

Greenhouse gas emission from 2023 to 2025

Year	2023	2024	2025
Category 1 (Ton CO2e/year)	36.6861	30.9261	32.2059
Category 2 (Ton CO2e/year)	1,218.3060	1,138.6960	1,221.6375
Total	1,254.9922	1,169.6221	1,253.8434
Greenhouse gas emission intensity(Ton CO2e/million dollars)	0.48	0.47	0.41

Note: Greenhouse gas emission intensity: data scope (category 1 + category 2)/revenue (million dollars)

a-1. Scope of data coverage for 2023: Holtek headquarters, Taipei office, Innovation office (January to September; lease ended on October), and dormitory.

a-2. Scope of data coverage for 2024: Holtek Headquarters, Taipei Office, and the Dormitory (January to September; lease terminated on September 16).

a-3 Scope of data for 2025 covers the Hsinchu headquarters, Taipei office, and Hong Kong branch

a-4. The calculations were commissioned to an external consulting firm in 2025. This data has not yet been verified by a third-party verification company.

Please refer to the “HOLTEK ESG Report” for the actual figures.

- (b) Greenhouse Gas Assurance Information: Describe the assurance status for the last two years as of the date of the annual report publication, including the scope of assurance, the assurance institution, the assurance standards, and the assurance opinion.

Our company has not yet obtained ISO 14064-1 certification, but plans are in place to complete third-party verification for the 2025 fiscal year in 2026. (It was not obtained before the deadline, but will be published in the “HOLTEK ESG Report” after verification by a third party.)

- B. Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans: Describe the baseline year for greenhouse gas reduction and its data, reduction targets, strategies, specific action plans, and progress in achieving the reduction targets.

- (a) The parent company originally planned to use 2020 as the base year, but considering that it will be subject to external verification by a third party in 2025, in order to ensure the accuracy and consistency of the data, it plans to adjust the base year to 2025.

- (b) The subsidiary plans to complete its greenhouse gas (GHG) inventory by 2027 and verification by 2029.

- (c) If there are changes in operational boundaries, ownership or control of GHG emission sources or sinks, or changes in GHG quantification methods that result in significant variations in emissions or removals, the baseline year will be revised accordingly. For details, please refer to Section A-(a) of the report.

- (d) Energy Conservation Measures:

As the Company does not engage in manufacturing, energy consumption mainly comes from office electricity usage. Accordingly, reduction efforts focus on air conditioning, lighting, office equipment, and employee awareness. Improvement initiatives are implemented annually, including equipment upgrades and performance enhancements. Since 2018, all office lighting has been converted to LED, resulting in an annual electricity savings of 139,132 kWh compared to pre-upgrade levels—equivalent to approximately 69.47 metric tons of CO₂e. In 2025, the company will prioritize the comprehensive replacement of all lighting fixtures at its Taipei office locations; other carbon reduction measures will be implemented gradually based on the company's current operations to achieve environmental sustainability goals.

- (e) Energy Saving Target:

The Company has set a target to reduce electricity consumption by 1% annually over the next five years.

Please refer to Chapter 4 of the “HOLTEK ESG Report” for information on environmental sustainability.

2.3.6 Fulfillment of Ethical Corporate Management and Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
<p>1. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures</p> <p>(1) Did the company develop ethical corporate management policies approved by the board of directors and clearly state its policies and practices of ethical corporate management in the regulations and external documents? Are the Board of Directors and the senior management implementing the commitment to business policies?</p>	✓		<p>(1)</p> <p>A. The Company conducts the "Ethical Corporate Management Best Practice Principles" on October 25, 2013. The directors and managers of the Company shall exercise the due care of good administrators to urge the company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.</p> <p>B. All directors and managers have signed the Declaration of the Ethical Corporate Management Best Practice Principles.</p>	None
<p>(2) Did the company establish the assessment system for the risks of unethical behaviors and regularly analyze and assess the business activities with higher risks of unethical behaviors within its business scope? Furthermore, did the company establish prevention programs against unethical behaviors, which at least covered the prevention measures for the behaviors in Article 7, Paragraph 2 of "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?</p>	✓		<p>(2) The company has established the "Ethical Corporate Management Best Practice Principles," which addresses issues such as bribery and receiving bribes, illegal political contributions, improper charitable donations or sponsorships, providing or acceptance of improper benefit, infringement of trade secrets, trademarks, patents, copyrights, and other intellectual property rights, engaging in unfair competition behavior, and service directly or indirectly damaging the rights, health and safety of consumers or other stakeholders during the research and development, procurement, manufacturing, provision, or sales. The code also specifies preventive measures and reporting mechanisms to enhance the effectiveness of ethical management.</p>	None
<p>(3) Has the Company clearly established and implemented operating procedures, code of conduct, penalties for violation and</p>	✓		<p>(3) In accordance with the "Ethical Corporate Management Best Practice Principles" and the "Whistleblowing System", the Company has defined its operating procedures, guidelines on conduct, disciplinary</p>	None

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
complaint system in the prevention programs against unethical behaviors as well as reviewed and revised the aforementioned programs regularly?			and grievance systems for non-compliance, and established a stringent prevention system through internal auditing to prevent dishonest acts from occurring.	
2. Facilitation of Ethical Corporate Management (1) Does the company assess the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the business contracts?	✓		(1) The Company shall avoid engaging in business transactions with its agents, suppliers, clients or trading counterparties involved in unethical conduct and should at any time terminate or rescind the contracts with any trading counterparties. The Company shall list them as the objects of refusal to deal with, in order to implement the Company's ethical management policy.	None
(2) Has the company established units exclusive for the promotion of ethical corporate management, which are affiliated under board of directors and will report regularly (at least once a year) to board of directors about the programs, supervision and execution situations for the ethical corporate management policies and the prevention against unethical behaviors?	✓		(2) A. The Resource Management Center is responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The Sales Division, Design Center, Product Center and Legal & Intellectual Property Division shall be in charge of the following matters, and report to the Board of Directors at least once a year. (Report has been submitted to the Board of Directors’ Meeting on July 29, 2025). B. Holtek will continue to promote the importance of ethical management and ethical standards. Each employee is responsible for maintaining the Company’s reputation in accordance with the highest ethical standards. Integrate the ethical management policy with employee performance and human resources policies to establish a clear and effective reward system. The audit unit includes the compliance situations in the audit scope to implement legal compliance. Since the establishment of the Company, there have been no cases of corruption or violations of business ethics and integrity.	None

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company establish policies to prevent conflicts of interests, provide appropriate communication and complaint channels and implement such policies properly?	✓		(3) A. The Company conducts the "Ethical Corporate Management Best Practice Principles" and the "Whistle-blowing System" for preventing conflicts of interests and establishing appropriate representation channels. If any dishonesty or illegal conduct is discovered or reported, the dedicated personnel shall immediately handle it. B. Directors who have conflicts of interest with agenda items, either personally or on behalf of represented legal entities, which may damage the interests of the company, shall not participate in the discussion or vote on such matters. They are also prohibited from representing other directors to exercise their voting rights	None
(4) Has the Company established effective accounting systems and internal control systems for implementing Ethical Corporate Management and has its internal audit unit developed relevant audit programs according to the assessment results for the risks of unethical behaviors as well as reviewed compliance to prevention against unethical behaviors or entrusted accountants to conduct the review?	✓		(4) The Company establishes a complete and effective accounting system and internal control system. Internal auditors also check regularly all transaction cycles in accordance with regulations to ensure that the Company complies with internal control as well as relevant laws and regulations. The internal auditing department shall continuously inspect business activities within their business scopes which are possibly at a higher risk of being involved in an unethical conduct and report results to the Audit committee and the Board of Directors'.	None
(5) Does the company provide internal and external ethical conduct training programs on a regular basis?	✓		(5) The Company regularly hosts sessions led by the President to introduce new employees to the corporate culture and business philosophy. Integrity-related training courses are also held on a regular basis. In 2025, the training covered topics such as compliance with integrity regulations, accounting systems, internal controls, trade secret protection, and copyright protection. A total of 960 participants attended, with 1426.6 training hours completed.	None

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>3. Implementation of Complaint Procedures</p> <p>(1) Does the company establish specific complaint and reward procedures, set up conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received?</p>	✓		<p>(1) The company has formulated a specific reporting and reward system in the “Whistle-blowing System”. If a report of dishonest or illegal conduct is found or received, the Administration Division will be assigned as the dedicated unit to receive it. If a report involves a general employee, it should be reported to the head of the department; if it involves a director or a senior executive at associate level or above, it should be reported to the independent director.</p>	None
<p>(2) Has the Company established standard operating procedures for the investigation on complaints and the follow-up measures to be adopted after the investigation is completed as well as the relevant confidentiality mechanisms?</p>	✓		<p>(2)</p> <p>1. The Company has set up and announced a whistleblowing channel on its official website, and both internal and external personnel can access the public whistleblowing mailbox (liman1103@holtek.com.tw) to report directly to the Company.</p> <p>2. The Company conducts the “Whistle-blowing System” for executing investigation and relevant confidentiality mechanism. After issuing the investigation report, the prosecution, the investigation process, the survey results should be retained in paper documents for confidentiality, and saved for 5 years, the preservation of electronic means to whom. The relevant information shall be kept until the end of the litigation before the expiry of the period of preservation.</p> <p>3. For the prosecution of the case is verified, the relevant units should review the relevant internal control system and operating procedures, and to improve measures to prevent the same situation from happening again. Reporting to the Board of Directors on how to report the cases, ways of handling them and follow-up review and improvement measures by the responsible units.</p>	None
<p>(3) Does the company adopt proper measures to prevent a complainant from retaliation for his/her filing a complaint?</p>	✓		<p>1. Personnel involved in handling whistleblower cases in the company must provide a written statement ensuring the confidentiality of the whistleblower's identity and the contents of the report. The company</p>	None

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			also commits to protecting whistleblowers from any inappropriate treatment resulting from their whistleblowing.	
4. Information Disclosure Does the company disclose its guidelines on business ethics as well as information about implementation of such guidelines on its website and Market Observation Post System (“MOPS”)?	✓		The Company conducts “Ethical Corporate Management Best Practice Principles” which have been disclosed on Holtek's website and the TWSE’s Market Observation Post System.	None
5. If the company has established corporate governance policies based on Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please describe any discrepancy between the policies and their implementation: The Company conducts “Ethical Corporate Management Best Practice Principles” and its operational status does not differ from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”.				
6. Other important information to facilitate better understanding of the company’s corporate conduct and ethics compliance practices (e.g., review the company’s corporate conduct and ethics policy): Up until now, there has been no major violation of the integrity management regulations, which has affected the Company's operation.				

2.3.7 Other Important Information Regarding Corporate Governance:

Further education of directors, accounting supervisors and Chief corporate governance officer:

Position	Name	Date	Professional Development Institutions	Course Name	Hours
Chairman	Wu Chi-Yung	2025/03/06	Taiwan Corporate Governance Association	Cybersecurity Governance Strategies of Listed Companies from an ESG and Corporate Sustainability Perspective	3
		2025/12/03	Taiwan Corporate Governance Association	Trends in Digital Technology and Artificial Intelligence and Their Implications for Risk Management	3
Director	Tsai, Jung-Tsung	2025/03/06	Taiwan Corporate Governance Association	Cybersecurity Governance Strategies of Listed Companies from an ESG and Corporate Sustainability Perspective	3
		2025/12/03	Taiwan Corporate Governance Association	Trends in Digital Technology and Artificial Intelligence and Their Implications for Risk Management	3
Director	Gau, Kuo-Tung	2025/03/06	Taiwan Digital Governance Association	Cybersecurity Governance Strategies of Listed Companies from an ESG and Corporate Sustainability Perspective	3
		2025/12/03	Taiwan Corporate Governance Association	Trends in Digital Technology and Artificial Intelligence and Their Implications for Risk Management	3
Director	Chang, Chi	2025/03/06	Taiwan Corporate Governance Association	Cybersecurity Governance Strategies of Listed Companies from an ESG and Corporate Sustainability Perspective	3
		2025/12/03	Taiwan Corporate Governance Association	Trends in Digital Technology and Artificial Intelligence and Their Implications for Risk Management	3
Director	Yu, Kuo-Cheng	2025/05/02	Securities & Futures Institute (SFI)	2025 Seminar on Insider Trading Prevention	3
		2025/09/11	The Allied Association For Science Park Industries	Preventive Strategies Against Corporate Corruption from a Corporate Governance Perspective	
		2025/11/18	The Allied Association For Science Park Industries	How Companies Formulate ESG Sustainability Strategies	
		2025/12/03	Taiwan Corporate Governance Association	Trends in Digital Technology and Artificial Intelligence and Their Implications for Risk Management	3
Director	Pan, Chien-Chou	2025/03/06	Taiwan Corporate Governance Association	Cybersecurity Governance Strategies of Listed Companies from an ESG and Corporate Sustainability Perspective	3
		2025/10/22	The Institute of Internal Auditors-Chinese Taiwan	Practical Approaches to Auditing Techniques	
		2025/12/03	Taiwan Corporate Governance Association	Trends in Digital Technology and Artificial Intelligence and Their Implications for Risk Management	3
Independent Director	Hsing, Chih-Tien	2025/03/06	Taiwan Corporate Governance Association	Cybersecurity Governance Strategies of Listed Companies from an ESG and Corporate Sustainability Perspective	3
		2025/12/03	Taiwan Corporate Governance Association	Trends in Digital Technology and Artificial Intelligence and Their Implications for Risk Management	3

Position	Name	Date	Professional Development Institutions	Course Name	Hours
				Management	
Independent Director	Hsu, Jui-Ting	2025/03/06	Taiwan Corporate Governance Association	Cybersecurity Governance Strategies of Listed Companies from an ESG and Corporate Sustainability Perspective	3
		2025/12/03	Taiwan Corporate Governance Association	Trends in Digital Technology and Artificial Intelligence and Their Implications for Risk Management	3
Independent Director	Li, Pei-Ying	2025/03/06	Taiwan Corporate Governance Association	Cybersecurity Governance Strategies of Listed Companies from an ESG and Corporate Sustainability Perspective	3
		2025/08/07	Taiwan Corporate Governance Association	Designing Governance and Management to Overcome Succession Challenges in Sustainable Business	
		2025/08/07	Taiwan Corporate Governance Association	Oversight of Corporate Risk Management and Crisis Response by Directors and Supervisors	
		2025/12/03	Taiwan Corporate Governance Association	Trends in Digital Technology and Artificial Intelligence and Their Implications for Risk Management	3
Head of Accounting	Liao, Ming-Tung	2025/08/07 ~ 2025/08/08	Accounting Research and Development Foundation	Professional Training Courses for the Principal Accounting Officer of Issuers, Securities Firms and Securities Exchanges	12
Head of Internal Audit	Lee, Wen-Te	2025/04/28	Accounting Research and Development Foundation	Common deficiencies in Financial Statement Review and Practical Analysis of Key Internal Control Regulations	6
		2025/05/29	Accounting Research and Development Foundation	Practical Analysis of Internal Control Practices for Sustainability Information Management by Internal Auditors	6
Chief corporate governance officer	Liao, Ming-Tung	2025/03/06	Taiwan Corporate Governance Association	Cybersecurity Governance Strategies of Listed Companies from an ESG and Corporate Sustainability Perspective	3
		2025/09/08	Taiwan Stock Exchange Corporation	Practical Training on Analyzing CDP Questions in Relation to IFRS S2 Requirements	3
		2025/12/03	Taiwan Corporate Governance Association	Trends in Digital Technology and Artificial Intelligence and Their Implications for Risk Management	3

2.3.8 Implementation Status of the Internal Control System

(1) Statement of Internal Control System :

The Board of Directors approved the 2025 Internal Control System Statement on February 9, 2026. Relevant information is available on the Market Observation Post System (MOPS).

Path: MOPS > Single Company > Corporate Governance > Regulations / Internal Control > Internal Control Statement Announcement

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

(2) When a CPA is authorized to review the internal control system, the review report prepared by the CPAs shall be disclosed: None.

2.3.9 Major Resolutions of the Annual Shareholders' Meeting, the Board of Directors' Meetings and the Audit Commission's Meetings:

(1) Major Resolutions of the 2025 Shareholders' Meeting:

Date	Major Resolutions	Implementation Status
2025/05/28	Matters for Approval: 1. The 2024 Business Report and Financial Statements of the Company. 2. The Proposal for Appropriation of 2024 Profits and Losses of the Company.	1. Resolved and approved . 2. Resolved and approved not to distribute dividends for the year 2024
	Discussion and Election Matters 1. Amendment to the Company's Articles of Incorporation. 2. Amendment to the Procedures for Lending Funds to Others of the Company. 3. Private Placement of Cash Capital Increase through Issuance of Common Shares. 4. Election of the 10th Board of Directors (including Independent Directors) of the Company. 5. Proposal to Lift the Non-Compete Restrictions on Directors of the Company.	1. Approved. The registration was approved by the Hsinchu Science Park Administration, National Science and Technology Council on June 9, 2025, and the relevant information was announced on the Company's website. 2. Approved. The amendment was announced on the Company's website on May 28, 2025, and implemented in accordance with the revised procedures. 3. Approved. A total of 4,220,000 shares were issued on July 2, 2025; the remaining quota of 5,780,000 shares will no longer be proceeded with. 4. The newly elected directors were registered with the Hsinchu Science Park Administration, National Science and Technology Council on June 9, 2025, and the relevant information was announced on the Company's website. 5. Resolved and approved.

