



AP Memory Technology Corporation

Annual Report 2025

Notice to readers

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

Annual report is available at:

Taiwan Stock Exchange Market Observation Post System: https://mops.twse.com.tw/mops/#/web/t57sb01_q5

Company official website: <https://www.apmemory.com/en/investor/financial?investor-tab=report>

Printed on March 10, 2026

I. Company spokesman and acting spokesman:

	<u>Spokesman</u>	<u>Acting Spokesman</u>
Name:	Lin, Yu-Hsin	Hung, Chih-Hsun
Job Title:	CFO	President
Tel.:	+886-3-560-1651	+886-3-560-1651
Email:	ir@apmemory.com	ir@apmemory.com

II. Company Address and Tel. No.:

Address: 10F-1, No1 Taiyuan 1st St., Zhubei City, Hsinchu County 30288, Taiwan

Tel.: +886-3-560-1558

III. Shares Register:

Name: KGI Security

Address: 5F, No. 2, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City, Taiwan.

Website: www.kgi.com.tw

Tel.: +886-2-2389-2999

IV. Certificated CPA

Name: CPA Chien, Ming-Yen and CPA Chuang, Pi-Yu

Office: Deloitte & Touche

Address: 20F., No. 100, Songren Rd., Sinyi Dist., Taipei City, Taiwan

Website: www.deloitte.com.tw

Tel.: +886-2-2725-9988

V. Name of any exchanges where the Company's securities are traded offshore, and the method:

Luxembourg Stock Exchange

by which to access information on said offshore securities:

<https://www.bourse.lu/home>

VI. Company Website: <https://www.apmemory.com>

INDEX

I LETTER TO SHAREHOLDERS	1
II CORPORATE GOVERNANCE REPORT	5
1. Information of Directors, Supervisors, President, Vice President, Assistant Vice President, Head of each Department and Branch	5
2. Remuneration paid to the Directors, President, and Vice President in the most recent year	12
3. Operation of Corporate Governance	16
4. Information of Audit Fee	46
5. Information on Replacement of CPA	46
6. The Company's Chairman, President, and managers in charge of its finance or accounting operations holds any positions within the Company's independent audit firm or its affiliates within the last one year.....	46
7. In the most recent year and up to the publication date of the Annual Report, any transfer of equity interests and pledge of or change in equity interests by any director, supervisor, Managerial Officers, and shareholder with 10% shareholdings or more	46
8. Relationship Information, if among the Company's 10 largest shareholders any one is a related party or is the spouse or a relative within the second degree of kinship of another	47
9. Number of shares held in any re-investment enterprise by the Company, its Directors, Supervisors, Management, and any enterprise directly or indirectly controlled by the Company; Calculate the consolidated shareholding percentage of the above categories	48
III FUNDRAISING	49
1. Capital and Shares	49
2. Corporate Bonds	51
3. Preferred Shares	51
4. Depositary Receipt.....	51
5. Status of Employee Stock Options Plan.....	52
6. New restricted stock award shares issued to employees	55
7. Status of new share issuance in connection with mergers or acquisitions	55
8. Implementation of funding utilization plan	55
IV OPERATION OVERVIEW	56
1. Business Activities.....	56
2. Market and production and sales overview	65
3. Number of employees in the last two years	70
4. Information on environmental protection expenses	70
5. Labor-management relationship.....	70
6. Cyber Security Management	71
7. Material contracts.....	73

V REVIEW AND ANALYSIS OF FINANCIAL CONDITIONS AND FINANCIAL PERFORMANCE

AND RISK ISSUES	74
1. Financial status	74
2. Financial performance	75
3. Cash flows	76
4. Impacts of major capital expenditures on financial operations in the most recent year	76
5. The investment policy, the main reasons for profit or loss, and improvement plans in the most recent year and investment plans for the coming year.	76
6. Risk matter assessment in the most recent year and as of the printing date of the annual report	77
7. Other important matters	80
VI SPECIAL NOTES	81
1. Information about affiliated enterprises.....	81
2. Private placement of securities in the most recent year and as of the printing date of the annual report.....	81
3. Other require supplementary information	81
4. Matters that have material impacts on shareholders' equity or securities price as defined in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act in the most recent year and as of the printing date of the annual report	81

I Letter to Shareholders

In 2025, AP Memory achieved significant revenue growth and solid progress across all of our product lines: IoTRAM™, S-SiCap™, and VHM™. IoTRAM™ product line demonstrated solid revenue growth, S-SiCap™ product line started to MP and contributed nearly 20% of annual revenue, while VHM™ product line achieved AI accelerator product design-ins for the first time.

Consolidated revenue for 2025 was NT\$5.67 billion, a significant increase of 35% compared to 2024. Gross profit increased 23% from NT\$2.15 billion to NT\$2.63 billion. Gross margin rate decreased by 4 percentage points to 47% due to product mix and NTD appreciation. Pre-tax operating income was NT\$1.40 billion, up 32% from 2024. Net income was NT\$1.26 billion (earnings per share of NT\$7.74), a 20% YoY decrease, primarily due to foreign exchange losses resulting from the rapid NTD appreciation in 2025.

Unit: in Thousands of NT\$, unless specified otherwise

	2025 (A)	2024 (B)	ΔAMT(C=A-B)	Δ%(C/B)
REVENUE	5,666,498	4,192,378	1,474,120	35%
GROSS PROFIT	2,633,661	2,145,573	488,088	23%
GROSS PROFIT RATE(%)	47%	51%	(4%)	
OPERATING EXPENSE	1,234,470	1,082,483	151,987	14%
OPE. EXPENSE RATE(%)	22%	26%	(4%)	
OPERATING INCOME	1,399,191	1,063,090	336,101	32%
NON-OPERATING NET PROFIT	119,251	969,785	(850,534)	(88%)
NET INCOME BEFORE TAX	1,518,442	2,032,875	(514,433)	(25%)
NET INCOME	1,239,886	1,578,232	(338,346)	(21%)
NET INCOME RATE(%)	22%	38%	(16%)	
NET INCOME ATTRIBUTE TO OWNERS OF THE COMPANY	1,257,655	1,578,232	(320,577)	(20%)
EPS(NT\$)	7.74	9.73	(1.99)	(20%)

As of December 31, 2025, the Company's total liquidity position is approximately NT\$11 billion. Significant changes in our balance sheet include: In the 2nd half of 2025, we exited our investment in Hai Ning Chang Meng Technology Partnership for RMB\$ 145 million, resulting in a decrease in financial assets at FVTPL; In Q3 2025, we made an investment in HamminX Ltd. (a startup company) for US\$5 million, recognized as financial assets at FVTOCI.

At the end of 2025, total liabilities were NT\$2.4 billion, with a debt ratio of 16%. This represents a significant increase compared to the end of 2024, primarily due to contract liabilities arising from customer prepayments, as well as an increase in short-term borrowing.

The net equity of shareholders was NT\$12.36 billion at the end of 2025. Excluding minority interests, equity attributable to owners of the company was NT\$ 12.24 billion, an increase of 3% compared to the end of 2024. We continue to maintain a strong financial structure, with liquid assets accounting for 75% of total assets.

Unit: in Thousands of NT\$,

	2025 (D)	2024 (E)	$\Delta\text{AMT}(F=D-E)$	$\Delta\%(F/E)$
CASH AND CASH EQUIVALENTS	7,263,192	4,188,544	3,074,648	73%
FINANCIAL ASSETS AT AMORTIZED COST	3,755,814	4,752,325	(996,511)	(21%)
INVENTORIES	1,144,751	1,203,177	(58,426)	(5%)
FINANCIAL ASSETS AT FVTPL	86,433	543,115	(456,682)	(84%)
FINANCIAL ASSETS AT FVTOCI	157,150	-	157,150	-
INVEST. ACCTED. FOR USING THE EQUITY METHOD	962,914	874,465	88,449	10%
OTHER ASSETS	1,370,018	1,446,662	(76,644)	(5%)
TOTAL ASSETS	14,740,272	13,008,288	1,731,984	13%
TOTAL LIABILITIES	2,376,226	1,101,231	1,274,995	116%
CAPITAL STOCK	813,762	812,108	1,654	-
OTHER EQUITY	11,428,835	11,094,949	333,886	3%
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	12,242,597	11,907,057	335,540	3%
NON-CONTROLLING INTERESTS	121,449	-	121,449	-
TOTAL EQUITY	12,364,046	11,907,057	456,989	4%

In accordance with the “Regulations Governing the Publication of Financial Forecasts of Public Companies”, the Company did not publicly disclose its financial forecast; therefore, the disclosure of budget execution is not applicable.

In addition to the overall operating and financial performance described above, the implementation results of the Company's 2025 business plans by product line are summarized as follows:

■ IoTRAM™ Product Line

Our IoTRAM™ product line, which supplies cost-effective IoTRAM™ products to IoT market worldwide, achieved a significant revenue growth, from NT\$3.25 billion to NT\$4.19 billion, representing 74% of revenue.

IoTRAM™ saw significant unit volume growth across all market segments. The wearable segment, in particular, continued to grow in both unit volume and per-unit memory capacity. This growth in wearable is driven by incorporation of new functions, including AR/VR and AI, which we expect to continue.

The newly introduced ApSRAM™, designed specifically for extreme low-power applications, started production in the fourth quarter, while continuing to gain design-ins in wearable, microcontroller, display, and edge-AI markets.

The recent shortage and price spike in commodity memory has further demonstrated the advantages of customized memory devices over commodity. With these advantages, including superior specifications, stable prices, and most importantly, stable supply, we expect more applications to shift from commodity memory to customized in the coming years.

■ S-SiCap™ Product Line

After many years of development, S-SiCap™ product line contributed NT\$1.1 billion, 20% of revenue in 2025, primarily from S-SiCap™ interposers.

S-SiCap™ interposer (IPC), driven by demand from high-performance-computing with advanced HBM3/3E, has ramped up to monthly production volume of thousands of wafers.

Our discrete S-SiCap™ devices (IPD), has been qualified for both land-side and embedded-in-substrate applications. These applications, especially embedded-in-substrate, are expected to grow substantially in the coming years.

With growth of both IPC and IPD, we expect S-SiCap™ product line to grow significantly in revenue. Our S-SiCap™ product line leads the market in capacitance density. Capacitance density is increasingly important due to stringent SI/PI requirements in high-performance-computing.

■ VHM™ Product Line

VHM™ product line continues to make progress towards mainstream adoption. In 2025, we successfully won product design-ins for AI accelerators. We also have multiple POC projects ongoing.

VHM™ product line revenue was NT\$0.37 billion, 6% of revenue. Revenue declined from 2024 due to reduction in crypto-currency wafer sales revenue. But NRE revenue increased due to a ramp-up of design-in activities.

On technology development side, we made significant progress in qualifying VHMStack™ with advanced logic nodes. In the long term, we continue to expect VHM™ and VHMStack™ to be adopted by more customers, primarily for AI accelerator applications.

■ New Opportunities

AP Memory continues to explore new opportunities.

Onecent Technology, a subsidiary focusing on UHF RFID tag IC, started production shipment. We expect RFID tag IC market to grow significantly due to adoption in logistics and retail markets.

We are leveraging our partnership with M3TEK (TWSE: 6799) to develop revolutionary products for IoT and high-performance-computing markets. We made an investment in PowerLattice, a leading innovator in IVR (integrated voltage regulators). We also invested in the startup HamminX, which develops CXL memory module technology for high-speed memory, in the 3rd quarter. AP Memory will continue to make strategic investments to identify and prepare for potential key technologies.

■ GDR Fund and Non-Operating Update

We completed a \$190M GDR offering in January 2022. The deployment of this capital has been

slower than expected, primarily due to uncertainties arising from geopolitical and general market changes.

In Q2 2025, TWD experienced a sudden appreciation of nearly 12% against USD. This resulted in a significant foreign exchange loss, and a net quarterly loss in fiscal Q2. The foreign exchange loss is mostly an accounting loss with no significant effect on our operations.

With a liquidity position exceeding NT\$10 billion, we continue to manage our finances conservatively. Our cash balance is invested primarily in interest-bearing USD time deposits. USD interest rate changes will impact our interest income directly.

In Q4 2025, we exited our investment in Hai Ning Chang Meng Technology Partnership, a China-based investment partnership. This exit is driven by changes in our 3DIC strategy. As 3D IC ecosystem matures, we are realigning our focus from niche to mainstream applications.

■ Macro Environment and Long-term Outlook

The market has adapted to US export regulations enacted in the last few years. We expect the impact of the US-China trade war on our business to be limited.

The industry is experiencing another supply shortage, particularly in memory. This shortage is currently having some minor effect on our business. We expect this supply shortage to pass in the coming quarters, like all previous supply shocks.

AI infrastructure investment worldwide is projected into trillions of dollars. We expect this investment megatrend to translate to significant opportunities in our S-SiCap™ and VHM™ product lines.

Our continuing effort to develop disruptive products will further expand the scope, scale, and stability of our business, and ultimately increase the long-term value of our business.

We deeply appreciate the support and encouragement of our shareholders, as well as that of our customers, suppliers, employees, and other ecosystem partners.

Chairman and CEO: Chen, Wen-Liang

President: Hung, Chih-Hsun

II Corporate Governance Report

1. Information of Directors, Supervisors, President, Vice President, Assistant Vice President, Head of each Department and Branch.

(1) Directors, Supervisors

A. Information of Directors

March 10, 2026; Unit: Share

Job Title	National ity or Place of Registra tion	Name	Gender / Age (Note 1)	Elected Date	Term of office	Commenc ement date of first term	Shares held at time of election		Shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualification	Positions held concurrently in the company and/or in any other company	Other officers, directors, or supervisors with which the person has a relationship of spouse or relative within the second degree		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship
Chairman	Taiwan	Chen, Wen-Liang	Male / A	May 29, 2023	3 years	June 15, 2020	61,358	0.04%	96,440	0.06%	—	—	—	—	Manager of R&D Department of Intel Corporation, USA; Senior R&D Manager of Cypress Semiconductor Corporation, USA; President, Cascade Semiconductor Corporation, USA; Ph.D. in Applied Physics, Yale University, USA	CEO and CTO, AP Memory Corporation; Supervisor of AP Memory Technology (Hangzhou) Co. Limited; Director, AP Memory Corp., USA; Director, VIVR Corporation; Person in charge, VIVR Corporation Taiwan Branch; Director, Onecent Technology Ltd.; Director, AI Memory Corporation; Director, Powerchip Semiconductor Manufacturing Corporation; Director, HamminX Ltd.	N/A	N/A	N/A
Director	Taiwan	Hung, Chih-Hsun	Male / A	May 29, 2023	3 years	May 29, 2023	101,509	0.06%	152,850	0.09%	—	—	—	—	Assistant Vice President of R&D Engineering and Production Operation, Alcor Micro Corporation; Senior Production and Operation Manager of Powerflash Technology Corporation; Production and Operation Manager of eMemory Technology Inc.; Ph.D. in Industrial Engineering and Management, National Yang Ming Chiao Tung University.	President, AP Memory Technology Corporation; Chairman, CascadeTeq Inc.; Director, Lyontek Inc.; Director, APware Technology Corp.; Director, AP Memory Japan Co., Ltd.	N/A	N/A	N/A
Director	Taiwan	Shanyi Investment Co., Ltd	—	May 29, 2023	3 years	June 4, 2014	26,706,668	16.50%	27,008,668	16.59%	—	—	—	—	—	—	N/A	N/A	N/A
	Taiwan	Representative: Yeh, Jui-Pin	Male / B				—	—	—	—	—	—	—	—	Chairman of Synopsys Taiwan Co., Ltd.; Global Vice President of Synopsys Inc.; Chairman of Kuan Hsin Venture Capital Co.; CEO of Youngtek Electronics Corp.; Master Degree in Electrical Engineering, National Central University	Independent Director, Progate Group Corporation; Director and CEO, M3 Technology Inc.	N/A	N/A	N/A
Director	Taiwan	Li Shun Investment Co.	—	May 29, 2023	3 years	June 19, 2017	127,854	0.08%	127,854	0.08%	—	—	—	—	—	—	N/A	N/A	N/A
	Taiwan	Representative: Hsieh, Ming-Lin	Male / A				—	—	—	—	—	—	—	—	Vice President, Powerchip Technology Corporation; Assistant Manager of Investment Department, LiSi Management Consulting Co.; Director of Ili Technology Corp.; Master Degree in Business Administration, National Taiwan University	Director, Power World Fund, Inc.; Director, Powerax Quantum Electronic Corporation; Director and President, Powerchip Investment Holding Corporation; Director, Powerchip Micro Device Corporation; Director, Daikawakenn Technology Co., Ltd.; Director, Icatch Technology, Inc.; Director, Skyvision Aviation Corp.; Director, Innostar Service, Inc.; Director, Powercoin Technology Corporation; Director, Elite Semiconductor Microelectronics Technology Inc.; Director, Biogate Precision Medicine Corp.; Director, Syntronix Corporation; Director, AI Memory Corporation; Director, Optigate Quantum Technology Inc.;	N/A	N/A	N/A

Job Title	National ity or Place of Registra tion	Name	Gender / Age (Note 1)	Elected Date	Term of office	Commencement date of first term	Shares held at time of election		Shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualification	Positions held concurrently in the company and/or in any other company	Other officers, directors, or supervisors with which the person has a relationship of spouse or relative within the second degree		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship
																Director, Retronix Technology Inc.; Director, Deutron Japan Corp.; Director, Poly-Magic Materials Corporation; Director, Retronix Japan;			
Independent Director	Taiwan	Wang, Hsuan	Female / A	May 29, 2023	3 Years	Aug. 20, 2021	—	—	—	—	—	—	—	—	Member of Purchasing Committee of NCC; Consultant of Chunghwa Telecom; Part-Time Lecturer of National Taiwan University; Certified Internal Auditor; Certified Public Accountant; Ph.D in Accounting, National Taiwan University.	Assistant Professor, Yuan Ze University; Chairperson, Internal Audit Committee, Yuan Ze University; Chair, Center for Sustainability Development and Social Responsibility, Yuan Ze University; Independent Director, Sensortek Technology Corp.	N/A	N/A	N/A
Independent Director	Taiwan	Sun, Elizabeth	Female / B	May 29, 2023	3 years	May 27, 2022	—	—	—	—	—	—	—	—	Senior Director, Corporate Communication Division & Deputy Spokesman of TSMC; Associate Professor of Finance, San Jose State University; Ph.D in Financial, University of Cincinnati Carl H. Lindner College of Business	Honorary Chairperson, Taiwan Investor Relations Institute; Consultant, MediaTek Inc.	N/A	N/A	N/A
Independent Director	Taiwan	Liu, Frank	Male / B	May 29, 2023	3 years	Aug. 20, 2021	—	—	—	—	—	—	—	—	Independent Director, RITDISPLAY Corporation; Independent Director, PRIMAX ELECTRONICS Ltd.; Chairman, Lee Tah Farm Industries co., Ltd.; Chairman, Lydon Textile Co; Chairman, China Enterprise Forum; Master Degree in Electrical Engineering and Computer Science, MIT; and Physics ,Purdue University.	Chairman of Chelmsford. International Ltd.; Director, Taiwan Mergers & Acquisitions and Private Equity Council; Director, Subic Bay Development and Management Co. Ltd Director, UD Corporation; Supervisor, Century Tech. C&M Corporation	N/A	N/A	N/A
Independent Director	Taiwan	Chen, Ken ^(Note 2)	Male / B	Apr. 30, 2025	^(Note 2)	Apr. 30, 2025	—	—	—	—	—	—	—	—	President, Global Unichip Corporation; Senior Director, Taiwan Semiconductor Manufacturing Company Limited (TSMC); Board Member, Chinese American Semiconductor Professional Association (CASPA); Ph.D. in Materials Science and Engineering, Stanford University, USA; M.S. in Materials Engineering, University of California, Los Angeles (UCLA), USA	Chief Business Officer, Brillnics (Taiwan) Inc.; Consultant, Unimicron Technology Corporation	N/A	N/A	N/A

Note 1: A→under 60 years old; B→over 60 years old

Note 2: Mr. Ken Chen assumed office following his election at the Annual General Shareholders’ Meeting on April 30, 2025.

If a Director is a representative of a corporate shareholder, the major shareholder of the corporate shareholders is:

Name of Corporate Shareholder	Major Shareholder of Corporate Shareholder	If the major shareholder of a corporate shareholder is a legal person, its major shareholder is
Shanyi Investment Co., Ltd	YAMAICHI HOLDINGS CO., LTD. (100%)	JUAN LI (100%)
Li Shun Investment Co.	Hsieh, Ming-Lin (48.45%)	-

B. Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and the Independence of Independent Directors

Title / Name	Professional qualifications and experience	Independent status	No. of other public companies at which the person concurrently serves as an Independent Director
Chairman / Chen, Wen-Liang	Mr. Chen obtained a PhD in Applied Physics in Yale University. And he is also our Chief Executive Officer, and Chief Technology Officer of the Company. He was R&D department manager of Intel Corporation and has over 30 years of experience in the semiconductor industry.	Not applicable(General Director)	0
Hung, Chih-Hsun	Mr. Hung obtained a PhD in industrial engineering and management from the National Yang Ming Chiao Tung University and serves as the President of the Company.		0
Director / Shanyi Investment Co., Ltd Representative: Yeh, Jui-Pin	Mr. Yeh obtained a Master's Degree in Electrical Engineering from National Central University. He previously served as the chief executive officer of YongTek Electronics Corporation and the chairman of Synopsys Taiwan. He specializes in business operations, marketing and strategic planning, and has an in-depth understanding of the semiconductor industry.		0
Director / Li Shun Investment Co. Representative: Hsieh, Ming-Lin	Mr. Hsieh obtained a Master's Degree from the Graduate School of Business, National Taiwan University. He is the Vice President of Powerchip Semiconductor Manufacturing Corporation and serves as the Director and Supervisor of several listed on OTC, listed on TWSE and public companies.		1

Title / Name	Professional qualifications and experience	Independent status	No. of other public companies at which the person concurrently serves as an Independent Director
Independent Director / Wang, Hsuan	Ms. Wang has a PhD in Accounting from the National Taiwan University. She is the CPA of R.O.C. and a qualified international internal auditor. She is an assistant professor in the Department of Accounting and a member of the Internal Audit Committee of Yuan Ze University.	The following independence assessment criteria have been met in the two years prior to and during the period of taking office (1) Not an employee of the Company or any affiliates. (2) Not a Director or Supervisor of the Company or any affiliates. (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings.	1
Independent Director / Sun, Elizabeth	Ms. Sun obtained a PhD in Finance from the University of Cincinnati and was an associate Professor of Finance at San Jose State University. She also worked as a senior director and acting spokesman of Taiwan Semiconductor Manufacturing Corporation.	(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs. (5) Not a Director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a Director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Law.	0
Independent Director / Liu, Frank	Mr. Liu has a Master's Degree in Engineering and Computer Science, and He has served as chairman and president of several companies and has extensive experience in company operations and industry trends.	(6) If a majority of the company's Director seats or voting shares and those of any other company are controlled by the same person: not a Director, supervisor, or employee of that other company. (7) If the chairman, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: not a Director (or governor), Supervisor, or employee of that other company or institution. (8) Not a Director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company.	0
Independent Director / Chen, Ken	Mr. Chen holds a Ph.D. in Materials Science and Engineering from Stanford University, USA, and previously served as President of Global Unichip Corporation. He has extensive expertise in semiconductor industry strategy, integrated circuit design services, corporate operations, and corporate governance.	(9) Not a professional individual who, or an owner, partner, Director, Supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof.	

C. Diversity and independence of the Board of Directors:

The Board of Directors of the Company currently consists of 8 Directors, including 4 independent Directors. Directors concurrently serving as employees account for 25% of the total number of Directors, while Independent Directors represent 50% of the Board. All directors of the Company are able to exercise their duties independently and provide professional opinions. Furthermore, there is no spousal relationship or kinship within the second degree of relationship among the directors as specified in Paragraph 3 and Paragraph 4 of Article 26-3 of the “Securities and Exchange Act”. Therefore, the Company considers that the current Board of Directors possesses independence.

Male Directors account for 75% of the Board, and female Directors account for 25%, which has not yet met the recommendation under the Financial Supervisory Commission’s “ESG Sustainable Development Action Plan” that at least one-third of the Board be of the same gender. All current Directors possess substantial industry experience in their respective professional fields. However, due to the high level of specialization required in the semiconductor and memory industries in which the Company operates, the pool of female candidates meeting the Board’s professional requirements remains limited, resulting in the current gender ratio not reaching the aforementioned benchmark.

To enhance gender diversity on the Board, the Company has incorporated gender diversity into its Director nomination principles and gives priority consideration to female candidates with relevant industry expertise during the nomination process. At the same time, the Company continues to expand its external search channels for female talent to enrich the pool of Director candidates, with the aim of gradually improving gender balance on the Board.

Name of Director	Gender	Employee	Tenure of Independent Directors	Diversified Core Project Capabilities							
				Operational Judgment	Accounting and Financial Analysis Skill	Management Ability	Crisis Management Capability	Industry Knowledge	View of International Market	Leadership	Decision-Making Ability
Chen, Wen-Liang	Male	✓	General Director	✓	✓	✓	✓	✓	✓	✓	✓
Hung, Chih-Hsun	Male	✓		✓		✓	✓	✓	✓	✓	✓
Shanyi Investment Co., Ltd Representative: Yeh, Jui-Pin	Male			✓		✓	✓	✓	✓	✓	✓
Li Shun Investment Co. Representative: Hsieh, Ming-Lin	Male			✓	✓	✓	✓	✓	✓	✓	✓
Independent Director Wang, Hsuan	Female		2	✓	✓		✓		✓	✓	✓
Independent Director Sun, Elizabeth	Female		2	✓	✓	✓	✓	✓	✓	✓	✓
Independent Director Liu, Frank	Male		2	✓		✓	✓	✓	✓	✓	✓
Independent Director Chen, Ken	Male		1	✓		✓	✓	✓	✓	✓	✓

(2) Information of President, Vice President, Assistant Vice President, Head of each Department and Branch.

March 10, 2026; Unit: Share

Job Title	Nationality	Name	Gender	Date of appointment to position	Shareholdings		Shares now held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions concurrently held in other companies at present	Officers with a spouse or second degree of relationship		
					Shares	%	Shares	%	Shares	%			Job Title	Name	Relationship
CEO, and CTO	Taiwan	Chen, Wen-Liang	Male	Sep. 1, 2016	96,440	0.06%	—	—	—	—	Senior R&D Manager of Cypress Semiconductor Corporation, USA President, Cascade Semiconductor Corporation, USA Manager of R&D Department of Intel Corporation, USA Ph.D. in Applied Physics, Yale University, USA	Supervisor of AP Memory Technology (Hangzhou) Co. Limited; Director, AP Memory Corp., USA; Chairman, VIVR Corporation; Person in charge, VIVR Corporation Taiwan Branch; Director, Onecent Technology Ltd.; Director, AI Memory Corporation; Director, Powerchip Semiconductor Manufacturing Corporation; Director, HamminX Ltd.	N/A	N/A	N/A
President	Taiwan	Hung, Chih-Hsun	Male	July 1, 2022	152,850	0.09%	—	—	—	—	Assistant Vice President Manager of R&D Engineering and Production Operation, Alcor Micro Corporation Senior Production and Operation Manager of Powerflash Technology Corporation Production and Operation Manager of eMemory Technology Inc. Ph.D. in Industrial Engineering and Management, National Yang Ming Chiao Tung University	Director, CascadeTeq Inc.; Director, Lyontek Inc.; Director, APware Technology Corp.; Director, AP Memory Japan Co., Ltd.	N/A	N/A	N/A
Senior Vice President	Taiwan	Liu, Chin-Hung ^(Note)	Male	Aug. 19, 2019	N/A	N/A	—	—	—	—	Chief Engineer, Cypress Semiconductor Corporation, USA Process Integration Engineer, United Microelectronics Corporation Master Degree in Applied Chemistry, National Yang Ming Chiao Tung University	N/A	N/A	N/A	N/A
Vice President and CFO	Taiwan	Lin, Yu-Hsin	Female	July 1, 2022	309,506	0.19%	—	—	—	—	Financial Manager of Alcor Micro, Corporation Junior Manager of Yuanta Core Pacific Securities Co., Ltd. Auditor of Deloitte Touche Tohmatsu Limited Master Degree in Accounting, National Chengchi University	Chairman, M3 Technology Inc. Representative Director, AP Memory Japan Co., Ltd.	N/A	N/A	N/A
Vice President	Taiwan	Hsueh, Che-Yuan	Male	March 1, 2024	200	—	—	—	—	—	Sales Vice President of Winbond Electronics Corporation, USA; Marketing Director of Winbond Electronics Corporation; R&D Engineer of Duratek, Inc; Master Degree in Engineering and System Science, National Tsing Hua University	Director, AP Memory Technology (Hangzhou) Co., Limited Director, AP Memory Technology (Hong Kong) Co., Limited Supervisor, AP Memory Japan Co., Ltd.	N/A	N/A	N/A