(2) During the 2025 calendar year and as of the printing date of this annual report, 8 Board of Directors' Meetings were convened. Major resolutions approved at these meetings are summarized below:

Date	Major Resolutions
2025/02/10 The 9 th Term, the 15 th Meeting	1. Approval of the Company's 2024 Consolidated Financial Statements and Parent Company Only Financial Statements. 2. Approval of the Proposal for Employee Compensation and Director Remuneration for 2024. 3. Approval of the 2024 Internal Control System Statement of the Company. 4. Assessment of the Independence and Competence of the Auditing Certified Public Accountants. 5. Reassignment of the Legal Entity Representative of a Subsidiary's Corporate Director and Discussion on the Lifting of Non-Compete Restrictions on Directors. 6. Reassignment of the Legal Entity Representative of a Subsidiary's Corporate Director and Discussion on the Lifting of Non-Compete Restrictions on Executive Officers. 7. Appointment of Executive Officers of the Company. 8. Performance Evaluation and Remuneration of Executive Officers of the Company.

Date	Major Resolutions
2025/03/06 The 9 th Term, the 16 th Meeting	<ol style="list-style-type: none"> 1. Approval of the Company's 2024 Business Report. 2. Approval of the Proposal for Appropriation of 2024 Profits and Losses. 3. Amendment to the Company's Articles of Incorporation. 4. Amendments to the Internal Control System and Internal Audit System of the Company. 5. Fund Lending between Subsidiaries of the Company. 6. Amendment to the Procedures for Lending Funds to Others. 7. Private Placement of Cash Capital Increase through Issuance of Common Shares. 8. Full Re-election of the 10th Board of Directors (including Independent Directors). 9. Nomination and Review of Candidates for the 10th Board of Directors (including Independent Directors) by the Board. 10. Discussion on the Lifting of Non-Compete Restrictions on Directors. 11. Proposal for the Convening Date of the 2025 Annual General Shareholders' Meeting. 12. Application for Credit Facilities with Financial Institutions.
2025/04/10 The 9 th Term, the 17 th Meeting	<ol style="list-style-type: none"> 1. Proposal to Add Subscribers to the Private Placement of Cash Capital Increase through Issuance of Common Shares.
2025/04/28 The 9 th Term, the 18 th Meeting	<ol style="list-style-type: none"> 1. Approval of the Company's Consolidated Financial Statements for the First Quarter of 2025. 2. Resignation of a Executive Officers of the Company. 3. Performance Evaluation and Remuneration of Executive Officers of the Company.
2025/05/28 The 10 th Term, the 1 st Meeting	<ol style="list-style-type: none"> 1. Election of the Chairman of the Board of Directors of the Company. 2. Appointment of the Members of the Remuneration Committee of the Company. 3. Appointment of the Members of the Sustainability Development Committee of the Company.
2025/07/02 The 10 th Term, the 2 nd meeting	<ol style="list-style-type: none"> 1. Proposal for Private Placement of New Share Issuance.
2025/07/29 The 10 th Term, the 3 rd meeting	<ol style="list-style-type: none"> 1. Approval of the Company's Consolidated Financial Statements for the Second Quarter of 2025. 2. Discontinuation of the Private Placement of Marketable Securities Approved at the 2025 Shareholders' Meeting. 3. Withdrawal of the Investment in Sheng-Ling Investment Co., Ltd. 4. Discussion on the Lifting of Non-Compete Restrictions on Newly Appointed Directors. 5. Approval of the Company's 2024 Sustainability Report. 6. Performance Evaluation and Remuneration of Executive Officers of the Company.
2025/10/29 The 10 th Term, the 4 th meeting	<ol style="list-style-type: none"> 1. Approval of the Company's Consolidated Financial Statements for the Third Quarter of 2025. 2. Application for Credit Facilities with Financial Institutions by the Company. 3. Application for Credit Facilities with Financial Institutions by the Company. 4. Renewal of Directors' and Officers' Liability Insurance of the Company. 5. Approval of the 2026 Risk Assessment Report and Annual Internal Audit Plan of the Company.

Date	Major Resolutions
	<ol style="list-style-type: none"> 6. Approval of the Company's 2026 Business Plan. 7. Additional Investment in MCU Holdings Ltd. 8. Amendments to the Procedures for Preparation and Assurance of the Sustainability Report of the Company. 9. Amendments to the Internal Control System and Internal Audit System of the Company. 10. Amendments to the Corporate Governance Best-Practice Principles of the Company. 11. Amendments to the General Principles of Pre-Approval Policy for Non-Assurance Services. 12. Reassignment of the Legal Entity Representative of a Subsidiary's Corporate Director. 13. Discussion on the Lifting of Non-Compete Restrictions on Newly Appointed Directors. 14. Incorporation of Performance Allowance for Executive Officers for October 2025 into Base Salary. 15. Resignation of an Executive Officer of the Company. 16. Policy on Linking Remuneration of Executive Officers with ESG Performance.
<p>2026/02/10 The 10th Term, the 5th meeting</p>	<ol style="list-style-type: none"> 1. Approval of the Proposal for Employee Compensation and Director Remuneration for 2025. 2. Approval of the Company's 2025 Consolidated Financial Statements and Parent Company Only Financial Statements. 3. Approval of the 2025 Internal Control System Statement of the Company. 4. Assessment of the Independence and Competence of the Auditing Certified Public Accountants. 5. Approval of the 2026 Remuneration Policy for Directors and Executive Officers of the Company. 6. Approval of the 2025 Year-End Bonus for Executive Officers of the Company. 7. Approval of the 2026 Salary Adjustment for Executive Officers of the Company. 8. Approval of Monthly Position and Rank Allowances for Executive Officers of the Company..
<p>2026/03/05 The 10th Term, the 6th meeting</p>	<ol style="list-style-type: none"> 1. Approval of the Company's 2025 Business Report. 2. Approval of the Proposal for Distribution of 2025 Earnings. 3. Report on the Implementation Status of the Private Placement of Common Shares through Cash Capital Increase. 4. Amendment to the Company's Articles of Incorporation. 5. Proposal for the Date of Convening the 2026 Annual General Shareholders' Meeting. 6. Fund Lending between Subsidiaries of the Company. 7. Application for Credit Facilities with Financial Institutions by the Company. 8. Appointment of Executive Officers of the Company.

2.3.10 Major issues of record or written statements made by any Directors dissenting to major resolutions passed by the Board of Directors: None.

2.4 Information on the Fees for CPAs

2.4.1 Amounts of non-audit fees for attesting CPAs, the CPAs' firms, and the firm's affiliate(s) as well as the content of non-audit services:

Unit: Value in NT\$ thousands

CPA Firm	Name of CPA	Inspection period	Audit Fee	Non-Audit Fee (Note)	Total	Remarks
KPMG	Cheng, An-Chih	2025/01/01 ~	3,630	1,236	4,866	--
	Lu, Chien-Hui	2025/12/31				

Note: Primarily related to tax certification fees.

2.4.2 Alter the CPA Firm and the audit fee in altering year is less than that in the previous year: Not Applicable.

2.4.3 The audit fee is reduced by over 10% compared with the previous year: None.

2.5 Information on the Replacement of CPAs: None.

2.6 Where the Company's Chairman and Management Team Members in charge of Finance or Accounting Matters has Held a Position at the Accounting Firm of its Independent Auditors or at an Affiliated Enterprise in the Most Recent Year: None.

2.7 Transfer of Stock Options and Changes in Equity Pledge of Directors, Managers, and Shareholders Holding More Than 10% of Shares in the Latest Year and as of the Date of Printing of Annual Report

2.7.1 Changes in Shareholding of Directors, Managers and Major Shareholders:

Share Transfer Information:

Path: Market Observation Post System (MOPS) > Single Company > Shareholding Changes / Securities Issuance > Share Transfer Information Inquiry > Post-Reporting Form of Insider Shareholding Changes (URL: https://mops.twse.com.tw/mops/#/web/query6_1)

Share Pledge Information:

Path: Market Observation Post System (MOPS) > Single Company > Shareholding Changes / Securities Issuance > Insider Share Pledge / Release > Announcement of Insider Share Pledge / Release (URL: https://mops.twse.com.tw/mops/web/STAMAK03_1)

2.7.2 Shares Trading with Related Parties: None

2.7.3 Shares Pledge with Related Parties: None

2.8 Information Disclosing the Relationship between Any of the Company's Top Ten Shareholders

Date: March 27, 2026; Unit: Shares

Name	Current Shareholding		Spouse's/minor's Shareholding		Specific Person Shareholding		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
United Microelectronics Corporation Representative: Hung, Chia-Tsung	22,144,257	9.61%	—	—	—	—	None	None	
Gau, Kuo-Tung	7,545,176	3.27%	—	—	—	—	None	None	
Bo-Kang Investment Ltd. Representative: Wu, Bo Wei	6,578,502	2.86%	—	—	—	—	Wu, Chi-Yung	paternity	
Bo-Ding Investment Ltd. Representative: Chang, An-Hua	6,401,841	2.78%	—	—	—	—	Wu, Chi-Yung	Spouse	
Wu, Chi-Yung	4,776,905	2.07%	—	—	6,578,502	2.86%	Bo-Kang Investment Ltd. Representative: Wu, Bo Wei	paternity	
							Bo-Ding Investment Ltd. Representative: Chang, An-Hua	Spouse	
Citibank (Taiwan) Limited acting as custodian for Polunin Emerging Markets	3,683,509	1.60%	—	—	—	—	None	None	
Su, Shiou-Jen	2,530,481	1.10%	—	—	—	—	None	None	
JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	2,312,483	1.00%	—	—	—	—	None	None	
Custody of the State Street Global All Cap International Equity Index Fund entrusted to JPMorgan Chase Bank, N.A	2,281,952	0.99%	—	—	—	—	None	None	
Custody of the investment account of JPMorgan Securities entrusted to JPMorgan Chase Bank, N.A., Taipei Branch	1,639,253	0.71%	—	—	—	—	None	None	

2.9 Ownership of Shares in Affiliated Enterprises

Date: December 31, 2025

Affiliated Enterprises (Note 1)	Ownership by the Company		Direct or Indirect Ownership by Directors, Supervisors, Managers		Total Ownership	
	Shares (thousands)	%	Shares (thousands)	%	Shares (thousands)	%
Holtek Semiconductor Holding (BVI) Ltd.	20,803	100%	—	—	20,803	100%
Kingtek Semiconductor Holding (BVI) Ltd.(Note 2)	—	—	—	—	—	—
Sigmos Holdings Ltd.(Note 3)	—	—	—	—	—	—
MCU Holdings Ltd.	500	100%	—	—	500	100%
Holtek Semiconductor (India) Private Limited	6	0.10%	6,479	99.90%	6,485	100%
Holtek Investment Co., Ltd.	26,000	100%	—	—	26,000	100%

Note 1: Affiliated Enterprises are accounted for using equity method by the Company.

Note 2: The liquidation was completed in the second quarter of 2025.

Note 3: The liquidation was completed in the fourth quarter of 2025

III. Capital Overview

3.1 Capital and Shares

3.1.1 Source of Capital

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount (NT\$ thousands)	Shares	Amount (NT\$ thousands)	Sources of Capital (NT\$ thousands)	Capital Increased by Assets Other than Cash	Other
1998/10	10	100,000	1,000,000	40,000	400,000	The Company was established and subscribed NT\$ 340,000 thousand for paid-in capital	Licensing Technology of in exchange in the stocks valued NT\$ 60,000 thousand	--
1999/04	10	100,000	1,000,000	100,000	1,000,000	Raise NT\$ 600,000 thousand for capital	None	--
2000/05	10	180,000	1,800,000	122,000	1,220,000	Retained earnings of NT\$ 220,000 thousand transferred to capital	None	Note 1
2001/04	10	180,000	1,800,000	153,380	1,533,800	Retained earnings of NT\$ 313,800 thousand transferred to capital	None	Note 2
2002/06	10	180,000	1,800,000	175,118.7	1,751,187	Retained earnings of NT\$ 217,387 thousand transferred to capital	None	Note 3
2003/06	10	260,000	2,600,000	183,400	1,834,000	Retained earnings of NT\$ 82,813 thousand transferred to capital	None	Note 4
2004/07	10	270,000	2,700,000	194,100	1,941,000	Retained earnings of NT\$ 107,000 thousand transferred to capital	None	Note 5
2005/06	10	290,000	2,900,000	205,409.5	2,054,095	Retained earnings of NT\$ 113,095 thousand transferred to capital	None	Note 6
2005/08	10	290,000	2,900,000	206,614.5	2,066,145	Employee stock options was exercised for NT\$ 12,050 thousand for capital	None	Note 7
2005/10	10	290,000	2,900,000	206,695	2,066,950	Employee stock options was exercised for NT\$ 805 thousand for capital	None	Note 7
2006/01	10	290,000	2,900,000	207,244.5	2,072,445	Employee stock options was exercised for NT\$ 5,495 thousand for capital	None	Note 7, 8
2006/04	10	290,000	2,900,000	207,451.5	2,074,515	Employee stock options was exercised for NT\$ 2,070 thousand for capital	None	Note 7, 8
2006/08	10	290,000	2,900,000	211,126.1	2,111,261	Retained earnings of NT\$ 36,746 thousand transferred to capital	None	Note 9
2006/08	10	290,000	2,900,000	212,100.1	2,121,001	Employee stock options was exercised for NT\$ 9,740 thousand for capital	None	Note 7, 8, 10
2006/10	10	290,000	2,900,000	212,210.35	2,122,103.5	Employee stock options was exercised for NT\$ 1,102.5 thousand for capital	None	Note 7, 8, 10
2007/01	10	290,000	2,900,000	212,470.1	2,124,701	Employee stock options was exercised for NT\$ 2,597.5 thousand for capital	None	Note 7, 8, 10
2007/04	10	290,000	2,900,000	212,759.35	2,127,593.5	Employee stock options was	None	Note 7,

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount (NT\$ thousands)	Shares	Amount (NT\$ thousands)	Sources of Capital (NT\$ thousands)	Capital Increased by Assets Other than Cash	Other
						exercised for NT\$ 2,892.5 thousand for capital		8, 10
2007/08	10	290,000	2,900,000	216,487.05	2,164,870.5	Retained earnings of NT\$ 37,277 thousand transferred to capital	None	Note 11
2007/08	10	290,000	2,900,000	217,550.8	2,175,508	Employee stock options was exercised for NT\$ 10,637.5 thousand for capital	None	Note 7, 8, 10
2007/11	10	290,000	2,900,000	217,843.3	2,178,433	Employee stock options was exercised for NT\$ 2,925 thousand for capital	None	Note 7, 8, 10
2008/02	10	290,000	2,900,000	218,005.3	2,180,053	Employee stock options was exercised for NT\$ 1,620 thousand for capital	None	Note 7, 8, 10
2008/04	10	290,000	2,900,000	218,297.3	2,182,973	Employee stock options was exercised for NT\$ 2,920 thousand for capital	None	Note 7, 8, 10
2008/09	10	300,000	3,000,000	220,470.4	2,204,704	Retained earnings of NT\$ 21,731 thousand transferred to capital	None	Note 12
2008/09	10	300,000	3,000,000	220,910.4	2,209,104	Employee stock options was exercised for NT\$ 4,400 thousand for capital	None	Note 7, 8, 10
2008/11	10	300,000	3,000,000	220,955.15	2,209,551.5	Employee stock options was exercised for NT\$ 447.5 thousand for capital	None	Note 7, 8, 10
2009/03	10	300,000	3,000,000	220,997.4	2,209,974	Employee stock options was exercised for NT\$ 422.5 thousand for capital	None	Note 7, 8, 10
2009/04	10	300,000	3,000,000	221,180.9	2,211,809	Employee stock options was exercised for NT\$ 1,835 thousand for capital	None	Note 7, 8, 10
2009/08	10	300,000	3,000,000	222,087.7	2,220,877	Retained earnings of NT\$ 9,068 thousand transferred to capital	None	Note 13
2009/08	10	300,000	3,000,000	222,217.45	2,222,174.5	Employee stock options was exercised for NT\$ 1,297.5 thousand for capital	None	Note 8
2009/11	10	300,000	3,000,000	222,301.45	2,223,014.5	Employee stock options was exercised for NT\$ 840 thousand for capital	None	Note 8
2010/02	10	300,000	3,000,000	222,347.45	2,223,474.5	Employee stock options was exercised for NT\$ 460 thousand for capital	None	Note 8
2010/04	10	300,000	3,000,000	222,556.2	2,225,562	Employee stock options was exercised for NT\$ 2,087.5 thousand for capital	None	Note 8, 14
2010/08	10	300,000	3,000,000	222,666.2	2,226,662	Employee stock options was exercised for NT\$ 1,100 thousand for capital	None	Note 14, 15
2010/11	10	300,000	3,000,000	222,798.7	2,227,987	Employee stock options was exercised for NT\$ 1,325 thousand for capital	None	Note 14, 15
2011/02	10	300,000	3,000,000	223,044.2	2,230,442	Employee stock options was exercised for NT\$ 2,455	None	Note 14, 15

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount (NT\$ thousands)	Shares	Amount (NT\$ thousands)	Sources of Capital (NT\$ thousands)	Capital Increased by Assets Other than Cash	Other
						thousand for capital		
2011/05	10	300,000	3,000,000	223,339.7	2,233,397	Employee stock options was exercised for NT\$ 2,955 thousand for capital	None	Note 14, 15
2011/08	10	300,000	3,000,000	223,598.45	2,235,984.5	Employee stock options was exercised for NT\$ 2,587.5 thousand for capital	None	Note 14, 15
2013/08	10	300,000	3,000,000	223,680.45	2,236,804.5	Employee stock options was exercised for NT\$ 820 thousand for capital	None	Note 15
2013/11	10	300,000	3,000,000	224,941.2	2,249,412	Employee stock options was exercised for NT\$ 12,607.5 thousand for capital	None	Note 15
2014/01	10	300,000	3,000,000	226,168.2	2,261,682	Employee stock options was exercised for NT\$ 12,270 thousand for capital	None	Note 15
2025/07	10	300,000	3,000,000	230,388.2	2,303,882	Capital increase through private placement amounting to NT\$42,200 thousand	None	Note 16

Note 1: Approved under Ministry of Finance Letter No. 36989 dated May 15, 2000.

Note 2: Approved under Ministry of Finance Letter No. 116941 dated April 3, 2001.

Note 3: Approved under Ministry of Finance Letter No. 126989 dated May 17, 2002.

Note 4: Approved under Ministry of Finance Letter No. 0920128586 dated June 27, 2003.

Note 5: Approved under Ministry of Finance Letter No. 0930128187 dated June 25, 2004.

Note 6: Approved under Financial Supervisory Commission (FSC) Letter No. 0940125322 dated June 24, 2005.

Note 7: Approved under Ministry of Finance Letter No. 0920110590 dated April 1, 2003.

Note 8: Approved under Ministry of Finance Letter No. 0920138382 dated August 22, 2003.

Note 9: Approved under Financial Supervisory Commission (FSC) Letter No. 0950127323 dated June 29, 2006.

Note 10: Approved under Ministry of Finance Letter No. 0930128187 dated June 25, 2004.

Note 11: Approved under Financial Supervisory Commission (FSC) Letter No. 0960031838 dated June 25, 2007.

Note 12: Approved under Financial Supervisory Commission (FSC) Letter No. 0970034273 dated July 9, 2008.

Note 13: Approved under Financial Supervisory Commission (FSC) Letter No. 0980031086 dated June 23, 2009.

Note 14: Approved under Financial Supervisory Commission (FSC) Letter No. 0940135791 dated August 26, 2005.

Note 15: Approved under Financial Supervisory Commission (FSC) Letter No. 0960073308 dated December 31, 2007.

Note 16: Approved under Hsinchu City Government Commercial Registration Letter No. 1140023888 dated July 28, 2025.

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Common stock	230,388,200 shares	69,611,800 shares	300,000,000 shares	Listed stock

Related information of the general declaration system: Not applicable.

3.1.2 List of Major Shareholders

Shareholders holding 5% or more of total shares or in the Top 10 stock option holding ratio list

As of March 27, 2026; Unit: Shares

Shareholder's Name	Shareholding	
	Shares	Percentage
United Microelectronics Corporation	22,144,257	9.61%
Gau, Kuo-Tung	7,545,176	3.27%
Bo-Kang Investment Ltd.	6,578,502	2.86%
Bo-Ding Investment Ltd.	6,401,841	2.78%
Wu, Chi-Yung	4,776,905	2.07%
Citibank (Taiwan) Limited acting as custodian for Polunin Emerging Markets	3,683,509	1.60%
Su, Shiou-Jen	2,530,481	1.10%
JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	2,312,483	1.00%
Custody of the State Street Global All Cap International Equity Index Fund entrusted to JPMorgan Chase Bank, N.A	2,281,952	0.99%
Custody of the investment account of JPMorgan Securities entrusted to JPMorgan Chase Bank, N.A., Taipei Branch	1,639,253	0.71%

3.1.3 Dividend Policy and Implementation Status

(1) Dividend Policy

If the Company records annual profits, 5% to 15% shall be appropriated as employee compensation (of which no less than 1% shall be distributed to non-managerial employees), and no more than 1.5% shall be allocated as remuneration for directors. However, if the Company still has accumulated losses, an amount sufficient to offset such losses shall first be reserved.

Employees' compensation may be distributed to employees, including employees from affiliates companies who meet certain qualification determined by the Board of Directors.

If the Company has profit as a result of the yearly accounting closing, the Company shall first pay taxes, offset its losses in previous years and set aside a legal capital reserve at 10% of the profits left over, until the accumulated legal capital reserve has equaled the total capital of the Company, then set aside special capital reserve in accordance with relevant laws or regulations or as requested by business. Any rest balance, added to the accumulated undistributed earnings in previous years, the Board of Directors shall be allocated according to shareholders' meeting resolution.

The amount of dividends distributed to shareholders shall be no less than 50% of the distributable earnings of the year concerned and no less than 50% of the shareholder's dividends shall be in the form of cash.

(2) Proposed Distribution of Dividend

The Company proposes to distribute cash dividends of NT\$156,663,976 from the 2025 earnings distribution. The entire amount will be paid in cash. Based on the number of shares held by shareholders as recorded in the shareholder register on the record date, a cash dividend of NT\$0.68 per share is proposed.

3.1.4 Impacts of free share assignment intended through the current shareholders meeting on the Company's operational performance and earnings per share: None.

3.1.5 Employee Bonus and Directors' and Supervisors' Remuneration

1. Percentage or range of employee and director remuneration as stipulated in the “Articles of Incorporation”:

If the Company has profits for the year, it shall allocate 5% to 15% thereof as employee remuneration (of which no less than 1% shall be distributed to grassroots employees) and not more than 1.5% as directors’ remuneration. However, if the Company has accumulated losses, an amount shall first be reserved to cover such losses.

The recipients of employee remuneration may include employees of affiliated companies who meet certain conditions as determined by the Board of Directors.

2. This forecast column of the employee and the amount of directors remuneration for assigned to the column base and in stock for the number of shares of calculation basis and actual dispatch if amount and estimated the number of columns diverge from the accounting treatment of:

These amounts were calculated using the Company’s net income before tax without the remunerations to employees and directors for each period, multiplied by the percentage which is stated under the Company’s Article of Incorporation. These remunerations were expensed under cost of goods sold or expenses for the years ended December 31, 2023 and 2022. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholders’ meeting, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year. If remuneration to employees is resolved to be distributed in stock, the number of shares is determined by dividing the amount of remuneration by the closing market price of the shares on the day preceding the board of directors’ meeting.

3. The Board of Directors has approved the remuneration:

- (1) The distribution of employee and directors’ remuneration for 2025 was approved by the Board of Directors, with NT\$16,763,945 allocated as employee remuneration (including remuneration for grassroots employees) and NT\$1,995,709 as directors’ remuneration. There is no difference between these amounts and the estimated amounts recognized as expenses for the year.

- (2) The percentage of employee remuneration distributed by shares from the total amount of Net Income and total employee remuneration of entity or individual financial reports for the current period: None.

4. The actual distribution of the remuneration of employees and directors in the previous year (including the number of shares distributed, the amount and the share’s market price), and the difference between such distribution and the remuneration of employees and directors shall be clearly stated, including the number of differences, the reasons for the difference and the follow-up situations:

Unit: NT\$

	Resolution of the Board of Directors (February 10, 2025)	Actual amount distributed	Treatment of variances	
	Amount	Amount	Amount	Disposition
Directors’ remuneration (cash)	0	0	No variance	N/A
Employee remuneration (cash)	0	0		

Note: The actual distribution amounts of employee remuneration and directors’ remuneration are consistent with the estimated expenses recognized for fiscal year 2024

3.1.6 Buyback of the Company stock: None.

3.2 Status of Corporate Bonds: None.

- 3.3 Status of Preferred Shares:** None.
- 3.4 Status of Global Depository Receipts:** None.
- 3.5 Status of Employee Stock Option Plan (ESOP):** None.
- 3.6 Status of New Restricted Employee Shares:** None.
- 3.7 Status of New Shares Issuance in Connection with Mergers and Acquisitions:** None.
- 3.8 Financing Plans and Implementation:** None.

IV. Operational Highlights

4.1 Business activities

4.1.1 Business scope

1. Main Content of Business Operations

The company is a leading domestic professional microcontroller IC design firm; its business scope primarily includes the design, research, development, and sales of microcontroller ICs and their peripheral ICs, and its overall product development and related design services are driven by customer and market demands.

2. Sales Breakdown of Major Products

Product Category \ Year	2025
Microcontroller ICs	76%
Peripheral ICs	23%
Others	1%
Total	100%

3. Current Products and Services

The company focuses its proprietary development on microcontrollers (MCUs) and their peripheral ICs as its core technology, with main applications covering various 8-bit/32-bit standard MCUs, touch switch IC products, health measurement products, fire/security products, motor control products, RF IC products, communication IC products, voice IC products, computer peripheral IC products, IoT and finance-related products, power management IC products, display IC products, analog IC products, memory IC products, and digital sensor/module products. Its product direction not only demands compliance with global application fields but also places great emphasis on regional special needs.

In addition, the company provides dedicated ASIC MCU design services tailored to individual customer needs and develops ASSP MCUs for special application fields in order to fully satisfy diverse market demands.

4. New Products and Services Planned for Development

To provide customers with comprehensive product and technical services, the company has expanded its application range to 4C+MG (Medical & Green)+AIoT fields while offering professional services in various design formats to meet diverse customer requirements regarding product functions, costs, time-to-market, or product protection. The main product contents are detailed as follows:

- (1) 32-bit STD MCU products featuring Arm® Cortex® -M0+, M3, and M4 core microcontrollers and product solutions (Product applications: IoT/Edge AI applications, barcode/fingerprint/voice recognition, optical fiber communication, automotive CAN Bus, TFT displays, computer peripherals and lighting effects, home appliances, etc.).
- (2) 32-bit MCU Bluetooth Low Energy (BLE) application development platforms and product solutions.
- (3) 8-bit STD MCU products featuring HT8 core microcontrollers and product solutions (Product applications: various home appliance controls, smart home devices, industrial control, etc.).

- (4) Ultra-low power STD MCUs and product solutions.
- (5) 24-bit Delta Sigma A/D type MCUs and product solutions.
- (6) Industrial sensor signal conditioning MCU products and solutions.
- (7) Enhanced anti-interference Touch MCUs and product solutions.
- (8) Various dedicated health and medical care MCUs and product solutions (e.g., body temperature, ear/forehead temperature, weight, body fat, blood pressure, blood oxygen, blood glucose, etc.).
- (9) Continuous Glucose Monitor (CGM) dedicated MCUs and product solutions.
- (10) Security and fire protection dedicated MCUs and product solutions (Product applications: CO/GAS sensing, smoke/heat fire alarms, fire residual pressure detection, PM2.5 dust sensing, energy storage fire protection, etc.).
- (11) Brushless DC (BLDC) single/dual motor dedicated MCUs and product solutions (Product applications: server cooling-related fans and water pumps, BLDC gimbal positioning control, various fans and pumps, power tools, garden tools, personal care, etc.).
- (12) Sub-1G, 2.4G, 5.8G Hz RF ICs and RF MCU SOCs (Product applications: various RF remote controls, car/motorcycle anti-theft devices, IoT endpoint communication products, non-contact induction switches, water/electricity/gas meter reading, etc.).
- (13) Bi-directional inverter dedicated MCUs and high-power charger product solutions (Product applications: electric two-wheelers, behind-the-meter energy storage, etc.).
- (14) Lithium battery management ICs and high-precision fuel gauge product solutions (Product applications: power tools, electric two-wheelers, energy storage boxes, etc.).
- (15) Electro-magnetic heating dedicated MCUs and product solutions (Product applications: induction cookers, electronic rice cookers, water heaters, etc.).
- (16) Sensor signal conditioning MCU products and solutions (Product applications: industrial transmitters, pricing scales, and various physical quantity change measurements like pressure and temperature).
- (17) Voice/music MCUs and product solutions (Product applications: toys, electronic musical instruments, voice control and voice prompts for various electrical products, etc.).
- (18) CCD image analog front-end IC products (Product applications: scanners, multifunction printers, etc.).
- (19) Power management and driver ICs and product solutions (e.g., LDO, DC/DC, AC/DC, LED drivers, various power component pre-drivers, etc.).
- (20) Various digital sensors/modules (e.g., 1D/2D digital proximity sensors/modules, microwave sensor modules, temperature/humidity digital sensors/modules, infrared temperature measurement digital sensors, small smoke/temperature digital modules, etc.).

4.1.2 Industry Overview

1. Current Status and Development of the Industry

(1) Global Semiconductor Industry Market

In 2025, the global semiconductor market demonstrated strong recovery momentum. According to WSTS statistics, the global semiconductor market reached USD 791.7

billion in 2025, marking a return to double-digit growth at 25.6%; the market is forecast to reach USD 999.9 billion in 2026, an annual growth of 26.3%. This growth was primarily driven by exploding demand for AI servers, High-Performance Computing (HPC), and High Bandwidth Memory (HBM) in cloud data centers. Conversely, the automotive electronics and industrial control markets showed a mild and steady recovery after inventory depletion; traditional consumer electronics saw a more limited recovery due to global inflation pressures, presenting an overall "K-shaped recovery" industry pattern where high-end computing remained exceptionally strong.

Synthesizing data from several international research institutes (such as Yole Group, Grand View Research, etc.) for 2025, the global MCU market size is estimated to be between USD 25 billion and USD 36 billion. The industry is in a new expansion cycle, expected to maintain a Compound Annual Growth Rate (CAGR) of 6% to 12% until 2030. Regarding product structure, 32-bit MCUs have become the absolute mainstream, capturing over 50% of the market share; on the application side, automotive electronics (accounting for over 35%) and industrial control make up the largest portions.

According to the latest industry report from the international research institute Yole Group, the global microcontroller (MCU) market has officially entered a new growth cycle following inventory adjustments. It is estimated that by 2030, the global MCU market will exceed the USD 34 billion mark, expanding steadily at a 6% CAGR between 2024 and 2030. The market's growth momentum mainly comes from specification upgrades in terminal applications and the comprehensive popularization of edge computing technologies. Comprehensive report analysis indicates the MCU industry will present the following three key development trends in the coming years:

A. Edge AI Becomes the Core Differentiating Key

The computing capability of Artificial Intelligence (AI) has become the most important indicator differentiating MCU product competitiveness. With the maturation of the TinyML (Tiny Machine Learning) framework and processor upgrades based on high-performance architectures like Arm, AI computing is rapidly penetrating from the cloud to resource-constrained edge terminal devices. Yole Group predicts that MCUs equipped with AI computing power will become the market main stream, expecting AI MCUs to occupy at least 10% of the overall global MCU market by 2028, bringing massive replacement business opportunities to fields such as smart homes and industrial control IoT.

B. Strong Demand for Automotive and High-End Cybersecurity Protection

Among various terminal applications, automotive electronics remains the largest revenue driver for the MCU industry; benefiting from vehicle electrification and smart architecture transformations, the automotive MCU production value is estimated to reach USD 13 billion in 2030. Furthermore, as the number of IoT devices surges, terminal hardware's reliance on data encryption and information security has significantly increased. "Smart Cards and Secure MCUs" demonstrate the most explosive growth momentum, with an expected CAGR of up to 13.5% by 2030.

C. High-Value Breakthrough Strategies under Major Manufacturers' Oligopoly

The global MCU market presents a highly concentrated oligopoly, with the top four international suppliers (Infineon, NXP, Renesas, STMicroelectronics) collectively holding nearly 70% of the global market share in 2024. Facing the

scale advantages of international giants in the general-purpose market, the industry is accelerating its shift from "price competition" to "value competition." Enterprises must break out of the low-end general-purpose chip framework and deeply cultivate application-specific standard products (ASSPs) with high technical barriers by integrating high-end algorithms, Edge AI computing power, and high-precision sensing technologies in order to build a solid technological moat in the new growth cycle.

(2) Taiwan Semiconductor Industry Market

According to the latest statistics from the Taiwan Semiconductor Industry Association (TSIA) and ITRI's Industry, Science and Technology International Strategy Center (IEK), driven by strong demand for Artificial Intelligence (AI) and High-Performance Computing (HPC), the total annual output value of Taiwan's IC industry reached NT\$6.5225 trillion, an annual growth rate of 22.7%. Taiwan's semiconductor industry chain experienced a bumper harvest in 2025, outperforming the global average. Growth momentum was highly concentrated in the fully loaded advanced process (3nm/5nm) and advanced packaging (CoWoS) capacities of wafer foundry leaders. In the IC design industry, inventory levels have fully returned to healthy states; however, faced with competition from capacity spillover in mature processes, standard chip and general-purpose MCU manufacturers faced price pressures, prompting them to accelerate product structure adjustments.

The performance among sub-industries showed a significant "K-shaped development." Wafer manufacturing and advanced packaging performed exceptionally well, benefiting from AI server order pull-in momentum. In the IC design sector, despite structural inventory adjustments in the first half of the year, the annual output value maintained steady positive growth supported by AI edge computing (AI PC/mobile), automotive chips, and power management demands in the second half. Notably, driven by policies to domesticate production capacity in mainland China, mature process capacities surged, exerting continuous low-price competitive pressure on global display driver ICs, power management ICs, and general-purpose MCUs, forcing Taiwanese IC designers to accelerate their transformation toward high-value and customized products. Taiwan's semiconductor output value is expected to continuously challenge record highs in 2026, with the 2026 IC industry output value estimated at NT\$7.7 trillion, an annual growth of 18.3%. As the 2-nanometer (N2) process prepares for mass production, Taiwan will further solidify its pivotal position in global advanced technology.