Job Title	Nationality	Name	Gender	Date of appointment to position	Shareholdings		Shares now held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions concurrently held in other companies at present	Officers with a spouse or second degree of relationship		
					Shares	%	Shares	%	Shares	%			Job Title	Name	Relationship
Vice President	Taiwan	Liu, Tsung-Ning	Male	Jan. 1, 2025	8,354	0.01%	—	—	—	—	Business Development Manager of Taiwan Semiconductor Manufacturing Company Product Marketing Manager of XAC Automation Company Hardware designer Engineer of Sun Microsystems Master Degree in Electrical Engineering, Stanford University, USA	N/A	N/A	N/A	N/A
Assistant Vice President	Taiwan	Huang, Wei-Cheng	Male	April 1, 2022	35,328	0.02%	—	—	—	—	New product development and validation manager of Winbond electronics corporation Sr. Quality Control Engineer of Taiwan Semiconductor Manufacturing Company Product validation engineer, Macronix International Co Bachelor in Electrical Engineering, Kao Yuan University	N/A	N/A	N/A	N/A
Assistant Vice President	USA	Huang, Jing-Lun	Male	April 1, 2025	—	—	—	—	—	—	Vice President of Research and Development, ANAX Technology Corp. Principal R&D Engineer, Intel Corporation, USA Master of Engineering, Cornell University, USA	N/A	N/A	N/A	N/A
Assistant Vice President	Taiwan	Lin, Chih-Tsung	Male	April 1, 2025	2,094	—	300	—	—	—	Senior Procurement Manager, Supply Chain Department, MediaTek Inc. Manager, Central Business Support Department, United Microelectronics Corporation (UMC) Process Engineer, Siliconware Precision Industries Co., Ltd. (SPIL) Industrial Engineer, Union Optronics Corp. Master Degree in Industrial Engineering and Management, Yuan Ze University	N/A	N/A	N/A	N/A
Accounting and Finance Officer	Taiwan	Hung, Mao-Chuan	Male	May 4, 2020	12,704	0.01%	—	—	—	—	Deputy Manager of Deloitte Touche Tohmatsu Limited Master Degree in Accounting, National Taipei University	N/A	N/A	N/A	N/A
Corporate Governance Officer	Taiwan	Hong, Shu-Ling	Female	May 7, 2021	30,515	0.02%	—	—	—	—	Deputy Manager of Rotam Global AgroSciences Limited Auditor of Ernst & Young Bachelor in Accounting, Soochow University	N/A	N/A	N/A	N/A

Note : Mr. Chin-Hung Liu stepped down on August 11, 2025 and was appointed as Senior Advisor.

(3) The information to be disclosed if the top manager and the chairman are the same person, spouses, or relatives of each other:

The Company's Chairman, Mr. Chen Wen-Liang, concurrently serves as Chief Executive Officer in order to enhance operational efficiency and strengthen the execution of decisions. He also maintains close communication with all directors on the Company's current operations and strategic plans to ensure effective corporate governance. The Board of Directors and management team fully respect the recommendations put forward by the independent directors in both formal meetings and informal settings, and evaluate their implementation in daily operations and strategic execution. The Company currently has four independent directors, meeting the relevant corporate governance requirements.

2. Remuneration paid to the Directors, President, and Vice President in the most recent year

(1) Remuneration of the Directors (including the Independent Directors)

Fiscal year of 2025; Unit: In thousands of NTD; 1,000 shares; %

Job Title	Name	Remuneration to Directors								Sum of A+B+C+D and ratio to net income		Remuneration received by Directors for concurrent service as an employee								Sum of A+B+C+D+E+F+G and ratio to net income		Remuneration received from investee enterprises or other than subsidiaries or from the parent company		
		Base Compensation (A)		Retirement pay and pension (B)		Director's Compensation (C)		Expenses and perquisites (D)				Salary, rewards, and special disbursement. (E)		Retirement pay and pension (F)		Employee profit-sharing compensation (G) (Note 1)								
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities			
																		Amount in cash	Amount in stock	Amount in cash	Amount in stock			
Chairman & CEO & CTO	Chen, Wen-Liang	-	-	-	-	1,108	1,108	-	-	1,108	1,108	41,261	41,261	108	108	952	-	952	-	47,217	47,217	-		
Director & President	Hung, Chih-Hsun	-	-	-	-	738	738	-	-	738	738													
Director	Shanyi Investment Co., Ltd	-	-	-	-	1,477	1,477	-	-	1,477	1,477													
	Representative: Yeh, Jui-Pin	-	-	-	-	-	-	48	48	48	48													
Director	Li Shun Investment Co.	-	-	-	-	1,477	1,477	-	-	1,477	1,477													
	Representative: Hsieh, Ming-Lin	-	-	-	-	-	-	48	48	48	48													
Independent Director	Wang, Hsuan	1,692	1,692	-	-	-	-	96	96	1,788	1,788	-	-	-	-	-	-	-	-	-	1,788	1,788	-	
Independent Director	Sun, Elizabeth	1,692	1,692	-	-	-	-	72	72	1,764	1,764	-	-	-	-	-	-	-	-	-	1,764	1,764	-	
Independent Director	Liu, Frank	1,512	1,512	-	-	-	-	96	96	1,608	1,608	-	-	-	-	-	-	-	-	-	1,608	1,608	-	
Independent Director	Chen, Ken ^(Note 2)	1,008	1,008	-	-	-	-	64	64	1,072	1,072	-	-	-	-	-	-	-	-	-	1,072	1,072	-	
1. Please describe the compensation policy, system, standard and structure of the Independent Director and describe the correlation with the amount of compensation according to the responsibilities, risks, time invested and other factors. Payment shall be made in accordance with the Company's "Compensation Policy for Directors and Functional Committee Members", and additional allowance shall be provided to the chairman of the functional committee, who shall also undertake convening, proceeding, communication and coordination with the company authorities, etc. Also providing meeting execution allowance except for concurrently serving as an employee of the Company. A monthly allowance of NT\$4,000 is paid to a Director who is only a Director or is only a functional committee member, and an additional NT\$2,000 is paid per month for each additional functional committee member. 2. Except disclosed in the table above, compensation received by a company Director in the most recent year for services rendered to all companies listed in the financial statements (e.g., as a consultant, not an employee, etc.): N/A Note 1: The estimated Director's compensation and employee compensation in 2025 were approved to be paid in cash by the resolution of the Board of Directors on February 26, 2026. Note 2: Mr. Ken Chen took office on April 30, 2025.																								

Remuneration Range Table

Ranges of remuneration paid to each of the Company's Directors	Name of Director			
	Sum of A+B+C+D		Sum of A+B+C+D+E+F+G	
	The Company	All consolidated entities	The Company	All consolidated entities
Less than NT\$1,000,000	Hung, Chih-Hsun; Shanyi Investment Co., Ltd Representative: Yeh, Jui-Pin ^(Note) ; Li Shun Investment Co. Representative: Hsieh, Ming-Lin ^(Note)	Hung, Chih-Hsun; Shanyi Investment Co., Ltd Representative: Yeh, Jui-Pin ^(Note) ; Li Shun Investment Co. Representative: Hsieh, Ming-Lin ^(Note)	Shanyi Investment Co., Ltd Representative: Yeh, Jui-Pin ^(Note) ; Li Shun Investment Co. Representative: Hsieh, Ming-Lin ^(Note)	Shanyi Investment Co., Ltd Representative: Yeh, Jui-Pin ^(Note) ; Li Shun Investment Co. Representative: Hsieh, Ming-Lin ^(Note)
NT\$1,000,000(inclusive)~ NT\$2,000,000(exclusive)	Chen, Wen-Liang; Shanyi Investment Co., Ltd; Li Shun Investment Co.; Wang, Hsuan; Sun, Elizabeth; Liu, Frank; Chen, Ken	Chen, Wen-Liang; Shanyi Investment Co., Ltd; Li Shun Investment Co.; Wang, Hsuan; Sun, Elizabeth; Liu, Frank; Chen, Ken	Shanyi Investment Co., Ltd; Li Shun Investment Co.; Wang, Hsuan; Sun, Elizabeth; Liu, Frank; Chen, Ken	Shanyi Investment Co., Ltd; Li Shun Investment Co.; Wang, Hsuan; Sun, Elizabeth; Liu, Frank; Chen, Ken
NT\$2,000,000(inclusive)~ NT\$3,500,000(exclusive)	—	—	—	—
NT\$3,500,000(inclusive)~ NT\$5,000,000(exclusive)	—	—	—	—
NT\$5,000,000(inclusive)~ NT\$10,000,000(exclusive)	—	—	—	—
NT\$10,000,000(inclusive)~ NT\$15,000,000(exclusive)	—	—	—	—
NT\$15,000,000(inclusive)~ NT\$30,000,000(exclusive)	—	—	Chen, Wen-Liang; Hung, Chih-Hsun	Chen, Wen-Liang; Hung, Chih-Hsun
NT\$30,000,000(inclusive)~ NT\$50,000,000(exclusive)	—	—	—	—
NT\$50,000,000(inclusive)~ NT\$100,000,000(exclusive)	—	—	—	—
More than NT\$100,000,000	—	—	—	—
Total	A total of 10	A total of 10	A total of 10	A total of 10

Note: This is a meeting execution allowance, which is paid to the natural person representative of the corporate Director.

(2) Remuneration of the President and Vice Presidents

Fiscal year of 2025; Unit: In thousands of NTD; 1,000 shares; %

Job Title	Name	Salary (A)		Pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D) (Note 1)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The Company	All Companies listed in the Financial Statements	The Company	All Companies listed in the Financial Statements	The Company	All Companies listed in the Financial Statements	The Company		All Companies listed in the Financial Statements		The Company	All Companies listed in the Financial Statements	
								Cash Amount	Amount of Stock	Cash Amount	Amount of Stock			
CEO and CTO	Chen, Wen-Liang	14,116	14,116	498	498	61,816	61,816	2,190	-	2,190	-	78,620 6.25%	78,620 6.25%	
President	Hung, Chih-Hsun													
Senior Vice President	Liu, Chin-Hung ^(Note 2)													
Vice Presidents and CFO	Lin, Yu-Hsin													
Vice Presidents	Hsueh, Che-Yuan													
Vice Presidents	Liu, Tsung-Ning													

Note 1: The estimated employee compensation in 2025 was approved to pay in cash by the resolution of the Board of Directors on February 26, 2026.

Note 2: Mr. Chin-Hung Liu stepped down on August 11, 2025, and was appointed as Senior Advisor.

Remuneration Range Table

Remuneration Range to each President and Vice President of the Company	Name of President and Vice President	
	The Company	All consolidated entities
Less than NT\$1,000,000	—	—
NT\$1,000,000(inclusive) ~ NT\$2,000,000(exclusive)	—	—
NT\$2,000,000(inclusive) ~ NT\$3,500,000(exclusive)	—	—
NT\$3,500,000(inclusive) ~ NT\$5,000,000(exclusive)	—	—
NT\$5,000,000(inclusive) ~ NT\$10,000,000(exclusive)	Liu, Chin-Hung ^(Note) ; Lin, Yu-Hsin; Liu, Tsung-Ning	Liu, Chin-Hung ^(Note) ; Lin, Yu-Hsin; Liu, Tsung-Ning
NT\$10,000,000(inclusive) ~ NT\$15,000,000(exclusive)	Hsueh, Che-Yuan	Hsueh, Che-Yuan
NT\$15,000,000(inclusive) ~ NT\$30,000,000(exclusive)	Chen, Wen-Liang; Hung, Chih-Hsun	Chen, Wen-Liang; Hung, Chih-Hsun
NT\$30,000,000(inclusive) ~ NT\$50,000,000(exclusive)	—	—
NT\$50,000,000(inclusive) ~ NT\$100,000,000(exclusive)	—	—
More than NT\$100,000,000	—	—
Total	A total of 6	A total of 6

Note: Mr. Chin-Hung Liu stepped down on August 11, 2025.

(3) Name of the manager who distributed the employee compensation and the distribution situation

Fiscal year of 2025; Unit: In thousands of NTD

Job Title	Name	Amount in Stock	Amount in Cash	Total	As a % of net profit
CEO and CTO	Chen, Wen-Liang	-	3,702	3,702	0.29%
President	Hung, Chih-Hsun				
Senior Vice President	Liu, Chin-Hung ^(Note)				
Vice Presidents and CFO	Lin, Yu-Hsin				
Vice President	Hsueh, Che-Yuan				
Vice President	Liu, Tsung-Ning				
Assistant Vice President	Huang, Wei-Cheng				
Assistant Vice President	Huang, Jing-Lun				
Assistant Vice President	Lin, Chih-Tsung				
Accounting and Finance officer	Hung, Mao-Chuan				
Corporate Governance officer	Hong, Shu-Ling				

Note: Mr. Chin-Hung Liu stepped down on August 11, 2025.

(4) Analysis comparing the proportion of the total amount of compensation paid by the Company and all companies to the Directors, Supervisors, President, and Vice Presidents of the Company in the most recent two years in net profit after tax of individual or individual financial statements. Explanation of the policy, standards, and combination, procedures for determining the compensation, and their relevance to business performance and future risks.

A. Analysis of the proportion of the total amount of compensation paid by the Company to the Directors, Supervisors, President, and Vice Presidents of the Company in the most recent two years in net profit after tax:

Title	Proportion of the total compensation in net profit after tax in 2024(%)		Proportion of the total compensation in net profit after tax in 2025(%)	
	The Company	All Companies listed in the Financial Statements	The Company	All Companies listed in the Financial Statements
Directors	2.68%	2.68%	4.25%	4.25%
President and Vice Presidents	2.77%	2.77%	6.25%	6.25%

B. Policy, standards, and combination, procedures for determining the compensation, and their relevance to business performance and future risks.

It is stipulated in the Articles of Association of the Company that no more than 3% of the net profit before tax of the current year after deduction of compensation for employees and Directors shall be compensation for Directors. It is also stipulated that the compensation for employees and Directors shall be distributed by a resolution to be adopted by a majority vote of the Directors present at the meeting of the Board of Directors attended by Directors representing two-thirds of the Directors; and in addition, a report of such distribution shall be submitted to the shareholders' meeting. In addition, according to the "Compensation Policy for Directors and Functional Committee Members" prescribed by the Company, the Independent Directors of the Company receive fixed compensation and do not participate in the compensation distribution.