For Taiwanese IC design and MCU makers, 2026 is a critical year for establishing technological moats. The industry's development focus will accelerate migration from 8-bit to high-performance 32-bit platforms. By highly integrating sensing components, high-precision analog front ends (AFE), and edge computing algorithms to deeply cultivate high-technical-barrier dedicated products (ASSPs), Taiwanese manufacturers are actively avoiding red ocean competition to ensure long-term gross margin performance and competitive advantages.

(3) China Semiconductor Industry Market

As the world's largest semiconductor consumer market, mainland China's industry environment faced dual internal and external challenges in 2025. Externally, it was restricted by technology export controls, while internally, it was affected by a sluggish real estate market, suppressing terminal purchasing power for home appliances and general consumer electronics. Under strong policy guidance, mainland Chinese wafer fabs concentrated resources on mature processes above 28 nanometers, leading to a

massive capacity surge. The release of substantial domestic substitution capacity caused severe supply-demand imbalances in display driver ICs, power management ICs, and low-to-mid-end MCUs, triggering fierce price wars.

The mainland China's MCU market is facing drastic structural adjustments. As local wafer fabs fully bring mature process capacities online, general-purpose and low-to-mid-end MCUs have fallen into a severe supply-demand imbalance. This has made "involution-style" low-price competition the norm, accelerating industry reshuffling and elimination. On the other hand, constrained by geopolitical tech barriers, mainland China is devoting national efforts to deepen "domestic substitution," shifting R&D resources toward high-technical-barrier fields like automotive-grade, high-end motor control, and Edge AI computing, while actively building the RISC-V open-source ecosystem to circumvent IP risks. Overall, this market presents a polarized situation of "low-end red ocean slaughter and high-end accelerated breakthroughs." Faced with normalized price competition, the risk of solely relying on the low-end consumer market has sharply increased; enterprises must accelerate technological upgrades and expand overseas territories to preserve profitability amidst fierce industry reshaping.

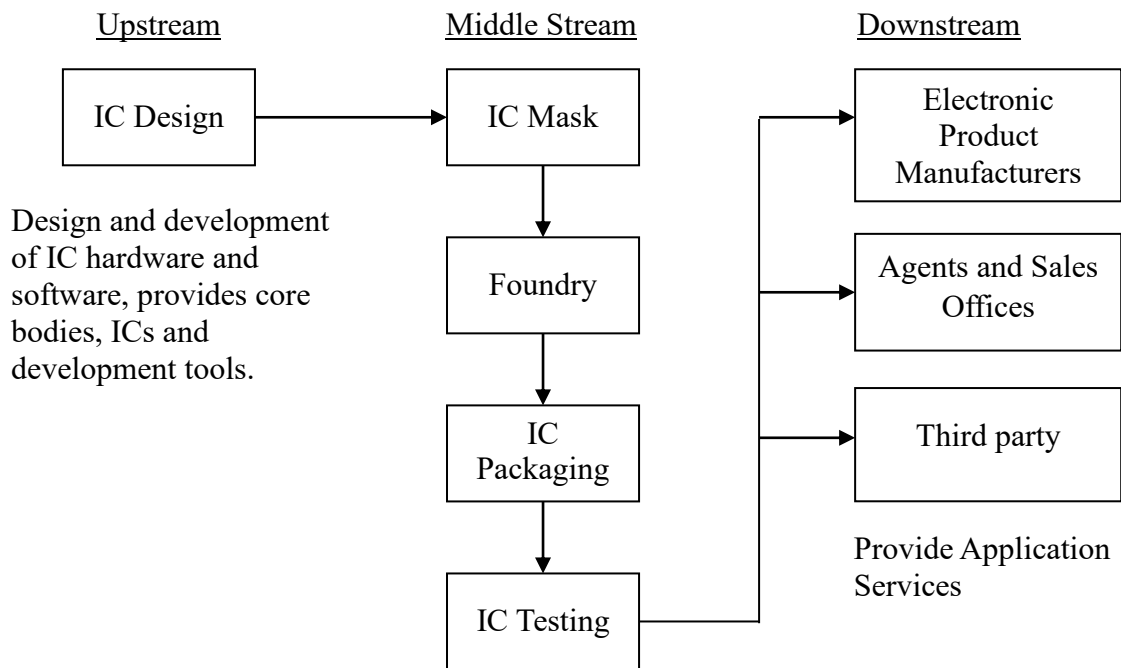
2. Relationship Among Upstream, Midstream, and Downstream Industry Sectors

The semiconductor industry system is highly developed, including IP design, IC design, IC manufacturing, photomasks, chemicals, IC packaging and testing, lead frames, IC modules, and IC distribution channels. Professional companies operate in every segment of the industry, creating a clear vertical division of labor.

The company is positioned in the upstream of the semiconductor industry chain, primarily focusing on the R&D and design of various IC software and hardware cores, providing standard core matrices, ICs, and development tools design and marketing, with front-end and back-end manufacturing outsourced. Domestic IC designers mostly lack their own wafer fabs, outsourcing manufacturing to professional foundries after completing the IC design; hence, IC designers must fully cooperate with foundries regarding capacity, processes, quality, and delivery. Considering various conditions, domestic IC designers generally select specific, professional, and large-scale foundries as major long-term partners. This stable relationship ensures continuous and stable supply and product quality; furthermore, if a wafer supplier has process and quality advantages, it is harder to be replaced by competitors.

Therefore, the company chooses well-known foundries as its main source of raw wafers and establishes long-term partnerships with them to match capacity quotas with company needs, increasing the stability of wafer supply and delivery. Additionally, the company's sales model primarily relies on distributors, mainly considering that distributors' geographical convenience and market development experience can more quickly expand local markets and reduce collection risks. The upstream, midstream, and downstream relationships of the semiconductor industry are illustrated below:

IC Design Industry Structure Diagram



3. Product Development Trends

The company's designed IC product series is comprehensive, covering a very wide range of application fields, including computers, communications, consumer electronics, smart home appliances, industrial equipment, health measurement, security and fire protection, and IoT products:

Main Product	Application Area
MCUs	<ol style="list-style-type: none"> 1. 8-bit/32-bit standard MCUs 2. BA Series MCU for Fire Safety and Security Applications. 3. BC series RF MCUs. 4. BD series BLDC motor control MCUs. 5. BH series health measurement MCUs. 6. BP series power management MCUs. 7. BS series touch MCUs and proximity sensor MCUs .
RF SoC MCU products	<ol style="list-style-type: none"> 1. Vehicle alarms, bicycle anti-theft, smart home wireless remote control, smart doorbell chimes and security. 2. Low-power Bluetooth (BLE) for health measurement products, home appliances and smart device information enquiry applications. 3. Sub-1GHz and 2.4GHz wireless encrypted communication products, smart meters reading, vehicle anti-theft remote controls, and IoT products. 4. Non-contact 5.8GHz microwave sensing products for lighting control, motion-sensing switches, automatic doors, intrusion detection alarms, and high-bay lighting applications. 5. NFC Reader ICs, dual-interface NFC Tag ICs with energy

Main Product	Application Area
	harvesting functions.
Home Appliance products	A Wide range of small household appliance microcontrollers, home appliance panel display control MCUs and various home appliances touch key MCUs.
Computer Peripherals	Keyboards, Mice, Gaming Keyboards, USB Bridge, CAN Bridges, PDF Data Loggers, etc.
Display Products	Electronic meters, audio/video/home appliance displays, vehicle displays, electronic shelf label displays, wearable product displays and constant current LED display, etc.
Power Management Products	Chargers, power banks, home appliance power supplies, inverters, battery protection boards, fuel management units, etc.
Financial Products	Dynamic password generators, challenge-response mechanism for one-time password, Dynamic Code Verification (DCV) card, NFC stored-value cards, smart card readers, financial instruments such as for checking currency, credit cards, identity cards and other areas such as for currency counting machines, sorting machines, ATMs, EPD Flash MCUs, Ultra-Low Power Flash MCUs and identity card identification instruments, etc.
IoT Products	Based on Wi-Fi and BLE (Low power Bluetooth) 32-bit Flash MCUs to provide complete solutions for small home appliances, health monitoring, medical care, smart bracelets and other IoT related products, etc.
Safety and Security Products	Low-power smoke/heat fire detectors, PM2.5 sensors, low-power CO/gas alarm detectors, PIR/uWave motion sensors, fire protection pressure differential detectors, emergency lights, evacuation indicators, energy storage fire protection, etc.
Health Measurement Products	Blood pressure monitors, blood glucose meters, pulse oximeters, thermometers, digital weighing scales, pricing scales, body fat analyzers, infrared thermometers, temperature and humidity meters, nebulizers, proximity sensors, transmitters, and wearable devices, etc.
BLDC Products	Power tools, garden tools, air purifiers, vacuum cleaners, hair dryers, water pumps, DC fans, ceiling fans, cooling fans, electric bicycles, electric bicycles, server cooling fans, and CDU water pumps, etc.
Digital Sensor/ Modules Products	Object movement/proximity detection, environmental temperature and humidity, gas and air quality detection, and various other physical quantity measurements, etc.

4. Competition Situation

In early 2026, the global semiconductor industry's memory market continued its AI-driven upward cycle. As the three major international originators (SK Hynix, Samsung, Micron) diverted massive capital expenditures and capacities fully towards High Bandwidth Memory (HBM) and high-end DDR5, traditional standard DRAM and NAND Flash capacities were severely crowded out. Driven by both supply constraints and the mild recovery of consumer electronics, memory prices ushered in a comprehensive and supportive structural increase.

Compared to the comprehensive surge in memory, the MCU market in early 2026 presented a differentiated pattern of "low-end bottoming and stabilizing, high-end precise price increasing."The price slashing caused by inventory depletion over the past two years has concluded. With global foundries initiating price adjustments for certain processes, and MCU makers seeking to ensure long-term profitability, the overall MCU Average Selling Price (ASP) not only has downside support but also shows a mild price increase trend in areas like automotive and high-end industrial control. Regional market impacts and competitive landscapes:

Mainland China Market: Mainland Chinese MCU makers, which previously relied heavily on mature processes and government subsidies, have begun to rein in price wars starting in Q1 2026 after prolonged low-price competition and capacity expansion, with some enterprises even issuing slight price increase notices for certain general-purpose products due to severe financial losses and cash flow pressures. This marks that disorderly competition in the mainland Chinese market has hit rock bottom, and the market will gradually return to rational supply-demand mechanisms.

Taiwan Market: Facing changes in foundry costs, Taiwanese MCU makers adopted highly flexible pricing strategies. Unlike past price competition, Taiwanese manufacturers actively transformed costs into product added value; by promoting higher-integration 32-bit platforms and introducing Edge AI algorithms, they shifted product lines towards high-margin niche markets (such as smart medical and high-end precision motor control), effectively maintaining stable profit margins.

Global Market: Major international IDMs (such as Infineon, NXP, STMicroelectronics) leverage their oligopoly advantages in automotive electronics, high-end Secure MCUs, and Industry 4.0, continuing to dominate pricing power in the global high-end market by binding long-term agreements (LTAs).

4.1.3 Research and Development

1. R&D Expenses for 2024 and 2025

Units: Value in NT\$ Thousand

Year	2024	2025
R&D Expenses	819,757	680,896
Operating Income	2,501,630	3,057,722
R&D Expenses to Operating Revenue Ratio (%)	33%	22%

2. Successfully Developed Technologies or Products

The company continuously invests in the R&D of new products and technologies, driving steady revenue growth and profit improvement through the continuous introduction of new products. R&D expenses for 2024 and 2025 were NT\$819,757 thousand and NT\$680,896 thousand, accounting for 33% and 22% of the operating revenue for the respective years.

The major R&D achievements in 2025 centered on microcontrollers paired with peripheral IC series, providing complete solutions and technical services. Based on existing MCU core technologies and products, the company is advancing AI integration and exploring new AI applications, expanding Edge Device developments. The current phase focuses on basic testing, high-precision measurement, wearables, and healthcare, leveraging new technologies to enhance application experiences and product added value. All MCU series meet industrial-grade temperature specifications (operating temperature range of -40°C to

+85 °C) and are advancing R&D towards 105 °C and 125 °C . Their quality and anti-interference capabilities match those of peer products from leading European, American, and Japanese manufacturers, earning wide recognition from customers. An overview by application category is as follows:

(1) 8-bit MCUs

- A. 1.8V ~ 5.5V standard series: Supports low operating voltages and currents, with built-in ADC and LCD functions, suitable for various home appliances, personal care, and consumer products.
- B. MCUs built-in multi-stage operational amplifiers, comparators, and LDOs: Save PCB space and simplify circuit architectures, reducing application product sizes while offering cost-saving and production convenience advantages; suitable for products requiring signal amplification, such as remote controls, reversing radars, rangefinders, toys, robots, measuring instruments, and automatic sensor faucets.
- C. Touch button microcontroller series: Riding the wave of touch products, suitable for various touch applications. The Flash Touch MCU series supports multiple ICP (In-Circuit Programming) writes and features built-in EEPROM, making it easy to modify programs, adjust parameters, and change settings, providing customers with the most convenient development platforms and the most competitive products.
- D. Ultra-low power standard series: Possesses low power consumption capabilities comparable to top international manufacturers, aligning with environmental trends; suitable for various portable products using energy harvesting or primary batteries.
- E. Health and medical products: Targeting blood pressure, blood glucose meters, continuous glucose monitors, blood oxygen, body temperature, weight and body fat, healthcare and nursing products, the company has sequentially developed dedicated MCUs. In addition to highly integrating existing external components, these provide higher-resolution 24-bit ADCs, voice interfaces, and BLE communications, simplifying designs for remote care products and improving ease of use for the elderly population.
- F. Measurement products: Dedicated MCUs integrate high-precision analog IPs like high-precision OPAs, 24-bit ADCs, and 16-bit DACs; applied in commercial products and industrial control measurement, such as pricing scales, vending machine weighing measurements, and industrial transmitters measuring physical quantity changes like pressure and temperature.
- G. Security products: Second-generation smoke detection alarms, low-power CO/gas detection alarms, PIR/microwave induction dedicated MCUs, PM2.5 sensors, and small smoke/temperature digital modules dedicated to energy storage fire protection. These products integrate functions like multi-stage OPAs, dual-channel IR LED drivers, temperature sensors, ADCs, and display drivers, significantly reducing the use of external components in security products. The smoke detection products also provide development platforms to accelerate customer development.

(2) Arm® Cortex® M series 32-bit MCUs

- A. HT32L series ultra-low power Flash MCUs based on the Arm® Cortex®-M0+ core.
- B. 2.5V~5.5V wide operating voltage Flash MCUs based on the Arm® Cortex®-M0+ core.
- C. Flash MCUs with operating speeds up to 72/96MHz based on the Arm® Cortex®-M3 core.

- D. Flash MCUs with operating speeds up to 60MHz based on the Arm® Cortex®-M0+ core.
- E. Flash MCUs with operating speeds up to 96~240MHz based on the Arm® Cortex®-M4 core, integrating various interfaces like CAN Bus and USB.
- F. BLDC Motor Flash MCUs with operating speeds up to 80MHz based on the Arm® Cortex®-M0+ core. They feature built-in Gate-drivers/Drivers, a 2.5V~5.5V operating voltage, and integrate PGAs, CMPs, 2.5Msps high-speed ADCs, and dedicated motor Timers to optimize FOC control for BLDC motors with hardware FOC and PID. Simultaneously launching SoC MCUs with different voltages and power ratings to minimize motor modules. All these have been successfully adopted in ceiling fans, hair dryers, energy-saving fans, water pumps, and electric scooters, suitable for numerous home appliance and industrial products.

(3) Consumer Products

- A. Flash Type Voice MCUs: Integrate 16-bit DACs, 12-bit ADCs, and other analog IPs while providing an SPI interface and built-in hardware voice decompression technologies, lowering the technical threshold for customer applications and improving product convenience.
- B. Touch + LCD/LED Flash MCUs: Combine capacitive touch buttons to directly drive LCDs and high-current LEDs, featuring built-in UART serial communication interfaces, RTC real-time clock functions, and high-precision 12-bit ADCs; besides general consumer products, they are also applicable to industrial products like industrial thermostats.
- C. Completed Generation 2.0 power-type charger control Flash MCUs: Feature two built-in sets of OPAs and DACs; by modifying the DAC via software, the MCU controls the primary-side PWMIC through the OPA, performing constant voltage (CV)/constant current (CC) hardware control for batteries, suitable for e-bike or power tool lead-acid/lithium battery charger products.

D. Power Management and Driver Products

- (a) 16-cell/24-cell lithium battery digital analog front-ends and protectors: Provide high-precision, reliable, and safe complete solutions; paired with high-precision software fuel gauge algorithms, they meet various lithium battery safety regulations. Applied in behind-the-meter energy storage devices, robots, and electric two-wheelers.
- (b) High-voltage/high-current drive step-down converters: Operating voltages up to 120V and max output currents of 3A; widely usable in smart meters, electric two-wheelers, smart home appliances, etc., providing stable and reliable system power.
- (c) Low-power/low-cost AC-DC voltage converters: Max withstand voltage up to 700V; streamlined peripheral circuits provide cost-competitive solutions, widely used in small home appliances such as induction cookers, electric ceramic stoves, coffee makers, and rice cookers.
- (d) Three-phase DC motor drivers: Highly integrated low-voltage 12V/24V power driver components; applicable to various high-efficiency fans and pump products, providing complete protection functions. Widely used in low-voltage motor products like desk/stand fans, water pumps, electric toothbrushes, and servos.

- E. High-voltage bus data transmission ICs: Integrate analog IPs for voltage

modulation data input and current modulation data output, providing demodulated data input and modulated data output functions; compliant with bus data transmission applications to enhance product convenience and completeness.

(4) Computer Peripheral Products

- A. USB 2.0 Full Speed MCU series.
- B. USB Bridge series ICs.
- C. High-speed CIS/CCD Analog Front-End (AFE) series.
- D. USB 2.0 Low Speed MCU series.
- E. CAN Bus Bridge series ICs.

(5) Wireless Products

- A. Wireless remote controls: Remote controls integrating RF transmitter circuits and encoders for 315M/433M/868M/915MHz ISM bands, supporting ASK/OOK/FSK/GFSK modulation; featuring built-in high-performance Flash MCUs, serving as SoC ICs that combine RF and MCU control.
- B. Wireless controllers: 315M/433M/868M/915MHz RF superheterodyne transceiver circuits, combining demodulated OOK/FSK reception and Flash MCU applications; suitable for pairing with wireless transmitter remote products for integrated one-way or two-way control applications.
- C. Bluetooth Low Energy (BLE) MCUs: Integrate high-performance RF, modems, and 32-bit M0+ Flash MCUs with built-in DC/DC and LDOs, supporting a wide range of single power supplies; suitable for low-power health and medical products, home appliances, and smart device information polling applications.
- D. 5.8GHz microwave sensor modules: PCBA integrates high-performance Doppler Radar ICs and MCUs, supporting sensing distances of 0.3~20 meters; suitable for human sensing applications (e.g., lighting control, induction switches, automatic doors, security intrusion alarms, high-ceiling lighting...).
- E. NFC Tag Flash MCUs & NFC Reader controllers.

(6) Brushless DC (BLDC) Motor Products

- A. BLDC Motor MCU series:
 - (a) HT32/HT8 cores, covering both high-end and low-end motor control products.
 - (b) HT32F66 series introduces hardware CORDIC & PID to enhance FOC calculation performance.
 - (c) Introduced dual-motor driver products to simplify designs for systems requiring dual-motor operations. The entire series integrates SoC MCUs with different withstand voltages and wattages for Gate-drivers/Drivers/LDOs, effectively reducing peripheral components, lowering BOM costs, and minimizing PCB sizes to achieve optimal cost-performance ratios.
 - (d) HT8 introduces advanced back-EMF filters for square-wave sensorless control, reducing noise from back-EMF signal feedback and improving commutation accuracy and efficiency.
- B. Advanced motor control algorithms:
 - (a) 1-/2-/3-shunt FOC control to adapt to various product needs.
 - (b) 1-shunt FOC control features current reconstruction phase shift compensation

and ultra-quiet control.

- (c) Sensorless key algorithm technologies: Patented initial position detection technology, zero-failure adaptive startup technology, and tailwind/headwind startup.
- (d) Advanced algorithms: Automatic PID Gain calculation, field weakening control, overmodulation technology, bus voltage compensation, etc.

C. Motor development platforms:

- (a) HT32 universal platform: A series of development boards are planned and paired, allowing customers to choose based on different voltages and power levels.
- (b) Product-grade motor platforms: Several product-grade motor platforms were developed based on product implementation experience, available for evaluation by manufacturers in related fields or those wishing to enter this industry, significantly reducing product development time.

(7) Edge Computing Products

- A. 2D IR Gesture Recognition: The module core is equipped with the BPNN (Back Propagation Neural Network) algorithm, achieving high accuracy even at low power consumption. It translates hand gestures into smart commands, supporting 6 basic directional gestures and 2 rotational gestures with intuitive and real-time responses, suitable for smart home, industrial automation, and medical environment applications.
- B. Card-type Blood Pressure Monitor: A one-stop personal health monitoring device combining "CNN (Convolutional Neural Network) and BPNN algorithms" to bring medical-grade monitoring tech into daily life. It extracts key features from pulse waveforms and predicts blood pressure based on personal data like age, height, and weight. The algorithms continuously learn and optimize, with real-world testing matching AAMI medical standards (average error < 5 mmHg, standard deviation < 8 mmHg), demonstrating clinical-grade precision.
- C. CGM Health Measurement: A new-generation "CGM (Continuous Glucose Monitor) device" utilizing the "SVM (Support Vector Machine) algorithm" to analyze and combine glucose sensing currents, temperature compensation signals, and temporal trends. It precisely tracks blood glucose 24/7 with a Mean Absolute Relative Difference (MARD) kept under 10%, instantly issuing high/low glucose warnings for anomalies. Featuring ultra-long battery life, real-time data sync to mobile Apps, and support for cloud platform and insulin pump integration, it is ideal for long-term tracking and care of diabetic patients.
- D. Body Composition Analyzer: Combines "BPNN and LMT (Logistic Model Tree) algorithms"; BPNN predicts whole-body and segmental composition, while LMT handles classification and risk assessment, providing personalized health advice. The Edge AI-equipped analyzer's algorithm model covers up to 54 items, supporting multi-parameter analysis and high-precision measurement for more comprehensive body checkups.

4.1.4 Short-term and Long-term Business Development Plans

1. Short-term Development Plans

(1) Marketing and Operational Strategies

The company's management team has over 40 years of rich experience in the IC

design industry, deeply understands customer and market needs, and receives full support from several front-end foundries and back-end packaging/testing plants. It has established local sales and technical service bases in Taiwan, China, the US, and India. Thus, the company holds high product competitiveness by providing customers with:

- A. Excellent product quality – (high ESD protection and anti-interference capabilities).
- B. Rapid product delivery times.
- C. Superior cost/performance ratios.
- D. Can provide both OTP (one time programming) and Flash type MCUs.
- E. Quick response local technical service.
- F. Flexible ASSP and ASIC MCU design service.
- G. Professional development tools and efficient C compiler.

In 2026, the US continues to push for a global 15% import tariff, triggering supply chain restructuring; Taiwanese MCU makers possess a tariff exemption advantage. Meanwhile, mainland Chinese MCU makers have started raising quotes by 15%~50% due to cost pressures, marking an official contraction of price wars. Facing early 2026's "cost-push" price fluctuations, the company believes this will accelerate the survival of the fittest in the industry. Manufacturers solely relying on low-price competition will face profit declines, while enterprises with technical moats can enjoy the dividends of ASP increases. The company's marketing and operational strategies are:

- A. Dynamic Pricing Mechanism: For high-value-added application-specific standard products (ASSPs) and 32-bit MCUs, moderately reflect costs to maintain reasonable profits based on market and industry chain trends; for price-sensitive consumer markets, maintain competitiveness through chip design optimization.
- B. Continuous Value Transformation: Insist on avoiding unprofitable price wars and concentrating resources on high-margin Edge AI and green energy applications to ensure synchronized improvements in revenue and profit quality during the industry's price hike wave.
- C. Deepening Penetration in Southeast Asia and Tariff-Affected Regions: Deepen brand localization and technical services, conducting targeted marketing toward Southeast Asian SMEs or emerging brands overlooked by major international IDMs, using "service power" to boost project preference conversion rates.

Simultaneously, the company actively collaborates with professional partners across different fields to continuously expand the 32-bit MCU application ecosystem, introducing innovative design solutions to accelerate customers' time-to-market for terminal application products.

(2) Production Strategies

- A. Maintain partnerships with major outsourced manufacturers such as foundries, packaging plants, and testing plants to secure sufficient capacity and cost competitiveness.
- B. Establish production-related information channels with partners to monitor production progress and quantities in real time, aiming to reduce inventory and manage stock effectively.

(3) Product Strategies

- A. The company positions its product development primarily on 8/32-bit

microcontroller ICs supplemented by microcontroller peripheral ICs, providing customers with diverse combination choices. This satisfies purchasing convenience and offers excellent cost-performance ratios, ensuring customers' products possess strong market competitiveness.

- B. Focus on strategic products as the core of market development, interact closely with customers, introduce niche products, and provide differentiated services.
- C. Approach from a total system cost perspective to launch highly integrated dedicated ASSP MCUs, assisting customers in reducing overall product costs to achieve a win-win outcome.
- D. Launch digital sensors and various modules to shorten customers' development times and enhance product stability.

(4) R&D Strategies

Driven by terminal product demands, the company builds MCU cores across different process platforms paired with specific IPs and critical technologies to achieve miniaturized SoCs. Working closely with foundries and packaging plants to develop SoCs and SiP integrations, the company enhances anti-interference and ESD protection capabilities during the integration process, reaching the same industrial-grade technical standards as American, Japanese, and European MCU suppliers. The company has planned for high-temperature AEC-Q100 certification to extend towards automotive electronics specifications. Additionally, for specific application products, it will directly improve functions to increase yield rates and tap into more potential markets.

2. Long-term Development Plans

(1) Marketing and Operational Strategies

The company's development strategies focus on smart home appliances, health measurements, PC peripherals, security, motor control, and financial applications, while aggressively expanding into international markets by focusing on R&D for high-quality microcontrollers. Leveraging superior product quality and rapid localized services, the company effectively meets global customer demands and has successfully introduced HOLTEK microcontrollers to multiple well-known international enterprises, establishing a global brand with a professional image.

Facing the low-price competitive pressures in the global MCU market and the challenge of excess mature process capacities, the company is actively shifting from "price competition" to "value competition." To establish a technological moat and avoid red ocean competition, the company pursues high-value transformation utilizing Edge AI and 32-bit MCUs mainly through the following strategies:

A. Accelerating Migration to 32-bit High-Performance Platforms:

To expand market share, the company will continuously deploy 32-bit MCUs and ASSP MCUs tailored to professional fields. The company is shifting its industry development focus from 8-bit to high-performance 32-bit platforms to address demands for high-end and highly complex products. In 2025, shipments of 32-bit MCUs reached approx. 52 million units, an annual growth of 177%. Moving forward, 32-bit MCU application functions will become more diverse. By collaborating with professional partners across fields, the company will continue to expand the application ecosystem, introducing innovative designs to accelerate the development of terminal products while providing a robust hardware foundation for Edge AI computing.

B. Deeply Cultivating ASSPs by Integrating Edge AI Algorithms:

As AI computing penetrates resource-constrained edge terminal devices, AI computing power has become the core differentiator for MCU products. By highly integrating sensing components, high-precision AFEs, and edge computing algorithms, the company deeply cultivates dedicated ASSPs with high technical barriers. The company firmly refuses to engage in unprofitable price wars, instead concentrating resources on high-margin Edge AI and green energy applications to establish a solid technological moat.

C. Targeting Mid-to-High-End Niche Market Applications:

The company actively introduces 32-bit platforms and Edge AI technologies into high-value-added application fields, including high-end home appliances, industrial equipment, automotive electronics, and AIoT. In specific scenarios, the company specifically integrates edge computing into "home health care products," planning to use high-performance 32-bit MCUs paired with precision sensors for large-scale data access and real-time analysis to help users judge their health status more accurately. This strategy successfully shifts the product lines toward high-margin niche markets like smart medical devices, high-end precision motor control, and green energy applications, effectively sustaining solid profit margins.

(2) Production Strategies

- A. Make early preparations for industry seasonal cycles to mitigate their impact.
- B. Continuously utilize advanced processes to lower costs, build cost advantages, and enhance yield rates and market competitiveness.

(3) Product Strategies

- A. Target major domestic and international manufacturers and potential markets for product promotion and services.
- B. Penetrate higher-end or high-value-added application fields, such as high-end large/small home appliances, industrial equipment, security protection, automotive electronics, and IoT equipment.
- C. Launch various professional product modules: Such as RF 5.8GHz/Sub-1GHz/Bluetooth/- NFC RF modules, environmental sensing modules, fingerprint recognition, proximity sensing, micro PIR sensing, weight sensing, touch sensing, ultrasonic modules, 1D/2D digital proximity sensors/modules, microwave sensor modules, temperature/humidity digital sensors/modules, infrared temperature measurement digital sensors, and small smoke/temperature digital modules dedicated to energy storage fire protection. These lower the professional product development barriers and R&D investment, accelerate product development cycles and mass production testing, and equip terminal products with various functions while maintaining stability.

(4) R&D Strategies

Enhance product design capabilities and respond to market application demands by establishing standardized and modular development technologies. Autonomously develop various development platforms and form external alliances with professional manufacturers to improve product yields and reliability, reduce development time and costs, and accelerate new product launches to boost product value and competitiveness.

(5) Product Development Items

- A. Develop 32-bit Arm® core STD MCU standard series with peripherals including LCD drivers, USB/UART/SPI/I2C/I2S/CAN communication interfaces, PWM drivers, CMOS sensors, high-speed and high-precision A/D and D/A converters, comparators, and operational amplifiers.
- B. Develop dedicated 32-bit Arm® core MCUs for Edge AI, motor control, fingerprint recognition, voice recognition, optical fiber communication, health measurement, and music synthesis. Incorporate peripherals like AES encryption/decryption, CRC calculation, 24-bit high-resolution Delta-Sigma A/D converters, and multi-channel music synthesizers, suitable for IoT terminal devices, wearables, multimedia products, wireless applications, and music synthesizers.
- C. Develop a full series of standard 8-bit STD MCUs covering various peripheral functions, LCD/LED driver peripherals, A/D and D/A converters, and 24-bit Delta-Sigma A/D converters for diverse applications.
- D. Expand the range of dedicated 8-bit ASSP MCUs for health and medical, personal care, industrial measurement, motor drivers, touch switches, security products, AIoT products, battery management, chargers, home appliances, computer peripherals, energy storage inverters, and voice products.
- E. Develop IEEE 802.15.4 compliant RF ICs and modules, including BLE RF, 5.8GHz microwave sensing, and Sub-1GHz RF.
- F. Expand the range of power management devices, including high-current LDOs, high output current DC-DC synchronous step-up converters, and high-efficiency AC-DC converters.
- G. Develop low/mid/high voltage 3-phase motor Gate Drivers and Driver ICs; lithium battery management ICs (BMS) and charger ICs; and single/dual motor BLDC Motor MCUs, applied in power tools, fans, pumps, electric bicycles, and scooters.
- H. Develop dedicated MCUs for various digital sensors/modules, integrate AFE circuits with various sensor applications, and develop digital sensor/module products to broaden application fields.

4.2 Market, Production and Sales Overview

4.2.1 Market Analysis

1. Sales Regions of Major Products

Units: Value in NT\$ Thousands

Region \ Year	2024		2025	
	Sales	Percentage (%)	Sales	Percentage (%)
Taiwan	273,089	11	306,851	10
China/HK	1,794,542	72	2,272,216	74
Overseas	433,999	17	478,655	16
Total	2,501,630	100	3,057,722	100

2. Market Share

The company focuses on developing microcontrollers (MCUs) and peripheral semiconductor devices. Its product applications cover a wide range; besides the 4C fields (Consumer, Communication, Computer, Car), they also include display driver ICs, power management ICs, RF ICs, analog ICs, and ASSP/ASIC MCUs, with each category

securing a solid market position. According to a report by Yole Group, the global MCU market was approximately USD 30 billion in 2025 and is projected to exceed USD 34 billion by 2030, maintaining a steady CAGR of 6% from 2024 to 2030. Growth is primarily driven by terminal application specification upgrades and the comprehensive popularization of edge computing technologies.

The company's total MCU sales in 2025 amounted to NT\$2.33 billion (approx. USD 73 million), accounting for about 0.24% of the global market revenue. Structurally, MCU ICs remain the primary revenue source, comprising 76% of total revenue. In 2025, annual MCU IC shipments reached 402 million units, growing 17% year-over-year, indicating steady demand growth that propelled the company's overall operational performance. Expanding shipment scales and optimized product mixes continually improved the operational structure, driving a return to profitability and a renewed growth trajectory for the year.

Revenue growth in 2025 was mainly concentrated in security, fire protection, BLDC motor control, and health measurement products, while power applications also showed a growth trend. In 2026, these areas are expected to remain the core product lines, with a continuous focus on their connectivity to Edge AI technologies. Breakthroughs are anticipated for new products in the server cooling fan sector; although currently tied to a single customer project, the company will actively expand into more projects, gradually increasing the related revenue share.

3. Future Market Supply/Demand and Growth

According to a Research and Markets report, the Edge AI market is estimated at USD 374 million in 2025 and is projected to reach USD 1.844 billion by 2032 (a CAGR of 25.6%). Amid the industry's massive wave from 2026 to 2030, MCUs are at the forefront of a generational specification shift, with Edge AI being the core engine driving this upgrade.

(1) Supply and Demand

As Industry 4.0, smart factories, and net-zero trends accelerate, terminal equipment demand for real-time computing with "low latency, high privacy, and low power" has surged. Deploying TinyML models in micro-devices transforms MCUs from mere "controllers" to "smart brains" capable of sensing, deciding, and inferring. Demand for high-clock-speed 32-bit MCUs has exploded, especially in high-end BLDC control, green energy storage systems, and Battery Management Systems (BMS).