The compensation for managers at the vice president level and above, includes salary, bonus, and employee bonus. Salary is determined based on positions, responsibilities, and contributions, with reference to industry standards. Bonuses and employee bonuses are assessed based on their performance, evaluation criteria of performance include financial indicators (such as the Company's profitability, revenue growth rate, and achievement of pre-tax and after-tax net income targets) and non-financial indicators (such as the achievement of sustainability goals, whether there are ethical risk incidents, employee misconduct, or other risk events negatively impacting the Company's reputation and goodwill, and occupational health and safety). Among these, the number of sustainability-related evaluation criteria better accounts for no less than 5% of total items. Procedures related to compensation are also established in accordance with the Articles of Association, relevant regulations, and the

delegation of authority.

For the compensation paid to managers at the vice president level and above, the Company has considered the future operational risks of the Company and business performance to strike a balance between sustainable operation and risk management, and the Company has submitted it to the compensation committee for consideration prior to the actual payment.

3. Operation of Corporate Governance

(1) Operation of the Board of Directors

A. In the most recent year (2025), the Board of Directors held 7 meetings (A). The attendance of Directors is as follows:

Title	Name	Number of Actual Attendance (B)	Number of Entrusted Attendance	Actual Attendance Ratio (%) 【B / A】 (Note)	Note
Chairman	Chen, Wen-Liang	7	0	100.00	
Director	Hung, Chih-Hsun	7	0	100.00	
Director	Shanyi Investment Co., Ltd Representative: Yeh, Jui-Pin	7	0	100.00	
Director	Li Shun Investment Co. Representative: Hsieh, Ming-Lin	7	0	100.00	
Independent Director	Wang, Hsuan	7	0	100.00	
Independent Director	Sun, Elizabeth	7	0	100.00	
Independent Director	Liu, Frank	6	1	83.33	
Independent Director	Chen, Ken	5	1	80.00	Assumed office on April 30, 2025.
Note: Actual Attendance Rate (%) is calculated based on the number of board meetings and actual attendance during his/her tenure.					

B. Other matters to be recorded by the Board of Directors

- (i) The matters listed in Article 14-3 of the Securities and Exchange Act and any other matter decided by the Board of Directors for which any Independent Directors has a dissenting or qualified opinion which is on record or stated in a written statement.

Meeting Date (2025)	Meeting Term	Contents of Proposal	All opinions of Independent Directors and the Company's handling of the opinions of Independent Directors
02.27	5th Term, 11th Meeting	■ Distribution of the Company's 2024 employees' bonus and Directors' compensation. ■ Lifting the prohibition on the Directors and their representatives from participating in the competitive business.	All Independent Directors agreed and had no opinions.
03.19	5th Term, 12th Meeting	■ The allocation of the Company's 2024 Directors' compensation. ■ Lifting the prohibition on the Directors from participating in the competitive business.	
05.02	5th Term, 13th Meeting	■ Compensation Proposal for Newly Appointed Independent Director ■ The 2025 compensation plan for the CEO and President. ■ Capital injection to AP Memory Corp, USA	

Meeting Date (2025)	Meeting Term	Contents of Proposal	All opinions of Independent Directors and the Company's handling of the opinions of Independent Directors
07.30	5th Term, 14th Meeting	- Amendment of "Internal Control System", and the "Internal Audit Implementation Rules" - The list of employee stock options per the Company's "The Employee Stock Option Issuance and Share Subscription Plan of 2024."	
09.06	5th Term, 15th Meeting	Withdraw from Enterprise Hai Ning Chang Meng Technology Partnership (limited partnership)	
10.31	5th Term, 16th Meeting	- Amendment of "Internal Control System", and the "Internal Audit Implementation Rules" - Capital injection to APware Technology Corp. - Proposal to file with the Securities and Futures Bureau for the issuance of 2025 Employee Stock Options	
12.26	5th Term, 17th Meeting	Proposal for the Appointment of the Independent Auditors for 2026 and Approval of Their Audit Fees	

(ii) Any other matter decided by the Board of Directors for which any Independent Directors has a dissenting or qualified opinion which is on record or stated in a written statement: N/A

(iii) Execution of Directors' withdrawal from discussion of any proposal, in which the Director is an interested party, to avoid conflicts of interest

Meeting Date 2025)	Meeting Term	Contents of Proposal	Reason for avoidance of conflicts	Resolution
03.19	5th Term, 12th Meeting	The allocation of the Company's 2024 Directors' compensation.	The discussion of this proposal was related to the Non-Independent Director.	Except for the Directors who were withdrawn from discussion to avoid conflicts of interest, the other Directors present passed the resolution without objection.
		Lifting the prohibition on the Directors from participating in the competitive business.	The discussion of this proposal was related to the Director Chen, Wen-Liang.	
		The 2024 Performance Evaluation of the Chief Executive Officer and President	The discussion of this proposal was related to the Director Chen, Wen-Liang and Hung, Chih-Hsun.	
05.02	5th Term, 13th Meeting	The list of employee stock options per the Company's "The Employee Stock Option Issuance and Share Subscription Plan of 2023."	The discussion of this proposal was related to the Director Chen, Ken.	
		The 2025 compensation plan for the CEO and President.	The discussion of this proposal was related to the Director Chen, Wen-Liang and Hung, Chih-Hsun.	

(iv) Implementation of Evaluation of the Board of Directors

The Company has established the "Rules for Performance Evaluation of the Board of Directors" in accordance with Article 37 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and conducts the performance evaluation of the Board of Directors accordingly.

Pursuant to the said rules, the Company conducts an internal performance evaluation of the Board of Directors on an annual basis and stipulates that an external performance evaluation shall be conducted at least once every three years by an independent and professional external institution or a team of external experts and scholars.

- External Evaluation: The most recent external evaluation was conducted in December 2024 by an external evaluation organization, the Taiwan Institute of Ethical Business (TIEBF). The evaluation results were reported to the Board of Directors on December 27, 2024.

Evaluation Cycle	Evaluation Period	Scope of Evaluation	Method of Evaluation	Contents of Evaluation
Once every three years	January 1, 2024, to December 31, 2024	Board of Directors, Individual Directors	Check and review the Company's internal regulations internal documents and meeting minutes. Interviews with the Directors of Board and questionnaire responses.	Based on 4 major components: the professionals, the effectiveness of the board's decision-making, the board's emphasis on and supervision of internal control, and the board's attitude toward sustainability.

- Self-Evaluation: The evaluations for the Board of Directors and functional committees for the 2025 fiscal year were conducted through self-assessments by members. These evaluations were completed in mid-February 2026 and reported to the Board of Directors on February 26, 2026.

Evaluation Cycle	Evaluation Period	Scope of Evaluation	Method of Evaluation	Contents of Evaluation
Once per year	Evaluate the performance of the functional committee as of January 1, 2025, to December 31, 2025	Board of Directors, Individual Directors, Audit Committee, Compensation Committee	Self-Evaluation by Members	1. Performance Evaluation of the Board of Directors and Individual Directors: With reference to the evaluation indicators prescribed by the competent authority and adjusted in accordance with the Company's actual conditions, the evaluation items include the Board's understanding of its duties, Directors' and Independent Directors' understanding of their respective duties, the composition and structure of the Board of Directors, the selection and continuing education of Directors, enhancement of the quality of Board decision-making, participation in the Company's operations, management communication and understanding of the Company's objectives, and internal control. 2. Overall Performance Evaluation of the Audit Committee: With reference to the evaluation indicators prescribed by the competent authority, the evaluation items include the Audit Committee's understanding of its duties, enhancement of the quality of the Audit Committee's decision-making, continuing education of audit committee members, participation in the Company's operations, management communication and understanding of the Company's objectives, and internal control. The evaluation results are reported to the Board of Directors.

Evaluation Cycle	Evaluation Period	Scope of Evaluation	Method of Evaluation	Contents of Evaluation
				3. Overall Performance Evaluation of the Compensation Committee: With reference to the evaluation indicators prescribed by the competent authority, the evaluation items include the Compensation Committee's understanding of its duties, enhancement of the quality of the Compensation Committee's decision-making, the selection and composition structure of compensation committee members, communication with the Company and understanding of the internal remuneration system, and internal control. The evaluation results are reported to the Board of Directors.

(v) Goals of strengthening the function of the Board of Directors:

- a. The Company's official website has a "Corporate Governance" section, which covers corporate governance structure, operation of the Board of Directors and functional committees, and important company rules and regulations, etc. Shareholders can understand the operation of the Board of Directors of the Company through this section.
- b. To reinforce the function of the Board of Directors, half of the members of the Board of Directors of the Company are Independent Directors. In addition, according to the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies", the Company formulated the "Rules of Procedure of the Board of Directors" to be followed. The Company provides information on the attendance of Directors of the Board of Directors at the Market Observation Post System.
- c. Establishment of the Compensation Committee and audit committee: The Company has established the Compensation committee on April 20, 2015 and appointed Independent Directors, and established the audit committee at the annual shareholders' meeting in 2017 to strengthen the Board of Directors in carrying out its duties.
- d. Strengthening corporate governance: The "Ethical Corporate Management Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct", and "Corporate Governance Best Practice Principles" were adopted by the Board of Directors on December 22, 2014. Continue to update and revise the provisions in accordance with laws and regulations and the Company's practical operations. In addition, the Board of Directors approved the appointment of the company's corporate governance supervisor on May 7, 2021.
- e. Emphasis on Sustainable Development: The Sustainability Committee was established on January 1, 2025, as the governance unit responsible for sustainable development in order to formulate sustainable development policies or related management policies.
- f. The company has purchased liability insurance for all Directors and provides related information at the Market Observation Post System.

(2) Operation of the audit committee or involvement of the Supervisors in the operation of the Board of Directors:

The Audit Committee is to assist the Board in fulfilling its role in overseeing the quality and integrity of the Company's performance of accounting, auditing, financial reporting processes and financial controls.

A. 2025 Audit Committee Work Highlights

The Audit Committee has reviewed the Company's financial statements and the appropriation of earnings for the year ended December 31, 2025, and has appointed Deloitte & Touche to audit the financial statements and to issue an independent report. The policies and procedures of the Company's internal control system (including controls over sales, procurement, outsourcing, personnel, finance, information security, and compliance with laws and regulations), supervised the operation of the Company's internal audit unit and reviewed the results of the internal control self-assessment. The Audit Committee considers that the Company's internal control system is effective.

B. In the most recent year (2025), the audit committee held 6 meetings (A). The attendance of the Independent Directors is as follows:

Title	Name	Number of Actual Attendance (B)	Number of Entrusted Attendance	Actual Attendance Ratio (%) 【B / A】 (Note)	Note
Convener	Sun, Elizabeth	6	0	100.00	
Member	Wang, Hsuan	6	0	100.00	
Member	Liu, Frank	5	1	83.33	
Member	Chen, Ken	4	1	80.00	Assumed office on April 30, 2025.
Note: Actual Attendance Rate (%) is calculated based on the number of meetings of the audit committee and actual attendance during his/her tenure.					

C. If the operation of the audit committee falls under any of the following circumstances, it shall state the date and term of the board meeting, the content of the proposals, the result of the resolutions of the audit committee and the Company's handling of the opinions of the audit committee.

(i) The matters listed in Article 14-5 of the Securities and Exchange Act and other matters not approved by the audit committee but agreed by more than two-thirds of all the Directors:

a. The matters listed in Article 14-5 of the Securities and Exchange Act:

Meeting Date (2025)	Meeting Term of Audit Committee	Contents of Proposal	Resolution
02.27	3rd Term, 10th Meeting	2024 annual individual and consolidated financial statements and business report of the Company - Distribution of the Company's 2024 employees bonus and Directors compensation.	All Independent Directors agreed and had no opinions.
05.02	3rd Term, 11th Meeting	- Capital injection to AP Memory Corp, USA - Amendment of "Internal Control System", and the "Internal Audit Implementation Rules"	
07.30	3rd Term, 12th Meeting	2025 2nd quarter consolidated financial statements. - Amendment of "Internal Control System", and the "Internal Audit Implementation Rules" - The list of employee stock options per the Company's "The Employee Stock Option Issuance and Share Subscription Plan of 2024."	
09.06	3rd Term, 13th Meeting	Withdraw from Enterprise Hai Ning Chang Meng Technology Partnership (limited partnership)	
10.31	3rd Term, 14th Meeting	- Amendment of "Internal Control System", and the "Internal Audit Implementation Rules" - Capital injection to APware Technology Corp.	
12.26	3rd Term, 15th Meeting	Proposal for the Appointment of the Independent Auditors for 2026 and Approval of Their Audit Fees	

b. The other matters not approved by the audit committee but agreed by more than two-thirds of all the Directors: N/A

(ii) Execution of the Independent Directors' withdrawal from discussion of any proposal, in which the Independent Director is an interested party, to avoid conflicts of interest: N/A

D. Communication between the Independent Directors and the internal audit supervisor and accountant:

(i) The Company maintains smooth communication channels and positive interaction between Independent Directors and the internal audit supervisor. The internal audit supervisor

submits monthly audit reports for the Independent Directors' review and attends the Audit Committee and Board of Directors meetings on a quarterly basis (February 27, May 2, July 30, October 31, and December 26, 2025) to present internal audit execution status, all of which received positive feedback from Independent Directors.

To strengthen audit independence, the Company arranges at least one private meeting annually between the Independent Directors and the internal audit supervisor. On October 22, 2025, a private meeting was convened to jointly review the effectiveness of the Company's 2025 internal control implementation and to exchange views. During the meeting, the Independent Directors recommended enhancing system-assisted measures to improve the effectiveness of preventive and detective controls. In addition, the internal audit department incorporated the Independent Directors' recommendations from the prior year by conducting risk grading at the sub-process level, which served as the basis for developing the 2026 internal audit plan and key focus areas.

- (ii) The certified public accountant reports the results of audits or reviews of the quarterly financial statements at the quarterly meetings of the audit committee. The certified public accountant also has individual meetings with the Committee to discuss the key audit issues of the financial statements, the scope and method of the audit, and the new laws and regulations. In 2025, a private meeting was held with the Independent Directors on October 22 to discuss the assessment of key audit matters, and no special or material recommendations were made.