Although global mature process capacities generally appear loose, significant technical barriers remain in the supply chain for high-end Edge AI applications. MCUs featuring Neural Processing Units (NPUs), highly integrated AFEs, and advanced specialized processes have high development thresholds and long verification cycles, resulting in relatively tight high-end capacity supply and structural supply-demand imbalances.

(2) Future Growth

The global MCU market is estimated to exceed USD 34 billion by 2030. Among them, 32-bit chips integrating Edge AI will be the core engine driving the overall market at a 6% to 10% CAGR, while high-value-added products will continue to raise the industry's ASP. The Asian market boasts the world's most complete ICT, consumer electronics, and E-Bike supply chains. Driven by new energy policies, China's demand for automotive-grade and high-end industrial control chips remains strong; Taiwan, leveraging its robust industrial PC and AIoT ecosystems, continues expanding high-tech application outlets in smart medical care, precision instruments, and low-carbon green energy.

Under the "domestic substitution" policy, China has released massive mature process capacities above 28nm. This massive capacity spillover resulted in severe oversupply and intensified red ocean competition for 8-bit and basic 32-bit general-purpose MCUs. In contrast, Taiwan's semiconductor supply chain has shown immense resilience and flexibility; IC designers actively avoid low-price competition by developing high-technical-barrier ASSPs, effectively sustaining profit margins.

Looking ahead to 2026, the company actively promotes forward-looking product layouts and technology developments, comprehensively targeting high-value-added applications through the deep integration of 32-bit high-performance computing cores, high-precision analog designs, and Edge AI. For "BLDC motor control," we pair Arm Cortex-M4 core BLDC MCUs with optical encoder MCUs to form high-end motor drive solutions, precisely penetrating AI server cooling and high-end inverter home appliance supply chains. For "green energy storage," we continuously strengthen BMS R&D to provide energy monitoring solutions complying with strict safety regulations. In "smart medical care," relying on dedicated chips with built-in 24-bit high-resolution ADCs and AFEs, we strive to miniaturize precision medical equipment like CGMs. Furthermore, for "smart security and fire networking," we fully demonstrate domestic chips' integration advantages in low-power technologies by combining RF and hardware encryption to construct highly reliable IoT protection networks.

4. Competitive Niches

The IC design industry is highly intelligent, brain-intensive, and technologically advanced; abundant R&D talents, computer-aided design, and testing equipment are basic and critical requirements. Over years of operation, the company has accumulated rich talents, technology R&D, and product application experiences, firmly grasping core technologies. It offers complete and diverse product lines and continually launches innovations, aiming to deliver products with stronger functions, higher quality, lower prices, and market competitiveness that meet customer demands.

(1) Focusing on Core Business, Strong Management Team, and Complete Marketing Network

As a leading professional MCU design firm, the company has focused on the IC industry for years, possessing a professional, experienced, and highly skilled management team. Leaders of each business unit have extensive industry backgrounds and professional technical expertise, granting competitive advantages in market consolidation and business expansion. The company also boasts a complete global marketing network, with agents or distributor networks spanning Taiwan, Hong Kong, Shenzhen, Dongguan, Xiamen, Shanghai, Suzhou, Hangzhou, Nanjing, Qingdao, Beijing, Chengdu, the US, India, and regions across Northeast Asia, Southeast Asia, South America, Europe, and the Middle East. This allows rapid collection of market intelligence to seize opportunities and enables fast sales, after-sales service, and technical support through global sales bases.

(2) Actively Developing Products with New Structures, Quality, and Continuous Updates Recognized by Customers

Since its inception, the company has increased the breadth and depth of its R&D, continually developing various newly structured products while applying for multinational patents to establish a leading technical edge. It has obtained ISO9001 and ISO14001 quality certifications, standardizing and standardizing all operational processes; its stable product quality is highly recognized by customers. A wide variety of products are developed to provide satisfactory and complete services tailored to

customer needs; this variety effectively mitigates price volatility risks caused by economic cycles of single products. By utilizing precise equipment, the company improves employee efficiency and product stability and reliability. Interacting with customers and markets, it develops high-tech application ICs that meet market demands, providing optimal cooperation and service to the client side, thereby enhancing the customers' product added value and competitiveness.

(3) Excellent and Refined R&D Design Capabilities

The company possesses a technical team with a complete R&D background and refined R&D techniques, understanding that R&D is the lifeblood of competitive niches. It continually strives for self-improvement, actively developing human resources by recruiting top domestic and foreign designers, conducting educational training to pass on skills and accumulate experience, and fostering a collaborative, efficient R&D team to sustain and expand its technological advantages. Through flexible strategic and academic collaborations, new technologies are introduced to enhance design capabilities and accelerate upgrades. Responding to market demands, it establishes standardized and modular development technologies, autonomously develops various platforms, and allies externally with professional manufacturers to improve yield and reliability, reduce development time and costs, and accelerate new product launches to boost product value and competitiveness.

(4) Solid Partnerships with Outsourced Foundries

The company has operated successfully since its establishment. Due to its larger operational scale, it possesses stronger bargaining power than typical IC designers, and foundries prioritize providing it with sufficient capacity. Wafer fabrication, packaging, and testing plants are all well-known major domestic and international manufacturers with whom the company maintains solid relationships. This ensures stable supply sources and leverages long-term cooperation and mass production to gain lower price advantages, enhancing long-term competitiveness.

(5) Patent Threshold

The company protects its R&D achievements by applying for patents, accumulating numerous patents to effectively raise industry entry barriers. As products evolve, new technologies and structures constantly emerge; whenever the company develops a new technical structure, it immediately applies for patent protection to sustain this competitive advantage.

5. Favorable/Unfavorable Factors for Future Development and Countermeasures

(1) Favorable Factors

Most IC design companies target specific industries or professional products to operate in the market; concentrating resources allows rapid accumulation of experience and grants advantages in professional products. However, when facing strong competitor challenges or massive market shifts, their stability and responsiveness fall far behind design companies that can provide diverse applications and meet varied customer demands. Therefore, the company targets providing comprehensive product applications and all-around services, currently holding the following competitive advantages:

A. Broad Range of Product Applications, Complete Product Series with Vast Development Potential

Focusing on providing various product applications and all-around services, the company's increasingly rich proprietary IPs and enhanced design capabilities enable

it to rapidly supply highly integrated ICs like ASSP/ASIC MCUs based on customer needs, offering complete solutions with reference designs. This enhances IC functionality and customer product competitiveness, raising barriers against competitors. The products span multiple industries, effectively mitigating market risks and offering substantial growth potential and flexibility for corporate goals; its future development is limitless with vast potential.

B. Product Versatility and Global Reach, Establishing a Global Marketing Network

The company's products are sold worldwide, and it has successfully established regional marketing bases to provide timely, localized product technical services (including development tools, FAEs, safety certifications, software services, etc.) that accurately reflect market needs. Its long-established global distribution system and smooth marketing channels facilitate overall product promotion and revenue expansion, earning certifications and adoptions from major international manufacturers in the US, Europe, Japan, and Korea.

The company continues to prioritize customer development and maintenance to lay a solid market foundation, combining production and sales while fostering long-term mutually beneficial relationships with customers. It forms alliances with upstream and downstream industries to strengthen interdependence and competitiveness. Additionally, through computerized support systems, operations such as forecasted sales demand, production scheduling, inventory, and outsourced processing fully leverage production-sales coordination. Effective agile product control operations achieve cost minimization, output maximization, and optimized service outcomes.

(2) Unfavorable Factors and Countermeasures

A. Difficulty in Recruiting Professional R&D Talent

The IC design industry is a high-tech knowledge industry, and its development lifecycle heavily relies on professional R&D personnel. Nurturing professionals capable of handling major R&D responsibilities requires extensive time for experience accumulation and training. Thus, brain drain or technology leaks can severely impede enterprise development.

Countermeasures:

- (a) Recruit excellent talent through university collaborations, hold regular educational training to cultivate R&D personnel, and strengthen pre-employment and on-the-job training to elevate staff quality and productivity. Pass on R&D experience and partner with domestic and international academic institutions to raise R&D personnel's technical levels and help newcomers quickly integrate into the R&D team's operations.
- (b) Establish competitive salary structures, provide good working environments and promotion channels, and implement comprehensive employee welfare and educational training systems to strengthen organizational identification. This allows employees to grow with the enterprise, establishing a foundation for sustainable development, motivating current staff, and attracting top talent.

B. Intense Market Competition and Rapid Product Generations

High similarities among domestic and international products lead to vicious competition and lower profits; product lifecycles shorten, and development costs increase. Furthermore, the company faces price-slashing competition from large European and American manufacturers, as well as fierce competition from

Integrated Device Manufacturers (IDMs).

Countermeasures:

- (a) Innovate upon existing product technologies to offer higher-performance chipsets. Grasp product trend shifts, elevate technological tiers and quality to avoid conflicts, and develop series products and ASSPs to satisfy diverse customer needs, securing unique advantages and maintaining market competitiveness.
- (b) Improve development environments and ensure fast and accurate collection of market intelligence to seize opportunities and lower development costs.
- (c) Against low-price and IDM competition, strengthen customer services and partnerships to grasp changes in terminal application market demands and specifications. Leverage superior cost-performance ratios, rapid services, and complete design solutions to develop products meeting customer needs, and form strategic alliances with foundries and testing/packaging plants to secure necessary competitive capabilities.

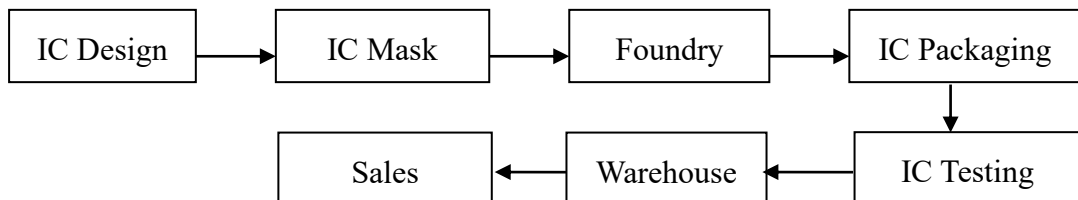
4.2.2 Important Uses and Manufacturing Processes of Major Products

1. Important Uses of Major Products

Major Products	Main Uses
MCU	Applied in home appliances, health care products, vehicles, industrial meter control, measurement, consumer electronics, touch products, communication products, and computer products, etc.
Display Driver	Applied in display driver products for home appliances, education, entertainment products, instruments, home security, anti-theft devices, health medical equipment, and automotive applications, including LCD, VFD, and LED. etc.
Power Management	Applied in power management for various computer and consumer products, including voltage regulation, voltage detection, DC-DC, and AC-DC conversion applications.
RF IC	Applied in security, anti-theft, health measurement, smart home appliances, and NFC financial cards., etc.

2. Manufacturing Process

- (1) The company focuses on design and marketing, with front-end and back-end manufacturing of products supplemented by outsourced production.



- (2) Wafer Foundry Resources

The company uses well-known domestic and international wafer foundries like UMC, TSMC, Episil, and Macronix, establishing long-term product development and

production partnerships.

(3) Packaging

Long-term cooperation based on capacity division with multiple manufacturers like Greatek, OSE, and ASE to ensure sufficient packaging capacity.

(4) Testing

Partners with multiple testing plants, such as Greatek and YTEC, which provide necessary testing technologies and equipment, ensuring ample capacity.

(5) Warehousing Operations

A. Main Stored Items:

(a) Types: Wafers/Dies/Packaged ICs/Semi-finished goods/Materials.

(b) Testing Status: Tested/Untested.

(c) Availability: Good parts/Defective parts/Scrap.

B. Good Warehousing Planning, Management, and Quality Assurance:

(a) Automated warehousing operations.

(b) Quality maintenance of stored items.

(c) Management and accuracy of goods entry/exit.

(d) Proactive tracking of goods turnover efficiency.

4.2.3 Supply Status of Major Raw Materials

The company's products are high-precision integrated circuits, and the primary raw material is silicon wafers. The major raw material suppliers are all well-known domestic and international manufacturers providing stable sources of excellent quality. Among them, the company maintains long-term and solid production partnerships with semiconductor plants like UMC、TSMC、Episil and Macronix to maintain an advantage in wafer foundry resources. It also actively seeks support from other domestic and international foundries to meet the company's growth demands.

4.2.4 If any customer in any of the previous two years with purchase (sales) amount exceeding 10% of the total purchase (sales), the name, amount and proportion to total purchase (sales) shall be specified, so shall the reasons for any change if applicable:

(1) Major Suppliers in the Last Two Calendar Years

Unit: Value in NT\$ thousands

Item	2024				2025				January 1, 2026 to March 31, 2026			
	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer
1	A	338,410	30	None	A	436,645	26	None	A	124,318	27	None
2	B	285,804	25	None	B	350,337	20	None	D	105,557	23	None
3	C	210,094	19	None	D	325,593	19	None	B	105,458	22	None
4	D	104,176	9	None	C	271,072	16	None	C	58,522	12	None
	Others	195,231	17	None	Others	330,009	19	None	Others	75,828	16	None

	Net Total Supplies	1,133,715	100		Net Total Supplies	1,713,656	100		Net Total Supplies	469,683	100	
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Note: The names, purchase amounts, and respective percentages of suppliers accounting for more than 10% of total purchases over the past two fiscal years are disclosed. However, if contractual obligations prohibit the disclosure of supplier names, or if the counterparty is an individual and not a related party, a code may be used instead.

Reasons for the changes:

Purchases in 2025 increased compared to 2024, primarily due to an increase in customer orders in 2025, which led to a corresponding increase in procurement from suppliers.

Among them, purchases from Company D in 2025 increased by more than twofold compared to 2024, mainly because the Company entered into a capacity reservation agreement with Supplier D. Under the agreement, the Company paid a deposit and committed to a specified purchase period and minimum purchase quantities, resulting in an expansion of procurement scale. This represents a normal course of business operation.

(2) Major Clients in the Last Two Calendar Years

Unit: Value in NT\$ thousands

Item	2024				2025				January 1, 2026 to March 31, 2026			
	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer
1	SIGNAL	363,607	15	(Note 2)	SIGNAL	496,166	16	(Note 2)	SIGNAL	124,138	15	(Note 2)
2	CROWN RICH	302,628	12	(Note 2)	NEWTEK	439,270	14	(Note 2)	NEWTEK	95,650	12	(Note 2)
3	NEWTEK	154,106	6	(Note 2)	CROWN RICH	278,670	9	(Note 2)	CROWN RICH	85,923	10	(Note 2)
	Others	1,681,289	67	None	Others	1,843,616	61	None	Others	519,874	63	None
	Net Sales	2,501,630	100		Net Sales	3,057,722	100		Net Sales	825,585	100	

Note 1: List of any clients accounting for 10 percent or more of the Company's total procurement (sales) amount in either of the 2 most recent fiscal years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each and an explanation of the reason for increases or decreases in the above figures. Where the company is prohibited by contract from revealing the name of a client or where a trading counterpart is an individual person who is not a related party, it may use a code in place of the actual name.

Note 2: The invested companies accounted for using equity method by the Company's subsidiaries.

Reasons for the changes:

Sales to SIGNAL and NEWTEK increased in 2025 compared to 2024, primarily driven by the stabilization of customer inventory levels, which subsequently resulted in an increase in order demand.

4.3 Employee Information

In the last two years as of the date this report was printed, the number of employees, average working period, average age and education are shown in the table below:

2026/03/31

Year		2024	2025	January 1, 2026 to March 31, 2026
Number of employees	R&D	492	418	418
	Management	130	113	112
	Manufacturing	24	4	4
	Total	646	535	534
Average age		38.56	39.74	39.86
Average years of service (Year)		9.71	10.78	10.88
Education	PhD	0.5%	0.6%	0.6%
	Master	28.0%	30.0%	29.6%
	Bachelor	67.2%	66.2%	66.4%
	High School	4.3%	3.2%	3.4%

4.4 Information on the expenditures for environmental protection

In the most recent two years and up to the publication date of 2025 Annual Report, the Company has not suffered losses and punishment for environmental pollution.

4.5 Labor relations

4.5.1 Listed below are the employee welfare, education, training, retirement systems and how they are implemented in the Company, as well as information on the agreements between the Company and various employee rights and maintenance:

1. Employee welfare

(1) Corporate Benefits:

The Company provides comprehensive amenities, including a cafeteria, employee recreation areas, fitness equipment zones, an aerobics studio, subsidies for high-level ultrasounds, a medical rest facility and lactation rooms. Additionally, we organize regular health check-ups. Professional medical staff are stationed on-site to provide health management and healthcare services.

(2) Employee Welfare Committee benefits:

In addition to organizing annual year-end party and lucky draw events, the Employee Welfare Committee provides a variety of allowances and subsidies, including birthday gifts, holiday vouchers, and financial assistance for travel, weddings, funerals, childbirth, and hospitalization.

To promote team cohesion and employee engagement, the Employee Welfare Committee supports various recreational clubs—such as badminton, dance, diving, Tai Chi, yoga, and photography—through financial support. These initiatives encourage active participation in extracurricular activities, foster a culture of physical wellness, and enhance overall quality of life.

2. Employee further study and training system:

Our company is committed to nurturing talent, not only by allocating budgets for employees to pursue external training but also by having department heads design internal training programs to provide a challenging and learning environment. For more details, please refer to pages 70~71 of this annual report and Chapter 5 of the Sustainability Report on Employee Care:

(1) New Employee Training:

- A. Cultural Integration and Cultivation in the Company: The company conducts unified training for new Employees to familiarize them with the corporate culture, administrative operations, financial reimbursement and ICP introduction, quality policy, intellectual property rights, information security, and occupational safety and health courses.
- B. Professional training: Senior engineers serve as instructors for new employees, and develop a comprehensive training course for relevant job positions, helping to establish basic design technology and design environment proficiency.

(2) On-the-job training programs:

- A. Department-sponsored training: Each department requires engineers to participate in internal department specialty training according to their professional needs.
- B. Internal training: The Administration Management Division collects and consolidates the annual training needs submitted by department heads. Upon approval by the internally established Education and Training Committee, professional instructors are invited to conduct training courses at the Company. The programs cover a wide range of topics, including professional technical skills, management skills, quality management, environmental protection and occupational health and safety, legal and intellectual property matters, computer training, general education, as well as work-life balance courses.
- C. Diversified learning resources and channels: Offering a training platform, integrating all course information, training systems, and data queries, developing e-learning and knowledge management systems, and establishing an online teaching satisfaction survey.
- D. External training: The Company compiles an annual training budget for each employee allowing them to obtain external professional training according to their personal requirements.
- E. The following table shows the actual implementation of internal and external education and training for employees in 2025:

	Total number of training hours	Total person-times
Management Training	5,734	3,957
Professional Training	397	273
New Employee Training	192	12

(3) On-the-job further education:

Senior engineers may apply for on-the-job training programs at domestic universities to enhance their professional research, development skills and management capabilities to meet the Company's future development and sustainable business needs.

(4) Self-development:

Cultivate employees' professional skills to build technical confidence, enabling them to be trained as program hosts and experience team collaboration in program management. Additionally, develop senior employees into the company's core leaders, participating in management training for grassroots, middle-level, and senior executives based on their rank to enhance operational management capabilities and performance.

3. Retirement system and implementation situation:

(1) Pension contribution:

A. Defined Benefit Plan (LSA): The Company has established a retirement plan and a Retirement Reserve Supervisory Committee. In accordance with the Labor Standards Act and the Regulations for the Allocation and Management of the Labor Retirement Reserve Fund, 4% of the total monthly payroll to the pension reserve fund, which is deposited into a designated account at the Bank of Taiwan to ensure transparency and proper oversight.

B. Defined Contribution Plan (LPA): Employees who applied for the new pension system, according to the Labor Pension Act, allocate a monthly amount of 6% of their monthly wages to their labor pension accounts.

(2) Implementation situation:

In accordance with the law and relevant regulations, the labor and management of the Company shall jointly organise the "Labor Pension Fund Supervisory Committee". Both sides shall hold quarterly meetings of the Labor Pension Fund Supervisory Committee which shall be responsible for the supervision and review of the fund allocation, storage and expenditure of the retirement reserve.

4. Agreements between labor and management and various employee rights and interests protection measures:

The Company regularly holds labor meetings every quarter. Those resolutions which need to be discussed are fully communicated by both sides of labor and management and implemented after reaching a consensus. We maintain an excellent relationship and close interaction between the employer and employees. Our dedicated Administrative and Human Resources Department formulates all systems in compliance with labor laws to protect employee rights. A dedicated "Employee Suggestion Box" has been established for colleagues to provide immediate feedback or voice concerns to all levels of management.

5. Code of conduct and ethics for employees:

The Company has established the "Codes of Ethical Conduct of Directors' and Managers", "Employee Code" and "Rules of Integrity for the Employees" regulate the business of all employees for management or supervision. These prohibit employees from using their positions for direct or indirect personal gain or any form of malpractice. These standards are integrated into corporate regulations and orientation materials, with regular training provided to all new hires.

6. Work environment and staff safety measures:

The Company has obtained ISO 45001:2018 Occupational Health and Safety Management System certification (valid until November 26, 2027) and has been certified by an independent third-party verification body. The scope of the management system covers employees and contractors involved in the execution of work activities at the Hsinchu Headquarters, encompassing the design, development, sales, quality inspection, and

contracting of integrated circuits.

(1) In line with the spirit of its Occupational Health and Safety Policy, the Company has formulated and implemented various management plans, including the Occupational Health and Safety Management Plan, Hazard Communication Program, Prevention Plan for Unlawful Acts During the Performance of Duties, Prevention Plan for Illnesses Induced by Abnormal Workload, Ergonomic Hazard Prevention Plan, and Maternity Health Protection Program, etc.

(2) Training and Education

To enhance employees' awareness of workplace safety and health, the Company regularly conducts environmental, health, and safety (EHS) training programs. These include occupational safety and health training for new hires and current employees, emergency response drills, fire safety training, and professional certification courses provided through accredited training institutions. In 2025, more than 1,871 participants attended the training programs, with a total of over 2,070.5 training hours completed.

(3) Health management

The company has professional nursing staff to manage and provide health-related services (such as health education for new hires with abnormal medical examination results, monthly health information dissemination). We regularly invite professional doctors to our company for health assessments and to host health seminars. Additionally, we commission medical institutions to conduct various annual health check-ups, emphasizing the physical and mental health of our employees.

(4) Occupational accidents

In 2025, the Company reported no cases of occupational disability incidents (including both employees and contractors) and no confirmed cases of occupational diseases as diagnosed by occupational medicine specialists. During the year, there were only one commuting traffic accidents, affecting four employees, representing 0.34% of the total workforce.

(5) The Company conducts emergency response and fire (Including evacuation drills for all employees)drills twice a year. In 2025, no fire incidents occurred, and no casualties were reported. By 2025, an evacuation roll call system APP will be established, which will enable real-time tracking of personnel movements, two-way communication, and reduction of panic.

(6) Environmental Health and Safety Management

- A. In addition to the 24-hour building security personnel, security cameras are installed at all entrances and corners. Security management at night and on holidays is increased to ensure the personal safety of employees.
- B. In addition to the annual fire safety inspection conducted by an external contractor, all firefighting equipment is inspected monthly and quarterly by designated personnel, with records maintained (e.g., fire alarms, fire extinguishers).
- C. To ensure the sanitary quality of drinking water for employees, water dispensers are tested quarterly for coliform bacteria, and the water dispenser contractor performs maintenance twice a month.
- D. Daily cleaning and disinfection are carried out in the office, and 75% alcohol is provided in seated toilets to ensure workplace sanitation.
- E. Elevators : Maintenance is performed by a certified elevator company every month

and every quarter according to regulations, with inspections conducted every six months as required by law.

- F. The Company conducts building public safety inspections and reporting every two years in accordance with regulatory requirements.

4.5.2 List any loss sustained as a result of labor disputes in the most recent fiscal year, and during the current fiscal year up to the date of publication of the annual report, disclose an estimate of losses incurred to date or likely to be incurred in the future, and indicate mitigation measures being or to be taken. If the loss cannot be reasonably estimated, make a statement to that effect: None.

4.6 Cyber Security Management

4.6.1 The Company's Cyber security management framework, Cyber security policies, management plan and investments in resources for cyber security

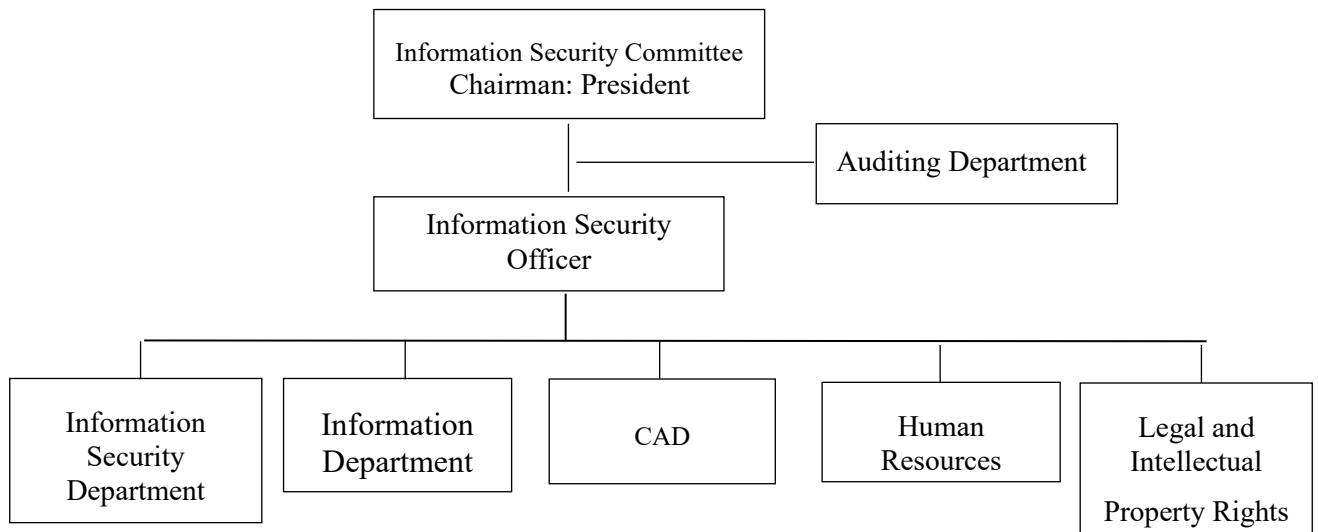
1. Cybersecurity risk management framework

The Company established the Information Security Committee in October 2022, which is responsible for the establishment, promotion, implementation, and continuous improvement of information security policies to ensure the security of the Company's intellectual property, trade secrets, and internal information assets.

The Information Security Committee is chaired by the President, with the Director of the Information Integration Department serving as the Information Security Officer. The Committee is composed of representatives from the Audit Department, Information Security Department, Information Department, CAD (IC Design Process Development Department), Human Resources, and Legal Affairs & Intellectual Property. The Committee has a total of eight members.

The Information Security Committee holds at least one meeting each year to review the appropriateness and effectiveness of information security policies and to continuously strengthen information security protection measures in order to reduce information security risks. The President also reports regularly to the Board of Directors each year on the implementation results and improvements of information security management. (The Date of the Board of Directors' Report: October 29, 2025)

The organizational chart of the Information Security Committee is as follows:



2. Information security policies

Our information security assets are divided into five categories: Devices, applications, network, data and users. Our information security strategy is formed to cover these five categories.

- (1) **Devices:** Control the hardware of the Company's endpoints, and only authorized devices can be connected to the network, further reducing the risks caused by unknown devices. The operating system is updated in real time to block vulnerability attacks. The operating system is installed with anti-virus software, which can block viruses and malicious programs. We monitor the software installed on the endpoint in order to conduct inventory of software.
- (2) **Applications:** We adopt multi-factor authentication to protect identification process. We have incorporated the use of a Web Application Firewall (WAF) to effectively block attacks against our applications. We also establish a cluster structure to ensure application services.
- (3) **Network:** Remote connection requires multi-factor authentication to protect identification. We have introduced the use of a new generation of firewall to manage our applications. We have an intrusion detection system to detect attacks early. We have advanced threat detection and protection technology to prevent unknown threats.
- (4) **Data:** Confidential data is encrypted to prevent data leakage. Data is stored in specialized storage equipment to prevent data loss due to hardware failure. Specialized backup software and equipment are used to carry out data backup on a daily basis and retain one copy at a remote site.
- (5) **Users:** Divided into general employees and information personnel.
 - A. **General employees:** Education and training sessions for new hires to improve their information security awareness and enhance the overall defense capability. Conduct social engineering drills from time to time to enhance information security awareness, and identify those with relatively weak information security awareness for further education and training.
 - B. **Information personnel:** Participate in information security education and training sessions and information security conferences to enhance information security capabilities. Implement a privileged account management system to reduce risks.

Implementation of information security policy:

The Company's Information Security Policy applies to both the Company and its subsidiaries. Through three key dimensions—information and communication risk management, information security management, and information security auditing—the Company adopts the Plan-Do-Check-Act (PDCA) model to regularly review the applicability of its information security policies and protective measures, ensuring continuous improvement.

3. Information security-specific management plan, and the resources committed to cybersecurity management

(1) Information security risk and countermeasures

Information security control items	Description of risks	Response measures	Projected benefits
Equipment/Endpoint hardware	Unidentified devices connected to the network,	Only authorized devices can access the corporate	Reinforce endpoint

	causing information security vulnerabilities	network	security
Equipment/Endpoint software	The operating system is not updated in time, resulting in unpatched information security vulnerabilities	<ol style="list-style-type: none"> 1. Delivery update and monitoring update status 2. Use tools to assess server Vulnerabilities and fix it 	Reinforce endpoint security
Application/Authentication	Passwords to Apps may have been leaked or cracked	<ol style="list-style-type: none"> 1. The Company has formally implemented a Web Application Firewall (WAF), which effectively blocks various sophisticated cyberattacks targeting websites, including OWASP Top 10 threats, malicious bots, DDoS attacks, SQL injection, and cross-site scripting (XSS). This helps protect website data and business operations from theft or disruption, ensuring website availability and security. 2. The Company has initially implemented passwordless authentication within internal enterprise groups, gradually replacing two-factor authentication (2FA) and traditional password-based authentication. 	Reduce the possibility of the system being logged in by others
Internet/Certification	Passwords to the domain may have been leaked or cracked	Multi-factor authentication (MFA) and passwordless authentication have been implemented to strengthen identity protection. In addition, Windows Hello has been enabled to secure device access.	To prevent unauthorized use of user accounts and to prevent unauthorized access to the computer.
Network/Control connection	Unnecessary connection services, causing the server to be attacked	Use new generation of firewall to control connection	Ensure that only essential connections are provided
Data/Confidential data	Possibility of data leakage	Adopt an encryption management system which restricts specific users to access confidential information only when	Confidential information can only be accessed when inside the Company

		they are in the company	
Data/Loss	Data loss due to failure of storage devices	1. Local backup and offsite backup 2. Establish a cloud backup system for databases and application systems	In case of data loss, the data can be restored from the backup system
Personnel/General employees	Lack of information security awareness leading to a breach	The Company strengthens internal employee training and periodically issues information security-related announcements to employees on an ad hoc basis.	Improve information security awareness to make employees become the best line of defense
Personnel/Information personnel	Unable to grasp the latest information security technology	1. Participate in external training 2. Attending SP-ISAC (Science Park Information Sharing and Analysis Center) to receive the latest information on information security via email from time to time.	Grasp the latest information security intelligence and technology
External Exposure Management	Undetected assets, vulnerabilities, misconfigurations, and system weaknesses	Conduct an external perspective-based assessment to identify assets and exposures that are visible on the internet, and consolidate identified issues into traceable and verifiable remediation items.	Through continuous monitoring, the Company is able to promptly remove or secure unnecessary externally exposed services, thereby reducing the risk of attacks.
Privileged Access Management (PAM)	In the absence of adequate controls, they may become primary targets for cyberattacks and insider threats.	1. Select a Privileged Access Management (PAM) solution that complies with international standards, such as ISO 27001 and NIST. 2. Prioritize the implementation of Privileged Access Management (PAM) for core systems, such as Active Directory (AD), databases, and cloud platforms.	Implement the Principle of Least Privilege (PoLP) to reduce insider threats and opportunities for lateral movement by attackers.

(2) Information security education and training

- A. Promotion of information security awareness: Regularly disseminate information security-related information to employees to improve their information security awareness.
- B. Information security education and training: All newly hired employees receive

information security training upon joining the Company to ensure their understanding of the Company's information security policies and requirements. In 2025, a total of 12 training sessions were provided to new employees, amounting to 16 training hours.

(3) Audit operations

The Internal Audit Office periodically reviews the implementation of the information security management system and provides improvement recommendations based on audit findings to ensure its continuous and effective operation.

In addition, the external auditors conduct regular audits of information systems, with a focus on areas such as privileged account management and periodic password changes. Any identified deficiencies are promptly required to be rectified, and the improvement results are subsequently tracked.

(4) Social engineering drills

The Company conducts annual email social engineering exercises by sending phishing simulation emails to employees. For personnel who do not pass the simulation, enhanced education and retraining are provided to strengthen their information security awareness and improve overall cybersecurity resilience.

(5) Web Application Vulnerability Scanning

The Company engages professional cybersecurity vendors to conduct web application vulnerability scanning and analysis services, assisting in the remediation of high-risk vulnerabilities and enhancing the overall defensive capabilities of the Company's websites.

(6) Information Security Control and Maintenance

The Company implements advanced information security controls and maintenance measures, including next-generation machine learning-based firewalls that provide real-time protection against cyberattacks, network isolation for R&D data, endpoint threat protection management, deployment of Web Application Firewalls (WAF), and external attack surface management. These measures enhance the effectiveness of the Company's cybersecurity defense system.

(7) External Exposure Management

From an external attack surface perspective, the Company conducts an outside-in assessment of its external exposure in a non-intrusive manner. By identifying enterprise-facing assets exposed on the internet—such as official websites, transaction platforms, and cloud services—the Company is able to quickly understand its defensive boundary, identify unmanaged assets, and define the scope of security assessment.

Furthermore, the Company evaluates its exposure from a hacker's perspective across seven key areas: website service security, IP reputation, network service security, domain system security, email security, leaked credentials on the dark web, and suspicious or impersonating domains. This approach enables the Company to more accurately and efficiently identify and remediate cybersecurity exposure issues, thereby reducing overall risk.