Meeting Date (2025)	Meeting with Internal Audit officer	Meetings with Certificated Public Accountant
02.27 (3rd Term, 10th Meeting)	■ The result of internal control assessment. ■ The 2024 "Statement of Internal Control System" ■ Implementation of Annual Audit Plan and Follow-up of improvement actions taken against deficiencies.	■ 2024 annual financial reports
05.02 (3rd Term, 11th Meeting)	■ Implementation of Annual Audit Plan and Follow-up of improvement actions taken against deficiencies.	■ The 1st quarterly financial report.
07.30 (3rd Term, 12th Meeting)	■ Implementation of Annual Audit Plan and Follow-up of improvement actions taken against deficiencies.	■ The 2nd quarterly financial report.
10.22	■ Audit Plan Risk Assessment ■ Preventive Internal Control Practice Recommendations ■ Drafting 2026 Internal Audit Plan	■ The risk assessment and the key audit issues of financial report auditing. ■ The scope and method of the audit. ■ New laws and regulations.
10.31 (3rd Term, 14th Meeting)	■ Implementation of Annual Audit Plan and Follow-up of improvement actions taken against deficiencies. ■ 2026 Audit Plan	■ The 3rd quarterly financial report.
12.27 (3rd Term, 15th Meeting)	■ Implementation of Annual Audit Plan and Follow-up of improvement actions taken against deficiencies.	

(3) Implementation Status of Corporate Governance and its Difference with the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and the Reasons

Evaluation Items	Implementation Status			Difference with the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and the Reasons
	Yes	No	Summary Descriptions	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	✓		The Company’s “Corporate Governance Best Practice Principles” has been adopted by the Board of Directors.	No significant difference
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 has designated a spokesperson, deputy spokesperson and stock affairs specialist, also has established the “Procedures for the shareholders’ meetings” to handle shareholder suggestions, disputes, or litigation matters.	No significant difference
(2) Does the company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	✓		(2) According to Article 25 of the Securities and Exchange Act, the Company discloses the changes in the stock rights held by the insiders at the Market Observation Post System monthly, so as to understand the changes in the stock rights of the Company’s major shareholders and the list of the ultimate controllers of the major shareholders.	
(3) Has the company built and implemented a risk management system and a firewall between the company and its affiliates?	✓		(3) The Company has established relevant management procedures and operating systems through the “Rules Governing Financial and Business Matters Between the Company and its Affiliated Enterprises”, internal control and internal audit systems, etc., to conduct effective risk control.	
(4) Has the company established internal rules prohibiting insider trading of securities based on undisclosed information?	✓		(4) The Company has formulated the “Management Procedures for Preventing Insider Trading” and “Code of Ethical Conduct”, which have been adopted and implemented by the Board of Directors.	
3. Composition and Responsibilities of the Board of Directors				
(1) Have a diversity policy and specific management objectives been adopted for the board, and have they been fully implemented?	✓		(1) In accordance with the Company’s Corporate Governance Best Practice Principles, the composition of the Board of Directors shall take diversity into consideration and should include, but is not limited to, the following two major aspects: A. Basic qualifications and values, including gender, age, nationality, and culture. B. Professional knowledge and skills, including professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience. At least one Director shall possess expertise in accounting or finance. Based on the above policy, among the current eight Directors, there are two female Directors on the Board of Directors. Directors under the age of 60 account for 50% of the Board, and none of the independent Directors has served more than three consecutive terms. In terms of professional knowledge and skills, the Company’s Directors possess capabilities in operational judgment, business management, industry knowledge, leadership, and decision-making, with four Directors having expertise in finance and accounting.	The proportion of Directors of a single gender has not yet reached one-third.
(2) Has the company voluntarily established other functional committees in addition to the remuneration committee and the audit committee?	✓		(2) Starting from January 1, 2025, the Company will establish the “Sustainability Committee” under the Board of Directors.	
(3) Has the company established rules and methodology for P. 30 of 94 evaluating the performance of its Board of Directors, implemented the performance evaluations on	✓		(3) The Company has established the “Rules for Performance Evaluation of the Board of Directors” and conducts the performance evaluation of the preceding year on a regular basis in the first quarter of each year. At least once every	

Evaluation Items	Implementation Status			Difference with the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and the Reasons
	Yes	No	Summary Descriptions	
an annual basis, and submitted the results of performance evaluations to the Board of Directors and used them as reference in determining salary/compensation for individual Directors and their nomination and additional office terms? (4) Does the Company regularly evaluate its external auditors' independence?	✓		three years, the evaluation is conducted by an independent and professional external institution or a team of external experts and scholars. The most recent external evaluation was conducted in 2024 and the evaluation results were reported to the Board of Directors on December 27, 2024. In 2025, self-evaluations were conducted, and the relevant results were reported to the Compensation Committee and the Board of Directors together with the distribution of Directors' remuneration on February 13, 2025 and February 26, 2025, respectively. (4) The Company convened an Audit Committee meeting on December 26, 2025, to review matters relating to the independence and suitability of the CPA, the engagement thereof, and the audit fees for fiscal year 2026. The evaluation was conducted based on the Audit Quality Indicators (AQI) information provided by the accounting firm, together with other qualitative assessment factors, and served as the basis for the appointment of the signing CPA. The relevant proposals were approved by the Audit Committee and subsequently submitted to the Board of Directors for approval. The evaluation conducted by the Audit Committee and the Board of Directors covered five key dimensions—professional competence, quality management, independence, supervision, and innovation—comprising a total of thirteen indicators. The qualitative assessment primarily focused on whether the CPA complied with Article 6 of the Certified Public Accountant Act and the applicable Statements of Auditing Standards Nos. 46, 58, 62, and 64. In addition, the Company requires the signing CPA to submit an annual independence confirmation. The Company conducts an evaluation in accordance with its independence assessment criteria, including whether the CPA has any direct or material indirect financial interest in the Company, or whether there exist any business relationships with the Company's Directors or management that may impair independence, etc. When deliberating the independence and appointment of the CPA, the Board of Directors reviews supporting materials including the CPA's curriculum vitae (covering listed and OTC companies currently served) and an independence statement confirming no violation of Statement of Ethical Standards No. 10. The most recent evaluation was approved by the Audit Committee on December 26, 2025 and submitted to, and approved by, the Board of Directors on the same day.	

Evaluation Items	Implementation Status			Difference with the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and the Reasons																
	Yes	No	Summary Descriptions																	
4. Does the listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for Directors and Supervisors to perform their duties, aiding Directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?	✓		The Board of Directors appointed Ms. Hong, Shu-Ling as the Corporate Governance officer to assist in handling information necessary for the Directors to perform their duties, assisting the Directors in complying with laws and regulations, conducting board and shareholders' meetings related matters in accordance with the law, and preparing minutes of board and shareholders' meetings, etc. The details of the advanced training for corporate governance supervisors in 2025 are as follows: <table><tr><th>Training Date in 2025</th><th>Course Organizer</th><th>Training Course</th><th>Training hours</th></tr><tr><td>10.16</td><td>Financial Supervisory Commission</td><td>The 15th Taipei Corporate Governance Forum</td><td>6</td></tr><tr><td>11.13</td><td>Taiwan Corporate Governance Association</td><td>Impact of ESG Risks and Opportunities on Financial Performance</td><td>3</td></tr><tr><td>11.18</td><td>Taiwan Corporate Governance Association</td><td>Developing Sustainability Performance Indicators and Incentive</td><td>3</td></tr></table>	Training Date in 2025	Course Organizer	Training Course	Training hours	10.16	Financial Supervisory Commission	The 15th Taipei Corporate Governance Forum	6	11.13	Taiwan Corporate Governance Association	Impact of ESG Risks and Opportunities on Financial Performance	3	11.18	Taiwan Corporate Governance Association	Developing Sustainability Performance Indicators and Incentive	3	No significant difference
Training Date in 2025	Course Organizer	Training Course	Training hours																	
10.16	Financial Supervisory Commission	The 15th Taipei Corporate Governance Forum	6																	
11.13	Taiwan Corporate Governance Association	Impact of ESG Risks and Opportunities on Financial Performance	3																	
11.18	Taiwan Corporate Governance Association	Developing Sustainability Performance Indicators and Incentive	3																	
5. Has the company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders’ questions and concerns on important corporate social responsibility issues?	✓		The Company has a spokesperson and a proxy spokesperson and has set up an investor section and a stakeholder engagement section on the Company's website, which contain contact information to facilitate communication with stakeholders.	No significant difference																
6. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?	✓		The Company has appointed KGI Securities Co., Ltd. for handling the affairs of shareholders’ meetings.	No significant difference																
7. Information Disclosure				No significant difference																
(1) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status?	✓		(1) The Company discloses its financial, business, and corporate governance status at any time on its website at www.apmemory.com .																	
(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 investors conference, etc.)?	✓		(2) The Company has designated the Finance and Accounting Center (Contact No.: 03-560-1651; Email: ir@apmemory.com) to handle the collection and disclosure of information. The Company has established a spokesperson system (Spokesperson: Lin, Yu-Hsin ; Deputy Spokesperson: Hung, Chih-Hsun). The relevant information of the investor conference has also been uploaded on the Company's website.																	
(3) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?		✓	(3) The company announces the major financial data of the annual financial report through the MOPS within two months after the end of the year and provides real-time information to shareholders, interested parties, etc. Announce and declare the first, second and third quarter financial reports and the operating conditions of each month before the prescribed deadline.																	
8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee	✓		(1) The Company has established the “Corporate Social Responsibility Practice Principles” and implements corporate governance, develops a sustainable environment, safeguards social welfare, and strengthens corporate social	No significant difference																

Evaluation Items	Implementation Status			Difference with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and the Reasons
	Yes	No	Summary Descriptions	
wellness, investor relations, supplier relations, rights of stakeholders, Directors' and Supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for Directors and Supervisors)?			responsibility information disclosure. (2) The Company discloses information related to its financial, business, and corporate governance on its website at www.apmemory.com, providing open and transparent information for general staff, investors, suppliers, and stakeholders. (3) The Directors of the Company are professionals in their respective fields, and the Company, from time to time, provides the Directors with relevant regulatory information that they need to be aware of. In addition, the management team of the Company also gives regular business and other relevant briefings to the Directors. For the Directors' training records, please refer to Table 1 and visit the MOPS of the Company for further information. (4) The Company has established and effectively implemented a comprehensive internal control system in accordance with relevant laws and regulations, and it has also conducted proper risk evaluations for major correspondent banks, customers, and suppliers to reduce credit risks. (5) The Director of the Company withdrew him/herself from discussion/voting of any proposal, in which the Director is an interested party, to avoid conflicts of interest. (6) The Company maintains D&O Insurance for its Directors and officers. (7) IP Management Plan: For information regarding the Company's intellectual property management system and its implementation status, please refer to "IV. Operation Overview" – "1. Business Activities", item "(4) IP Management Overview" of this Annual Report.	
9. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement. (1) The Company's official website has added an ESG and a stakeholder section and has enhanced the completeness of information disclosure for general employees, investors, suppliers, and stakeholders to access relevant information. (2) The Board of Directors has established the "Sustainability Committee" (Committee) to strengthen corporate sustainability development, and has quarterly reports from the Committee, which include development strategies, ESG promotion planning, and the results of the annual plan implementation...etc. The Board also request the Committee and the management team to make adjustments when needed.				

Evaluation Items	Implementation Status			Difference with the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and the Reasons
	Yes	No	Summary Descriptions	

Table 1: Directors’ Training Records in 2025

Title	Name	Training Date	Training Course	Training Hours	Course Organizer
Director	Chen, Wen-Liang	10.03	2025 Seminar on the Prevention of Insider Trading	3.0	Securities and Futures Institute
		12.16	The “Legalization” of Stablecoins: Implications for Global Currency Competition	3.0	Greater China Financial and Economic Development Association
Director	Hung, Chih-Hsun	07.11	NVIDIA’s Trillion-Dollar Miracle: New Perspectives on the Semiconductor Industry Revolution Behind Artificial Intelligence	3.0	Taiwan Corporate Governance Association
		07.31	2025 Capital Market Development Summit for Strengthening Taiwan’s Capital Markets	3.0	Taiwan Stock Exchange Corporation
Director	Shanyi Investment Co., Ltd Representative: Yeh, Jui-Pin	07.31	2025 Capital Market Development Summit for Strengthening Taiwan’s Capital Markets	3.0	Taiwan Stock Exchange Corporation
		08.04	IFRS 18 Key Topics: Presentation and Disclosure of Financial Statements	3.0	Taiwan Corporate Governance Association
Director	Li Shun Investment Co. Representative: Hsieh, Ming-Lin	03.11	Corporate Governance and Securities Regulations	3.0	Taiwan Corporate Governance Association
		07.30	Embracing AI and Sustainable Transformation – Executive Compensation Management and Talent Development	3.0	Securities and Futures Institute
		10.29	Advancing Corporate Sustainability Through Risk Management – Practical Guidelines for Risk Management of TWSE- and TPEx-Listed Companies	3.0	Securities and Futures Institute
Independent Director	Wang Hsuan	06.16	Corporate Governance and Securities Regulations	3.0	Taiwan Investor Relations Institute
		07.29	Family Business Succession: New Perspectives on Tax Planning	3.0	Taiwan Investor Relations Institute
		07.31	Leading Corporate Sustainability Strategies in the Era of AI Transformation	3.0	Taiwan Investor Relations Institute
Independent Director	Sun, Elizabeth	10.15	Applications of Generative AI and ChatGPT	3.0	International Project Management Association
		10.17	Applications, Assessment, and Management of Generative AI in the Financial Industry	3.0	Taiwan Academy of Banking and Finance
Independent Director	Liu, Frank	12.04	Outlook on Global and Taiwan Economic, Financial, and Investment Trends for 2026	3.0	Greater China Financial and Economic Development Association
		12.16	The “Legalization” of Stablecoins: Implications for Global Currency Competition	3.0	Greater China Financial and Economic Development Association
Independent Director	Chen, Ken	07.09	The Impact of Trump 2.0 on the Global Economy	3.0	Greater China Financial and Economic Development Association
		07.11	IPO Launch Playbook: A Comprehensive Guide to Listing Application Procedures and Market Board Strategies	3.0	Taiwan Institute of Directors

Evaluation Items	Implementation Status			Difference with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and the Reasons
	Yes	No	Summary Descriptions	

Table 2: Evaluation Form for the Independence, Professionalism and Competence of Certified Public Accountants

Item	Result	
1. As of the most recent attestation operation, there are no situations for a term of seven years without replacement.	☒ Yes	☐ No
2. Having no material financial interest with the principal	☒ Yes	☐ No
3. Having avoided any inappropriate relationship with the principal.	☒ Yes	☐ No
4. Accountants should ensure the integrity, impartiality and independence of their associates.	☒ Yes	☐ No
5. It is not allowed to audit and attest the financial statements of the organization which the CPA has worked for two years prior to practicing.	☒ Yes	☐ No
6. The name of the accountant shall not be used by others.	☒ Yes	☐ No
7. Having no shareholding in the Company and its affiliates	☒ Yes	☐ No
8. Having no borrowing nor lending with the Company or its affiliates, except for normal transactions of the financial industry.	☒ Yes	☐ No
9. There is no joint investment or benefit-sharing relationship with the Company or its affiliates.	☒ Yes	☐ No
10. Not concurrently serving in the regular work for the Company or its affiliates to receive a fixed salary.	☒ Yes	☐ No
11. Having not involved in the management function of making decisions in the Company or its affiliates.	☒ Yes	☐ No
12. Having not concurrently engaged in any other business that may lose the independence.	☒ Yes	☐ No
13. It is not allowed to engage in attestation by those who have a relationship of spouse, lineal blood relatives, lineal affinity, or the second degree of collateral relatives with the Company's management personnel	☒ Yes	☐ No
14. Having not received any commission in connection with the business.	☒ Yes	☐ No
15. Having not received any disciplinary or compromised the principle of independence.	☒ Yes	☐ No

(4) Composition, Functions, and Operation of the Compensation Committee

A. Information of the members of the 4th Compensation Committee of the Company

Title / Name	Professional qualifications and experience	Independent status	Number of other public companies at which the person concurrently serves as compensation committee member
Convener / Wang, Hsuan	An Independent Director of the Company. For details of tenure, professional qualifications, and experience, please refer to the section "Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and the Independence of Independent Directors" of this Annual Report	(1) Not an employee of the Company or any of its affiliates. (2) Not a Director or Supervisor of the Company or any of its affiliates. (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings. (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.	1
Member/ Liu, Frank		(5) Not a Director, Supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Law. (6) If a majority of the company's Director seats or voting shares and those of any other company are controlled by the same person: not a Director, Supervisor, or employee of that other company. (7) If the chairman, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: not a Director (or governor), Supervisor, or employee of that other company or institution.	None
Member/ Chen, Ken ^(Note)		(8) Not a Director, Supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. (9) Not a professional individual who, or an owner, partner, Director, Supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof. (10) Not having a marital relationship or a relative within the second degree of kinship to any other Director of the Company.	None

Note: Assumed office on April 30, 2025.

B. Functions of the Compensation Committee: The Compensation Committee operates to enhance corporate governance and risk management, and to evaluate and monitor the compensation system for Directors and managers of the Company with a view to motivating and retaining talents. Its main functions are to periodically review the policies and systems for performance evaluation and compensation of Directors and managers, and to evaluate and determine the compensation of Directors and managers.

C. Operation of the Compensation Committee

(i) The Compensation Committee of the Company consists of three members.

(ii) Term of this Compensation Committee: From May 29, 2023, to May 28, 2026. In the most recent year, the Compensation Committee held 4 meetings (A). The qualifications and attendance of the members are as follows:

Title	Name	Number of Actual Attendance (B)	Number of Entrusted Attendance	Actual Attendance Ratio (%) 【B / A】 (Note)	Note
Convener	Wang, Hsuan	4	0	100.00	
Member	Liu, Frank	4	0	100.00	
Member	Chen, Ken	4	0	100.00	
Note: Actual Attendance Rate (%) is calculated based on the number of meetings of the audit committee and actual attendance during his/her tenure.					

(iii) The discussions and resolutions of the Compensation Committee during 2025:

Meeting date	Discussion	Resolution
03.18	- CEO Performance Evaluation - The allocation of the Company's 2024 Directors' compensation.	It is agreed by all members present and approved by the Board of Directors by resolution
03.26	- Compensation for newly appointed Independent Directors - Promotion and compensation of managerial officers for the year 2025	It is agreed by all members present and approved by the Board of Directors by resolution
04.23	Amendment of "Operating Bonus, performance bonus and incentive bonus Procedures"	It is agreed by all members present and approved by the Board of Directors by resolution
07.30	Allocation of employee stock options to managerial officers	It is agreed by all members present and approved by the Board of Directors by resolution

(iv) In case that the Board of Directors does not adopt or amend the recommendations of the Compensation Committee, please state the date and term of the board meeting, the content of the proposals, the result of the resolutions of the Board of Directors, and the Company's handling of the opinions of the Compensation Committee: N/A

(v) In case that any member has a dissenting or qualified opinion on any resolution passed by the Compensation Committee which is on record or stated in a written statement, please state the date and term of the Compensation Committee meeting, the content of the proposals, the opinions of all members, and the handling of the members' opinions: N/A.

(5) Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Evaluation Items	Implementation Status			Difference with the “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies” and the Reasons
	Yes	No	Summary Descriptions	
1. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of Directors authorized senior management to handle related matters under the supervision of the board?	✓		The Board of Directors at its meeting held on December 27, 2024, resolved to establish the “Sustainability Committee,” effective January 1, 2025. The Committee is designed as the dedicated body for decision-making and oversight in advancing the Company’s sustainability initiatives. It is responsible for supervising the formulation and execution of sustainability strategies and shall report to the Board at least once annually on the progress and implementation status of the Company’s sustainability plans. The Committee consists of three Directors and is convened by Director and President, Mr. Chih-Hsun Hung. In 2025, the Committee convened two meetings, with the following key outcomes: 1.Established the sustainability development targets for 2025, serving as guiding principles for driving various sustainability management actions. 2.Reviewed the content of the 2024 Sustainability Report to ensure the completeness and accuracy of information disclosure. 3.Formulated the “Sustainability Report Preparation and Assurance Procedures” and the “Greenhouse Gas Inventory Management Procedures” to provide clear internal guidelines and strengthen the institutionalization of sustainability information management and greenhouse gas inventory processes. The Company will continue to enhance its sustainability governance framework through the operation of the Sustainability Committee, implement measures related to Environmental, Social, and Governance (ESG), and support the long-term goals of corporate sustainable development.	No significant difference
2. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	✓		The Company has established the “Risk Management Policy” and modified it per the current regulations, which has been approved by the audit committee and the Board of Directors. In addition to keeping track of possible internal and external risks, the Company will regularly stimulate the response measures and results when risks occur. (1) The risk assessment boundary is primarily based on our company and includes our subsidiary, AP Memory Technology (Hangzhou) Co. Limited., based on the importance of its core business and the degree of impact on significant topics. In addition to formulating management strategies for material corporate governance issues— including socioeconomic and legal compliance, enhancing the competencies of the Board of Directors, and stakeholder engagement, the Company also conducts sustainability reporting to identify environmental, social, and governance (ESG) material topics. Through this process, the Company establishes risk assessment standards, procedures, results, and corresponding risk management policies or strategies.	No significant difference

Evaluation Items	Implementation Status			Difference with the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and the Reasons
	Yes	No	Summary Descriptions	
3. Environmental Issues (1) Has the Company set an environmental management system designed to industry characteristics?	✓		(1) AP Memory operates in the IC design industry and does not own manufacturing facilities; accordingly, its operations have minimal impact on the environment. APM has implemented the 'Green Product Management Procedure', with a GP team led by the President, collaborating closely with our suppliers. We actively promote green products to fulfill our environmental protection responsibilities. Our environmental management spans areas such as production operations, distribution and logistics, waste management, and more, ensuring compliance with international regulations and customer requirements to achieve sustainable business goals. Execution Policy: (i)The senior management oversees implementation to ensure the effectiveness of environmental management. (ii)A commitment to setting green management goals and implementing pollution prevention strategies to minimize environmental impact. (iii)Ensure compliance with relevant environmental laws and international regulations. (iv)Promote sustainable production practices and continually improve environmental quality. (v)Enhancing employee awareness and training programs to strengthen commitment to environmental protection. Implementation status in 2025: We continuously tracked international regulations in real time and confirmed compliance with external suppliers (such as SVHC and EU 2025/40); updated ICP product testing reports; and conducted one green product introduction training session for new employees every year. In 2025, a total of 46 people participated, and all of them completed the post-training test to ensure the effective implementation of the system.	No significant difference
(2) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	✓		(2) Our products are designed based on the principles of low public consumption and high performance, with the aim of helping customers improve the energy efficiency of their electronic products. Internally, we continue to promote electronic process checking to reduce the amount of paper used in documents. Starting from 2025, we have procured green electricity equivalent to 5% of its total power consumption and have formulated a five-year green electricity procurement plan to gradually increase the proportion of renewable energy usage each year. Moreover, our employees actively implement environmentally friendly practices, such as turning off lights when not in use, reducing the use of disposable tableware, and properly sorting waste, thereby continuously strengthening concrete actions for environmental protection.	
(3) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	✓		(3) We completed a preliminary assessment of climate change risks in the first half of 2024 and began planning for measures to address them.	

Evaluation Items	Implementation Status			Difference with the “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies” and the Reasons						
	Yes	No	Summary Descriptions							
(4) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	✓		(4) The Company disclosed the results of its 2024 greenhouse gas (GHG) emissions inventory in the 2024 Sustainability Report. The results of the 2025 GHG inventory have been disclosed in the Climate-Related Information chapter of this Annual Report for listed and OTC companies. The Company continues to conduct internal education and awareness campaigns, as well as routine inspections aimed at strengthening resource conservation. These efforts aim to effectively prevent unnecessary waste of resources, including but not limited to fuel, water, paper, and electricity.							
4. Social Issues (1) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	✓		(1) We are committed to creating a dignified working environment and protecting the human rights of the people working in the Company. In addition, the Company recognizes and voluntarily complies with internationally recognized human rights standards such as the United Nations Universal Declaration of Human Rights, the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, and the United Nations International Labor Organization, etc., in order to formulate Human Right Policy and Anti-Discrimination and Anti-Harassment Policy and conduct regular reviews to assess potential impacts and formulate countermeasures. Human Resources Division is responsible for this policy, which applies to all managers, employees, and all personnel of our subsidiaries. To implement our company’s human rights policy, we have established a human rights due diligence procedure based on the "Human Rights Risks in Business Operations" framework outlined by the United Nations Development Programme (UNDP). This procedure involves identifying and assessing human rights risks, designing risk management and mitigation measures, implementing improvements, and conducting follow-up monitoring to effectively reduce the impact and shock of human rights risks. The investigation of 2025 covered all employees. The steps, issues, and results are as follows: A. Identify human rights issues B. Assess and manage risks C. Implement risk mitigation measures D. Regularly monitor and improve <table><tr><th>Topic</th><th>Risk Event Occurred</th><th>Risk Prevention Management System</th></tr><tr><td>Rejection of harassment and workplace violence</td><td>No incidents of sexual harassment or workplace violence have occurred in 2025.</td><td>1. In addition to Human Rights Policy, the Company has established "Measures for the Prevention of Sexual Harassment, Complaints, and Penalties’ and “Anti-</td></tr></table>	Topic	Risk Event Occurred	Risk Prevention Management System	Rejection of harassment and workplace violence	No incidents of sexual harassment or workplace violence have occurred in 2025.	1. In addition to Human Rights Policy, the Company has established "Measures for the Prevention of Sexual Harassment, Complaints, and Penalties’ and “Anti-	No significant difference
Topic	Risk Event Occurred	Risk Prevention Management System								
Rejection of harassment and workplace violence	No incidents of sexual harassment or workplace violence have occurred in 2025.	1. In addition to Human Rights Policy, the Company has established "Measures for the Prevention of Sexual Harassment, Complaints, and Penalties’ and “Anti-								

Evaluation Items	Implementation Status			Difference with the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and the Reasons
	Yes	No	Summary Descriptions	
(2) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	✓			Discrimination and Anti-Harassment Policy". 2. Employee Speak-Up Mailbox is available. 3. Annual training sessions on "Labor Human Rights Policy, Anti-Discrimination and Anti-Harassment Policy" are conducted for all employees.
			Protection for the health and safety of employees	Based on the results of health examinations in 2025, 114 employees shall be classified and managed, requiring continuous monitoring. 1. Arrange annual health checkups for all employees. 2. Classify employee health checkup results, implement tiered management for those with abnormal results, assign on-site doctors and nurses to monitor employee health, and provide health education information.
			Multiple communication channels	No labor disputes occurred in 2025. 1. Quarterly employee communication activities include all hands meetings, labor-management meetings, and coffee Q&A sessions. 2. Employee Speak-Up Mailbox is available.
			(2) Employee welfare measures : A. Performance-Based Compensation: The Company has implemented a compensation policy that directly links corporate performance, employee performance evaluations, and employee rewards. This policy is designed to boost employee morale, share the fruits of our success, and foster employee engagement. B. Competitive Compensation and Incentive System The Company has established a comprehensive compensation policy to ensure that the dedication of our employees grows in tandem with the Company's profitability:	

Evaluation Items	Implementation Status			Difference with the “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies” and the Reasons								
	Yes	No	Summary Descriptions									
(3) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	✓		(i)16-Month Guaranteed Annual Salary: This includes 12 months of base salary plus bonuses for the Lunar New Year (2 months), Dragon Boat Festival (1 month), and Mid-Autumn Festival (1 month). (ii)Performance Sharing: Quarterly and annual performance bonuses are distributed based on the Company’s operating results and individual performance evaluations. (iii)Long-term Incentives: Through the Employee Stock Ownership Trust (ESOT) and Employee Stock Options, we enable our employees to become partners of the Company and share its long-term value creation. (iv)Annual Salary Adjustments: Annual salary adjustments are conducted based on individual performance and prevailing market benchmarks. C. Leave and Other Benefits: Please refer to the "Labor-Management Relationship" section under "Operation Overview" in this year's annual report for details. B. (3) The Company maintains the health and safety of its employees and pursues a zero-disaster workplace. Fire escape drills are implemented every six months to familiarize all employees with the company's evacuation routes, assembly locations, and personnel counts, to continue to strengthen the emergency response capabilities of our employees and to ensure their safety. In 2025, fire escape drills and related training were completed in June and December. To protect employees from harmful substances in the workplace, the Company conducts workplace environmental monitoring twice a year to ensure a safe working environment. In 2025, monitoring of office CO2 concentration and lighting levels was completed in February and October. We also arrange for doctors twice a year and nurses twice a month on-site to provide employees with professional health counseling and to implement the four major occupational health protection programs. There were no occupational disasters or fires in 2025. <table><tr><th>Year</th><th>Number of trainees</th></tr><tr><td>2025</td><td>187</td></tr><tr><td>2024</td><td>182</td></tr><tr><td>2023</td><td>157</td></tr></table>	Year	Number of trainees	2025	187	2024	182	2023	157	
Year	Number of trainees											
2025	187											
2024	182											
2023	157											
(4) Has the Company established effective career development training programs for employees?	✓		(4) The company has a dedicated education and training program, as well as an internal education and training organization. Each year, an annual training plan is developed based on the company's strategic focus and the needs of each department, and courses are implemented according to this plan. The courses offered include management courses, various professional courses, general education courses, and compliance courses, among others. The courses are delivered by external and internal instructors, as well as through external training institutions. The aim is to provide employees with various types of training, to strengthen and expand their skills, and to assist with their career development, thereby enhancing the company's overall strength.									
(5) Does the company comply with the relevant laws and international standards with regards to customer health and	✓		(5) The Company's products and services are marketed and labeled in accordance with relevant regulations and international standards. In addition, the Company's									