(8) Privileged Access Management

The Company selects a Privileged Access Management (PAM) solution compliant with international standards, such as ISO 27001 and the NIST framework, to centrally manage accounts with elevated privileges. The core functions include password vaulting and periodic rotation, privileged access request and approval workflows, and session logging and recording (Session Recording).

These measures are designed to prevent improper use of privileged accounts by

internal personnel and to reduce opportunities for lateral movement by cyber attackers, thereby achieving the Principle of Least Privilege (PoLP).

4.6.2 Losses Related to Cyber Security for the Most Recent Year and Up To the Publication

Date of this Annual Report: None.

4.7 Material contracts

Agreement	Counterparty	Period	Major Contents	Restrictions
Land lease	Hsinchu Science Park Bureau, Ministry of Science and Technology	2021/01/01~ 2040/12/31	Lease land of self-constructed factory	Usage of self-constructed factory only
Technology licensing	Arm Limited	Contracts commence on 2007/06/25 and continue in force	Arm® Cortex®-M3 Technology licensing	Obey to any related laws or regulations
Technology licensing	Arm Limited	Contracts commence on 2013/09/24 and continue in force	Arm® Cortex®-M0+ Technology licensing	Obey to any related laws or regulations
Technology licensing	Arm Limited	Contracts commence on 2018/12/28 and continue in force	Arm® Cortex®-M4 with FPU and system IP products Corstone-101 Technology licensing	Obey to any related laws or regulations
Supply contract	Company A	The Company retains obligation of confidentiality.	Foundry resources	Security regulations

V. Review of Financial Conditions, Financial Performance, and Risk Management

5.1 Analysis of Financial Status

Unit: NT\$ thousands

Item \ Year	2024	2025	Difference	
			Amount	%
Current Assets	4,495,650	4,512,007	16,357	0
Property, Plant and Equipment	380,895	364,966	(15,929)	(4)
Right-of-use Assets	89,834	57,307	(32,527)	(36)
Other Assets	651,331	629,375	(21,956)	(3)
Total Assets	5,617,710	5,563,655	(54,055)	(1)
Current Liabilities	1,578,998	1,230,842	(348,156)	(22)
Non-current Liabilities	382,130	344,789	(37,341)	(10)
Total Liabilities	1,961,128	1,575,631	(385,497)	(20)
Ordinary share capital	2,261,682	2,303,882	42,200	2
Capital surplus	142,309	250,130	107,821	76
Retained Earnings	1,244,597	1,417,743	173,146	14
Other equity	(49,901)	(52,171)	(2,270)	5
Non-controlling interests	57,895	68,440	10,545	18
Total Equity	3,656,582	3,988,024	331,442	9
<p>Analysis of changes in financial ratios:</p> <ol style="list-style-type: none"> Right-of-use assets decreased compared to the end of 2024, mainly due to the early termination of the lease for the Hsinchu office, the lease liabilities changed during the period. Current liabilities and Total liabilities decreased compared to the end of 2024, mainly due to the repayment of short-term borrowings. Capital surplus increased compared to the end of 2024, mainly due to the issuance of common stock at a cash premium through private placement this year. 				

5.2 Analysis of Operating Results

Unit: NT\$ thousands

Item	Year		Difference	
	2024	2025	Amount	%
Net operating revenue	2,501,630	3,057,722	556,092	22.23
Operating costs	1,538,786	1,879,931	341,145	22.17
Gross profit	962,844	1,177,791	214,947	22.32
Unrealized profit (loss) from sales	(45,165)	(12,215)	32,950	(72.95)
Realized gross profit	1,008,009	1,190,006	181,997	18.06
Operating expenses	1,244,796	1,083,058	(161,738)	(12.99)
Net operating income(loss)	(236,787)	106,948	343,735	(145.17)
Non-operating income and expenses	46,073	52,697	6,624	14.38
Income before tax(loss)	(190,714)	159,645	350,359	(183.71)
Income tax expenses (benefit)	(42,565)	(26,241)	16,324	(38.35)
Net income(loss)	(148,149)	185,886	334,035	(225.47)
Other comprehensive income (net of income tax)	(187,885)	(2,271)	185,614	(98.79)
Total comprehensive income	(336,034)	183,615	519,649	(154.64)
Total comprehensive income profit (loss) attributable to shareholders of the company	(149,555)	173,324	322,879	(215.89)
Total comprehensive income profit (loss) attributable to non-controlling interests	1,406	12,562	11,156	793.46
Total comprehensive income (loss) attributable to shareholders of the company	(339,335)	170,876	510,211	(150.36)
Total comprehensive income (loss) attributable to non-controlling interests	3,301	12,739	9,438	285.91

Analysis of changes in financial ratios:

1. Net operating revenue, Operating costs, Gross profit, Net operating income, Income before tax, Net income for the year, and total comprehensive income for the year all increased compared with 2024, primarily due to the increase in operating revenue.
2. Unrealized profit from sales increased compared with 2024, mainly because the consolidated company shipped goods to an investee, while the amount of unrealized profit reversed—due to the investee not yet selling the goods to end customers—was lower than that of the prior year.
3. Income tax benefit decreased compared with 2024, primarily because income before tax increased in 2025 (ROC Year 114), resulting in higher income tax expense for the year.
4. Other comprehensive income increased compared with 2024, mainly due to a decrease in unrealized valuation losses on equity instruments measured at fair value through other comprehensive income (FVOCI).

5.3 Analysis of Cash Flow

5.3.1 Cash Flow Analysis for the Current Year

Unit: NT\$ thousands

Cash and Cash Equivalents, Beginning of Year	Net cash flows from operating activities for the year	Net cash flows from non-operating activities for the year	Cash Surplus (Deficit)	Leverage of Cash Deficit	
				Investment Plan	Financing Plan
903,004	380,453	211,747	1,495,204	—	—

Analysis of change in cash flow in 2025:

1. Operating activities: Net cash inflow from operating activities was primarily attributable to a continuous decrease in inventory levels.
2. Investing activities: The decrease in time deposits with maturities of more than three months resulted in net cash inflows from investing activities.
3. Financing activities: The repayment of short-term borrowings resulted in net cash outflows from financing activities.

5.3.2 Cash Flow Analysis for the Coming Year

Unit: NT\$ thousands

Cash and Cash Equivalents, Beginning of Year	Net cash flows from operating activities for the year	Net cash flows from non-operating activities for the year	Cash Surplus (Deficit)	Leverage of Cash Deficit	
				Investment Plan	Financing Plan
1,495,204	500,000	(446,800)	1,548,404	—	—

Analysis of change in cash flow in 2026:

1. Operating activities: It is expected that the warming of business operations and reduced inventory will lead to a net cash inflow from operating activities.
2. Financing activities: The repayment of short-term borrowings and paid cash dividends resulted in net cash outflows from financing activities.

5.4 Impact of the Latest Major Capital Expenditures on Financial Business: None.

5.5 Main Reasons for Profits or Losses of Latest Reinvestment Policy, Improvement Plan, and Investment Plan for the Coming Year

Investment is mainly to meet the needs of the company's operation and development to establish a complete sales and technical service system. The net investment loss recognized by the equity method in 2025 is NT\$10,850 thousand.

1. The profit or loss of the reinvested company is mainly related to the amount of revenue. The Company will work to improve the revenue growth of the reinvested company and control the cost to improve its profitability.
2. Future investment plans are still based on business development needs and evaluate various investment plans at the appropriate time.

5.6 Risk Management Analysis

5.6.1 Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finances and Future Response Measures

1. Interest rate: The company's borrowings consist of short-term loans, so the cash flow risk from interest rate fluctuations is minimal. Additionally, the company maintains good relationships with banks, regularly evaluating potential interest rate risks. There have been no significant impacts on the company's profits or losses due to interest rate fluctuations. The cash equivalent position of the Company is mainly located in fixed deposits and bond funds and the financial institutions that the Company deals with have global records and capital so as to obtain stable and safe investment returns.
2. Foreign exchange rates: The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, and accounts payable that are denominated in foreign currency. A fluctuation in the NTD/USD and NTD/RMB exchange rate on the reporting date, with other factors remaining constant, would have increased or decreased the net income amounted to \$2,141 and \$2,034 for the years ended December 31, 2025 and 2024, respectively. In order to avoid the significant impact of foreign exchange rate fluctuations on the Company's revenue and profit, the Company has a designated finance department to monitor exchange rate movements in the foreign exchange market, to collect relevant information and to take the following specific measures:
 - (1) The Sales Division will carefully evaluate foreign exchange rate trends before offering customer quotes. It will also comprehensively consider the factors affecting exchange rate fluctuations and adopt a market-based exchange rate as the basis of sales quotation so as to reduce the impact of spot exchange rate changes on the Company's revenues and profits.
 - (2) In addition to remaining in close contact with banks and financial institutions in order to fully follow foreign exchange rate trends, the finance department will regularly review their operating strategies and risk control procedures to be able to respond to forex volatility. The Company uses foreign currency derivative contracts such as currency forwards to protect against currency exchange rate risks associated with non-NT dollar denominated currency positions.
 - (3) In adjusting to their foreign currency position according to the actual capital demand or exchange rate trends, the Company takes revenues to pay accounts payable using the same currency from multiple foreign currency accounts. This acts as a natural hedge, which is a principle of the Company's exchange strategy.
3. Inflation: The impact of inflation does not currently have a significant impact on the Company's profits and business operations.

5.6.2 Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending Funds to Other Parties, Endorsements/Guarantees, and Financial Derivatives Transactions

1. The Company does not engage in high-risk or highly leveraged investments or derivatives transactions. In 2025, in response to operational needs, the Company provided endorsements and guarantees for its wholly owned subsidiary. As of now, the related guarantee obligations have expired and been released, and neither the Company nor its subsidiaries have subsequently provided any additional endorsements or guarantees. In 2025, to meet the short-term working capital needs of Xinqun Semiconductor (Xiamen) Inc., financing was arranged by Holtek Semiconductor (China) Inc., a subsidiary of the Company. All such transactions were conducted in accordance with the Company's 'Procedures for Lending

Funds to Others.

2. The Company has conducted the “Procedures for Lending Funds to Other Parties”, the “Procedures for Endorsements/Guarantees”, and “Procedures for Acquisition or Disposal of Assets and Financial Derivatives Transactions”. A dedicated department has been assigned to execute operating procedures and risk management in accordance with the aforementioned procedures for which no significant loss has occurred.

5.6.3 Future Research & Development Projects and Corresponding Budget

With microcontrollers as its core product focus, the Company invests approximately 22% to 33% of its annual revenue in research and development each year. The Company also maintains its product competitiveness by forming strategic alliances and integrating resources across the upstream, midstream, and downstream supply chain.

5.6.4 Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales

The Company consistently monitors any changes in local and foreign policies and makes appropriate amendments to our systems when necessary. During 2021 and as of the date of publication of this annual report, changes in related laws have not had a significant impact on our operations.

5.6.5 The Impact and Response to Technology Changes (including information security risks) and Industrial Transformation relating to Corporate Finance and Business.

In response to the continuous advancement of semiconductor technologies, the Company allocates approximately 22% to 33% of its annual revenue to research and development expenses each year. In line with the increasingly specialized division of labor in the IC design industry, the Company focuses on the research and development and market development of microcontroller ICs and peripheral ICs. The Company also collaborates with upstream suppliers to adopt advanced technologies, thereby maintaining sufficient capability to respond to technological changes and industry developments, which contributes positively to the Company’s financial performance and business growth.

With regard to information security risk management, the Company has established an Information Security Committee to regularly review the establishment, implementation, and continuous improvement of information security policies. The Company also conducts information security awareness promotion and training for employees. In addition, the Internal Audit Office periodically reviews the implementation of information security management practices to ensure the continuous and effective operation of information security management.

5.6.6 The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company’s Response Measures

The Company retains a prudent business philosophy and maintains its existing good corporate brand image. Also, the strict internal control and crisis management mechanism has been regulated to effectively prevent any crisis from occurring to ensure the sustainable operation of the Company.

5.6.7 Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans

Not Applicable.

5.6.8 Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans

Not Applicable.

5.6.9 Risks Relating to and Response to Excessive Concentration of Purchasing Sources and

Excessive Customer Concentration

1. The Company has been in excellent operating condition since its establishment in 1998. Fabs collaborated with the Company have always provided priority giving adequate capacity during times of large scale operations. In addition, when considering risk reduction associated with any consolidation of sales or purchasing operations and considering the comprehensive factors such as production capacity, process technology, quality yield and delivery date, the Company also actively looks for alternative fab production capacity. Currently, the Company cooperates with several large fabs, packaging and testing companies. There is no over-concentration in one particular area.
2. The Company has been actively expanding niche markets for many years. Here the customer base is spread over all major global markets, including China, to fully achieve risk diversification and avoid the risk of excessive concentration of sales. In addition, the Company will strengthen credit management, require the provision of corresponding collateral, and continuously track the collection of accounts, so as to maintain stable business results.

5.6.10 Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors or Shareholders with Shareholdings of over 10%

None

5.6.11 Effects of, Risks Relating to and Response to the Changes in Management Rights

None

5.6.12 Major Law Suits, Non-Contentious Matters, or Administrative Actions involving the Directors, general manager, owners, shareholders that hold more than 10% of the equity shares, with sentence or pending on court decision, the result of which may significantly affect the shareholders' equity or stock price of the Company, the action taken in response to the aforementioned disputes, the target amount involved, the date on which the law suit started, the parties concerned, and the status as of the day this report was printed

None

5.6.13 Other Major Risks

None

5.7 Other Material Events

None

VI. Other Disclosures

6.1 Information on Affiliated Enterprises:

Please refer to the Market Observation Post System (MOPS) for details.

Path: MOPS > Single Company > Electronic Document Download > Related Party Reports Section

Website: https://mopsov.twse.com.tw/mops/web/t57sb01_q10

6.2 Status of Private Placements of Securities in the Most Recent Year and up to the Annual Report Publication Date:

Implementation Status of the Private Placement of Common Shares for Cash Capital Increase Approved at the 2025 Annual General Meeting

Unit: NT\$

Item	2025 Private Placement of Common Shares through Cash Capital Increase First issued date : July 2 nd , 2025
Types of Securities Privately Placed	Common Shares
Date and Approved Amount by the Shareholders' Meeting	The Company resolved at the Annual Shareholders' Meeting on May 28, 2025, to conduct a private placement of common shares through a cash capital increase, within a limit of no more than 10,000,000 shares, each with a par value of NT\$10. The private placement was to be conducted in a single installment within one year from the date of the shareholders' resolution. In this issuance, 4,220,000 shares were issued, and the remaining quota of 5,780,000 shares will not be utilized.
Pricing basis of private placement and its reasonableness	A. the simple arithmetic average closing price of the Company's common shares over either the 1, 3, or 5 business day prior to the pricing date, adjusted for any stock dividends, cash dividends (ex-rights and ex-dividend), and reverse ex-rights due to capital reduction; or (ii) the simple arithmetic average closing price over the 30 business days prior to the pricing date, adjusted in the same manner. The actual issue price shall not be lower than 80% of the reference price. B. Based on the aforementioned two benchmarks, the higher value is adopted as the reference price, which is determined to be NT\$44.43 for this private placement. The proposed issue price is set at NT\$35.55, representing 80.01% of the reference price and not lower than 80% of the reference price as resolved at the Shareholders' Meeting. Therefore, the pricing method and terms of this private placement comply with relevant laws and

	regulations and are deemed reasonable.					
Method for Selecting Specific Persons	The subscribers of the private placement shall be limited to specific people meeting the requirements set forth in Article 43-6, Paragraph 1 of the Securities and Exchange Act.					
Reason for conducting non-public offering	In consideration of the timeliness and feasibility of raising funds through a cash capital increase, and to avoid any disruption to the Company's normal operations, the Company plans to conduct a private placement of common shares. This approach aims to successfully raise the necessary funds and strengthen the Company's financial structure.					
Date of Completion of Payment	July 16 th , 2025					
Date of Share Delivery	August 15 th , 2025					
Subscribers Information	Private Placement Subscriber Name	Eligibility Criteria	Subscribed Shares	Relationship with the Company	Participation in Company Management	
	Wu, Chi-Yung	Article 43-6, Paragraph 1 of the Securities and Exchange Act	844,000 shares	Chairman of the Company	Chairman of the Company	
	Gau, Kuo-Tung		844,000 shares	Director of the Company	Director of the Company	
	Bo-Ding Investment Co., Ltd.		2,532,000 shares	Responsible person is the spouse of the Chairman of the Company	N/A	
Actual Private Placement Price	NT\$35.55					
Difference between the Actual Subscription Price and the Reference Price	The actual subscription price is NT\$35.55, representing 80.01% of the reference price of NT\$44.43.					
Impact of the Private Placement on Shareholders' Equity	The private placement is expected to strengthen the Company's financial structure, enhance operational efficiency, support stable business development, and have a positive effect on shareholders' equity.					
Use of Funds Raised from the Private Placement and Progress of Implementation	The funds raised in this private placement were used to repay bank loans. The actual amount utilized was NT\$150,021,000, and the repayment was completed in the third quarter of 2025.					

Effectiveness of the Private Placement	The funds raised from this private placement were used to repay bank loans, thereby reducing interest expenses and strengthening the Company's financial structure.
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6.3 Other Necessary Explanatory Matters: None.

6.4 Disclosures Required under Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act: None.

Holtek Semiconductor Inc.

Chairman: Wu, Chi-Yung