Evaluation Items	Implementation Status			Difference with the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and the Reasons
	Yes	No	Summary Descriptions	
safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies? (6) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	✓		products are not sold to the general consumer. The Company's general customers or other stakeholders can make report through the contact information listed on the Company's website. For the relevant reports, the Company will ask the relevant department to investigate and handle them properly. (6) A. Supplier Management Policy and Relevant Regulations: The Company has established a Supplier Code of Conduct as the basis for supplier management and cooperation, with a focus on the following aspects: (i) Contracts with key suppliers include corporate social responsibility principles, and supplier evaluations are conducted on a regular basis. (ii) Suppliers are required to obtain ISO 9001 and ISO 14001 management system certifications. Suppliers that have obtained TS 16949, QC 080000, or certification under the Responsible Business Alliance (RBA) Code of Conduct are given additional credit in supplier selection. (iii) Key suppliers are required to comply with the Supplier Code of Conduct and the Green Product Commitment, respect human rights, and ensure that their product supply chains are free of conflict minerals. B. Supplier Human Rights and Sustainability Requirements: To ensure that the supply chain meets human rights and sustainability requirements, the Company requires key suppliers to sign and return a Supplier Code of Conduct Commitment Letter. The relevant commitments cover the following human rights and occupational safety and health issues: (i) Prohibition of forced labor (ii) Working hours, wages, and benefits (iii) Anti-discrimination, anti-harassment, and humane treatment (iv) Freedom of association and collective bargaining (v) Occupational health and safety The above commitments serve as an important basis for the Company's supplier management practices and human rights due diligence. C. Implementation of Supplier Management Policy and Human Rights Due Diligence: The Company incorporates human rights considerations into its supplier management processes and conducts human rights due diligence through supplier evaluations and audits. The scope of supplier audits includes the following: (i) Planning and implementation of on-the-job education and training (ii) Occupational health and safety management (iii) Information security management and information technology business continuity planning If non-compliance with the Supplier Code of Conduct or other relevant requirements is identified through supplier evaluations or audits, the Company will require suppliers to implement corrective actions through its established supplier management and communication mechanisms. The Company will	

Evaluation Items	Implementation Status			Difference with the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and the Reasons
	Yes	No	Summary Descriptions	
			continue to monitor improvement progress in subsequent evaluations or audits in order to mitigate potential risks within the supply chain related to human rights, occupational safety and health, and information security.	
5. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?	✓		The preparation of the Company's Sustainability Report follows the GRI Standards and the SASB reporting framework. The 2025 Sustainability Report is scheduled for publication and release on the Company's website by the end of August 2026. In addition, the Company will arrange for a third-party assurance provider to conduct verification procedures in accordance with statutory timelines.	No significant difference
6. If the Company has adopted its own sustainable development best practice principles based on the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please describe any deviation from the principles in the Company's operations: None.				
7. Other important information to facilitate better understanding of the company's promotion of sustainable development: (1) To fulfill its social responsibility, the Company, together with TSMC and other companies, established the "Dr. TP, Ma Future Innovation Leadership Scholarship" in the name of Dr. Ma at the Department of Electrical Engineering of National Taiwan University to encourage future generations to be innovative and lead the world in technological progress, and to continue the spirit of technological research and innovation practiced by Dr. Ma. (2) The sponsorship of Department of Special Education, National Tsing Hua University "Scholarships for Special Education Students and the Matching Services for the Physically and Mentally Handicapped Program" not only enables special education students to integrate theory and practice, and to be a special education worker, but also encourages physically and mentally handicapped students to fully develop their potentials and to have the conditions for living a life of dignity. (3) In order to encourage childbearing, the company offers maternity subsidies. In addition, the company offers maternity leave better than legal requirements for advanced maternal age employees. (4) The company also offers well-facilitated breastfeeding room for female employees. (5) The company establishes "speak up" mailbox for employees to voice their feedback, concern, and complaint (including sexual harassment) and respond to employee expectations and suggestions. (6) In 2025, the Company organized an indoor arts and cultural promotion event and arranged for employees to collectively view the public welfare documentary film "Taiwan Superhero" through a private screening, thereby supporting the creation of domestic documentary films. Through this activity, employees were guided to gain a deeper understanding of local Taiwanese stories and social issues, convey positive social values, and enhance their awareness of and appreciation for the diversity and richness of local culture.				

(6) Climate-related information for TWSE/TPEX Listed Companies

A. Implementation of climate related information

Items	Implementation status		
1. Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.	The Company has been addressing climate-related issues since 2024. We have established a risk management policy to promote the management of climate-related risks and opportunities, and we report the status of these risks to the Board of Directors on a regular basis for management reference.		
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	In 2025, the Company conducted a climate-related risk and opportunity assessment, during which 19 departments identified potential risk factors that may pose impacts, as well as possible opportunities. Through internal and external discussions, a total of two climate-related risks were identified.		
	Significant Risks	Impact Object	Potential financial impact Notes
	Short-term Physical Risk: Extreme weather events (such as floods, droughts, heatwaves, and storms)	Operation, Vendors, Customers	1. Reduced revenue resulting from production curtailment by suppliers due to drought-related water restrictions, which lower their manufacturing capacity. 2. Investment losses are incurred by the Company due to damages to investee companies caused by extreme weather events. 3. Disruptions in electricity supply leading to interruptions in production capacity, which may result in decreased output and reduced revenue. 4. Flood-related transportation disruptions causing temporary operational and capacity reductions at foundries, as well as drought-induced water shortages impacting foundry production, both of which may lead to lower revenue. 5. Delays or suspension of cargo transportation affecting production scheduling and customer delivery commitments.
	Mid-term Policy and Regulation changes Risk: Shortage of productive resources such as energy and water	Operation	If the government implements more stringent energy policies in response to climate change—such as stricter carbon emission limits, increases in electricity prices, or higher carbon fees—our operating costs may be adversely affected.

Items	Implementation status									
3. Describe the financial impact of extreme weather events and transformative actions.	<table><tr><th>Events</th><th>Description</th><th>Financial Impact</th></tr><tr><td>Extreme weather</td><td>Extreme climate events may affect the Company operations, outsourced production, transportation, customers' production, etc.</td><td>Decrease in Revenue Due to Reduced Production Capacity Extreme weather events may disrupt the Company's operations or those of outsourced manufacturing partners, leading to production interruptions, delays in delivery, and impacts on customer orders. These disruptions could ultimately result in a decline in revenue. Increase in Operating Costs Rising temperatures may lead to higher cooling and energy-consumption costs. Extreme weather may also disrupt logistics and transportation, potentially causing delivery delays and increased transportation expenses. Additionally, following climate-related disasters, equipment at the Company or outsourced manufacturing facilities may be damaged, resulting in additional repair and restoration expenses required to resume production—further increasing overall operating costs.</td></tr><tr><td>Transition Action</td><td>The transition plans implemented in response to climate change include green transformation initiatives.</td><td>Increase in Capital Expenditures To reduce the Company's carbon footprint, additional low-carbon manufacturing investments may be required—such as deploying solar power systems, procuring wind energy, or adopting other renewable-energy solutions—to lessen dependence on traditional power grids. Higher Insurance Costs As climate-related risks intensify, insurance premiums for property and equipment within the IC industry are expected to rise, particularly for facilities located in high-risk areas. This may lead to increased expenditure for maintaining adequate insurance coverage.</td></tr></table>	Events	Description	Financial Impact	Extreme weather	Extreme climate events may affect the Company operations, outsourced production, transportation, customers' production, etc.	Decrease in Revenue Due to Reduced Production Capacity Extreme weather events may disrupt the Company's operations or those of outsourced manufacturing partners, leading to production interruptions, delays in delivery, and impacts on customer orders. These disruptions could ultimately result in a decline in revenue. Increase in Operating Costs Rising temperatures may lead to higher cooling and energy-consumption costs. Extreme weather may also disrupt logistics and transportation, potentially causing delivery delays and increased transportation expenses. Additionally, following climate-related disasters, equipment at the Company or outsourced manufacturing facilities may be damaged, resulting in additional repair and restoration expenses required to resume production—further increasing overall operating costs.	Transition Action	The transition plans implemented in response to climate change include green transformation initiatives.	Increase in Capital Expenditures To reduce the Company's carbon footprint, additional low-carbon manufacturing investments may be required—such as deploying solar power systems, procuring wind energy, or adopting other renewable-energy solutions—to lessen dependence on traditional power grids. Higher Insurance Costs As climate-related risks intensify, insurance premiums for property and equipment within the IC industry are expected to rise, particularly for facilities located in high-risk areas. This may lead to increased expenditure for maintaining adequate insurance coverage.
Events	Description	Financial Impact								
Extreme weather	Extreme climate events may affect the Company operations, outsourced production, transportation, customers' production, etc.	Decrease in Revenue Due to Reduced Production Capacity Extreme weather events may disrupt the Company's operations or those of outsourced manufacturing partners, leading to production interruptions, delays in delivery, and impacts on customer orders. These disruptions could ultimately result in a decline in revenue. Increase in Operating Costs Rising temperatures may lead to higher cooling and energy-consumption costs. Extreme weather may also disrupt logistics and transportation, potentially causing delivery delays and increased transportation expenses. Additionally, following climate-related disasters, equipment at the Company or outsourced manufacturing facilities may be damaged, resulting in additional repair and restoration expenses required to resume production—further increasing overall operating costs.								
Transition Action	The transition plans implemented in response to climate change include green transformation initiatives.	Increase in Capital Expenditures To reduce the Company's carbon footprint, additional low-carbon manufacturing investments may be required—such as deploying solar power systems, procuring wind energy, or adopting other renewable-energy solutions—to lessen dependence on traditional power grids. Higher Insurance Costs As climate-related risks intensify, insurance premiums for property and equipment within the IC industry are expected to rise, particularly for facilities located in high-risk areas. This may lead to increased expenditure for maintaining adequate insurance coverage.								
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	<table><tr><td>Identify the risk and opportunity</td><td>Refer to the TCFD's recommendations, industry-related information and internal and external discussion, initial assessment of the risk and opportunity factors associated with the Company</td></tr><tr><td>Assess the Risk and opportunity</td><td>Conducting risk and opportunity assessment and confirm and discuss the assessment results with internal and external parties to identify the impact of relevant risk factors, the possible timeframe of occurrence and the possible financial impact.</td></tr><tr><td>Planning</td><td>In view of the potential risks and opportunities identified, and refer to the company's operation and development, then carry out contingency planning, which will be confirmed and reported in the management meetings.</td></tr><tr><td>Monitoring and Report</td><td>Results are tracked and reported in management meetings.</td></tr></table> The Company conducts risk identification, assessment, and response planning at its regular management meetings. Climate change-related factors have been incorporated into the existing risk management framework and are reviewed and reported through these management meetings. The results of the annual risk identification were presented to the Audit Committee and the Board of Directors on October 31, 2025.	Identify the risk and opportunity	Refer to the TCFD's recommendations, industry-related information and internal and external discussion, initial assessment of the risk and opportunity factors associated with the Company	Assess the Risk and opportunity	Conducting risk and opportunity assessment and confirm and discuss the assessment results with internal and external parties to identify the impact of relevant risk factors, the possible timeframe of occurrence and the possible financial impact.	Planning	In view of the potential risks and opportunities identified, and refer to the company's operation and development, then carry out contingency planning, which will be confirmed and reported in the management meetings.	Monitoring and Report	Results are tracked and reported in management meetings.	
Identify the risk and opportunity	Refer to the TCFD's recommendations, industry-related information and internal and external discussion, initial assessment of the risk and opportunity factors associated with the Company									
Assess the Risk and opportunity	Conducting risk and opportunity assessment and confirm and discuss the assessment results with internal and external parties to identify the impact of relevant risk factors, the possible timeframe of occurrence and the possible financial impact.									
Planning	In view of the potential risks and opportunities identified, and refer to the company's operation and development, then carry out contingency planning, which will be confirmed and reported in the management meetings.									
Monitoring and Report	Results are tracked and reported in management meetings.									

Items	Implementation status
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	Regarding international assessment reports and relevant domestic policies and regulations, the Company set up climate risk and opportunity assessment scenarios, with the transition risk mainly based on the 2050 net-zero emissions scenario and the physical risk mainly based on the SSP-8.5 scenario.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	1. The current carbon reduction actions are mainly focused on Scope II, replacing office equipment with energy-saving ones, such as power-saving light bulbs in office areas, etc. Additionally, we have been purchasing green energy from 2025 in response to the government's goal of Net Zero Emissions by 2050. 2. The indicators for physical risks and transition risks involve transparently disclosing the extent of climate-related risks. The goal is to complete the GHG inventory of Scope 3 by 2027.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Based on the current assessment, the Company's carbon emissions profile is predominantly composed of indirect emissions. Relevant data quality and attribution methodologies are still being refined. In addition, the Company is not facing immediate pressure from direct carbon-fee obligations in the short term. Considering the overall evaluation of current resource allocation and project priorities, the Company will temporarily defer the implementation of an internal carbon pricing mechanism. Instead, efforts will continue to focus on strengthening the foundations of carbon inventory management and emissions-reduction initiatives.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	In response to increasingly severe extreme weather threats and in alignment with our commitment to corporate sustainability, AP Memory conducts greenhouse gas (GHG) inventories to understand its overall emissions profile, identify carbon hotspots, and develop corresponding reduction plans. The Company continues to reduce GHG emissions through renewable energy procurement and the replacement of energy-efficient equipment. In 2025, the Company established 2024 as its carbon-reduction baseline year. Beginning in February 2025, the Company commenced the purchase of Renewable Energy Certificates (RECs) through the National Renewable Energy Certification Center. By December, a total of 44 RECs had been procured.
9. Greenhouse Gas Inventory and Confirmation, reduction targets, strategies and specific action plans.	Refer to "B. Greenhouse Gas Inventory and Confirmation in the last two years" and "C. Greenhouse Gas reduction targets, strategies, and specific action plans".

B. Greenhouse Gas Inventory and Confirmation in the last two years

(i) Translation of Greenhouse Gas Inventory Information

Disclose the Company's greenhouse gas emissions for the most recent two years, including emissions (in metric tons of CO₂e), emission intensity (metric tons of CO₂e per NT\$100 million in revenue), and the scope of data coverage

In accordance with the disclosure requirements under the Sustainable Development Roadmap for TWSE- and TPEX-Listed Companies, the minimum required scope of data coverage is as follows:

Starting from 2025, the Company conducts annual greenhouse gas inventories covering the parent company and its subsidiaries included in the consolidated financial statements (Note 1), in order to comprehensively understand greenhouse gas usage and emissions and to verify the effectiveness of emission reduction initiatives.

Basic information of the company ☐ Capital of NT\$10 billion or more, iron and steel industry, or cement industry ☐ Capital of NT\$5 billion or more but less than NT\$10 billion ☒ Capital of less than NT\$5 billion	Minimum required disclosure under the Sustainable Development Roadmap for TWSE/TPEX Listed Companies: ☐ Inventory for parent company only ☒ Inventory for all consolidated entities ☐ Assurance for parent company only ☐ Assurance for all consolidated entities
--	---

		2025 (Note3, 4)		2024 (Note2)	
		Total emissions (tCO ₂ e)	Emission Intensity (metric tons CO ₂ e/ million NTD)	Total emissions (tCO ₂ e)	Emission Intensity (metric tons CO ₂ e/ million NTD)
AP Memory	Scope 1	7.7386		9.6512	
	Scope 2	319.9420		326.0928	
	Subtotal	327.6806		335.7440	
Subsidiaries (Note 1)	Scope 1	1.1806		1.3684	
	Scope 2	67.9548		53.0054	
	Subtotal	69.1354		54.3738	
Total		396.816	0.070	390.118	390.118

Note 1: The greenhouse gas (GHG) inventory data for the most recent two years were compiled based on the operational control approach and include the GHG emissions of the Company and all subsidiaries covered in the consolidated financial statements.

Note 2: During the 2024 GHG inventory process, the allocated electricity consumption for the common areas of the Taiwan office and dormitory facilities were not included. After incorporating the electricity usage of these common areas, the Company has revised and updated the 2024 GHG emissions data to ensure the completeness and accuracy of the inventory results.

Note 3: As of the GHG inventory base date and the reporting cut-off date, certain utility billing statements—such as electricity and natural gas—had not yet been updated through December 31, 2025. To obtain reasonable activity data for the GHG calculation, the Company adopted the most recent available billing period for 2025, calculated the average daily consumption, and extrapolated it to the number of days from the billing period end date through December 31, 2025.

Note 4: The 2025 emissions represent the GHG emissions after deducting green electricity.

(ii) Greenhouse Gas Assurance Information:

The assurance status for the most recent two years as of the publication date of the annual report, including the assurance scope, assurance provider, assurance standards, and assurance opinion

The Company has proactively undertaken greenhouse gas (GHG) verification ahead of regulatory requirements. According to the Sustainability Development Roadmap for TWSE- and TPEx-listed companies, standalone (parent-company-level) verification is required starting from 2027, while subsidiaries within the consolidated financial reporting boundary are required to undergo verification starting from 2028.

AP Memory voluntarily initiated the verification process in 2026 for its 2025 greenhouse gas inventory and extended the verification scope to include both the parent company and its subsidiary, AP Memory Technology (Hangzhou) Co., Ltd., thereby fulfilling the relevant requirements ahead of schedule.

(1) Assurance Scope: Parent company; subsidiary assurance covers only AP Memory Technology (Hangzhou).

(2) Assurance Provider: SGS Taiwan Ltd.

(3) Assurance Standards: WBCSD/WRI Greenhouse Gas (GHG) Protocol

(4) Assurance Opinion: Limited assurance level.

C. Greenhouse Gas reduction targets, strategies, and specific action plans.

Describe the greenhouse gas reduction base year and its data, reduction targets, strategies, specific action plans and achievement of reduction targets.

(i) Baseline Year Data:

The carbon-reduction baseline year was set as 2024, and the baseline data can be found in the greenhouse gas emissions disclosed for the most recent two years.

(ii) Reduction Target:

2% annual reduction compared with the previous year's emissions.

(iii) Strategies and Action Plans:

- a. Implement energy-saving schedules for office equipment, such as daily shutdown settings for water dispensers and coffee machines, and reminders for employees to turn off power at their workstations before holidays. Promote energy conservation and carbon reduction.
- b. Beginning in 2024, the Company has progressively carried out replacement of traditional office lighting fixtures, and all high-consumption lighting in office areas has now been replaced.
- c. Starting February 2025, the Company began purchasing Renewable Energy Certificates (RECs) through the National Renewable Energy Certification Center, with a total of 44 RECs procured by the end of December.

(iv) Status of Target Achievement:

In 2025, total greenhouse gas emissions (Scope 1 + Scope 2) increased by 1.72% compared with 2024, mainly due to the expansion of the inventory boundary to include an additional subsidiary. If considering only the parent company's greenhouse gas (GHG) emissions (Scope 1 + Scope 2), the emissions in 2025 decreased by 2.40% compared with 2024.

(7) Status of Ethical Management and its Difference with the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and the Reasons

Evaluation Items	Implementation Status			Difference with the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and the Reasons
	Yes	No	Summary Descriptions	
1. Establishment of ethical corporate management policies and programs (1) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team? (2) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies"? (3) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?	✓		(1) The Company has established the “Ethical Corporate Management Best Practice Principles” which has been implemented after the approval of the Board of Directors. (2) The Company has established the “Procedures for Ethical Management and Guidelines for Conduct” which has been implemented after the approval of the Board of Directors. (3) The Company has set up a dedicated unit to carry out ethical policy promotion, training, and supervision, and encourage internal and external personnel to report unethical conduct or misconduct. Ethical management is also incorporated into performance evaluation and human resources policy.	No significant difference
2. Ethical Management Practice (1) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts? (2) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the Board of Directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation? (3) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies? (4) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct	✓	✓	(1) The Company’s correspondent trading partners have been properly evaluated, and the contracts signed with them also specify business conduct and ethics related clauses. (2) The Company plans to establish a dedicated unit responsible for ethical corporate management upon determining the relevant implementation timeline and obtaining approval from the Board of Directors. Prior to the establishment of such a unit, the Corporate Governance Department concurrently performs the above responsibilities and regularly conducts education and training on relevant topics. In addition, the responsible unit reports the Company’s ethical corporate management policies, measures to prevent unethical conduct, and the status of supervision and implementation to the Board of Directors at least once a year. The implementation status for the year 2025 was reported to the Board of Directors on December 26, 2025. (3) The Company follows the “Ethical Corporate Management Best Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct”. (4) The Company has established a sound and effective accounting system, internal control system, and internal audits. The Company conducts the audit of all activities according to the regular schedule and irregular projects. According to the annual audit plan, the accountant conducts the audit sampling of the internal control.	No significant difference Assessing the establishment of a corresponding dedicated unit based on operational needs. No significant difference No significant difference

Evaluation Items	Implementation Status			Difference with the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and the Reasons
	Yes	No	Summary Descriptions	
or hire outside accountants to perform the audits? (5) Does the company provide internal and external ethical corporate management training programs on a regular basis?	✓		(5) The Company continues to promote its ethical corporate management policy and reinforces the principles of integrity through education and training programs. In 2025, the Company conducted a mandatory course entitled “Introduction to Ethical Corporate Management and the Code of Ethical Conduct.” The course emphasized that employees are required to conduct themselves with integrity and propriety, and must not harm the interests of the Company or its shareholders for personal gain. Employees are also encouraged to report any suspected illegal or improper activities at the earliest opportunity through the Company’s internal communication channels and grievance handling procedures. The course had a total duration of approximately 15 minutes, with 231 participants. All participants completed the course and passed the post-training assessment, ensuring that employees fully understand and comply with the Company’s ethical corporate management policies and guidelines.	No significant difference
3. Implementation of Complaint Procedures (1) Has the company established specific whistleblowing and reward procedures, set up conveniently accessible whistleblowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistle-blowers?	✓		(1) The Company has established the “Procedures for Ethical Management and Guidelines for Conduct”, which clearly defined the reporting, reward system, and complaint channel. Appropriate personnel will be appointed according to the position, position, function, and other relevant factors of the person being reported.	No significant difference
(2) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?	✓		(2) The Company has established the “Procedures for Ethical Management and Guidelines for Conduct”, which stipulated that the identity of whistleblowers and the contents of whistleblowers will be kept confidential.	No significant difference
(3) Has the company adopted proper measures to protect whistle-blowers from retaliation for filing complaints?	✓		(3) The Company has established the “Procedures for Ethical Management and Guidelines for Conduct”, which set forth measures to protect whistleblowers from improper treatment due to whistleblowing.	No significant difference
4. Strengthening Information Disclosure Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?	✓		The Company has an official website to disclose the relevant information of the Company and has a dedicated person to maintain and update the information. At present, according to the regulations, the Company discloses various financial and business information at the Market Observation Post System regularly and irregularly.	No significant difference
5. If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviations between the principles and their implementation: No significant difference				
6. Other important information to facilitate a better understanding of the status of operation of the company’s ethical corporate management policies (e.g., the company’s reviewing and amending of its ethical corporate management best practice principles): The Company pays close attention to the development of domestic and foreign ethical management regulations, for reviewing and improving the ethical management policy and measures adopted by the Company, to enhance the effectiveness of the implementation of ethical management.				

(8) Other important information to enhance better understanding of corporate governance

The Company continues to invest resources to strengthen its corporate governance operations. On the Company’s website, the Company set up the “Corporate Governance” Section to explain the situation of corporate governance and uploaded the relevant rules and regulations of corporate governance for inquiry and download, and it discloses important information immediately and holds investors conference regularly.

(9) Execution Status of Internal Control

A. Internal Control Statement: Please refer to the Market Observation Post System (MOPS).

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

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

B. Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report: N/A

(10) Major Resolutions of Shareholders' Meeting and Board Meeting in the most recent year and up to the publication date of the Annual Report

A. Resolutions of Shareholders' Meeting

The Company's 2025 Annual Shareholders' Meeting was held on April 30, 2025. At the meeting, the shareholders present approved the following resolutions:

Major Resolutions of Shareholders' Meeting	Implementation Status
Proposed Resolutions: To accept the 2024 Business Report, Financial Statements, and Earnings Distribution Table.	Approved. A cash dividend of NT\$7 per share was paid on July 11, 2025.
Discussion Items: Amendment of the "Articles of Incorporation".	Approved.
Director Election: To elect one Independent Director to fill the vacancy.	Newly Elected Independent Director: Mr. Ken Chen
Other Proposal: To release the Directors and its designated representatives from non-competition restrictions.	Approved.

B. Resolutions of Board Meetings

During the 2025 calendar year and up to the publication date of the Annual Report, the Company held 8 board meetings, and major resolutions approved at these Board meetings are summarized below:

Date	Proposals
02.27, 2025	1. Approval of the "2024 Statement of Internal Control System" 2. Approval of distribution of the Company's 2024 employees' bonus and directors' compensation. 3. Approval of the Company's 2024 annual individual and consolidated financial statement. 4. Approval of the Company's 2024 business report. 5. Approval of the Company's earnings distribution of cash dividends of 2024 6. Approval of the Company's earnings distribution table of 2024 7. Amendment to the "Articles of Incorporation" 8. Reorganization of the Company's investment structure 9. To set the record date for registration of change of capital for employee stock options exercise request during 4th quarter of 2024
03.19, 2025	Approval of the distribution of Directors' remuneration for the year 2024
05.02, 2025	1. Approval of the financial statement of 1st quarter of 2025 2. Amendment to the "les Governing Authorization of Duties and Appointment of Agents" 3. Capital injection to AP Memory Corp, USA 4. To set the record date for registration of change of capital for employee stock options exercise request during 1st quarter of 2025
07.30, 2025	1. Approval of the financial statement of 2nd quarter of 2025 2. Approval of 2023 Sustainability Report 3. Amendment of "Internal Control System", and the "Internal Audit Implementation Rules" 4. Amendment to the "Sustainability Information Management Procedures" 5. Approval of the adjustment to the Company's investment structure 6. To set the record date for registration of change of capital for employee stock options exercise request during 2nd quarter of 2025 7. The list of employee stock options per the Company's "The Employee Stock Option Issuance and Share Subscription Plan of 2024."

Date	Proposals
09.06, 2025	Withdraw from Enterprise Hai Ning Chang Meng Technology Partnership (limited partnership)
10.31, 2026	1. To set the record date for registration of change of capital for employee stock options exercise request during 3rd quarter of 2025 2. The Annual Audit Plan of 2026 3. Amendment of "Internal Control System", and the "Internal Audit Implementation Rules" 4. Capital injection to APware Technology Corp. 5. Approval of an application for a credit facility with KGI Bank 6. To issue the Company's 2025 Employee Stock Options 7. To set the record date for registration of change of capital for employee stock options exercise request during 3rd quarter of 2025
12.26, 2026	1. Appointment of the certified public accountant of the Company and auditing fee of 2025 2. Pre-Approval of unassured services by CPA and affiliated firms 3. The Company's annual budget of 2026 4. Approval of the renewal of credit facilities with financial institutions 5. To release non-competition restrictions on the managers 6. Convening the 2026 Annual Shareholders' Meeting
02.26, 2026	1. Approval of the "2025 Statement of Internal Control System" 2. Approval of the Definition and Scope of Entry-Level Employees for the Year 2025 3. Approval of distribution of the Company's 2025 employees' bonus and Directors' compensation. 4. Approval of the 2025 Directors' Remuneration Allocation Details 5. Approval of the Company's 2025 annual individual and consolidated financial statement. 6. Approval of the change of the Company's certifying public accountants 7. Approval of the Company's 2025 business report. 8. Approval of the Company's earnings distribution of cash dividends of 2025 9. Approval of the Company's earnings distribution table of 2025 10. To set the record date for registration of change of capital for employee stock options exercise request during 4th quarter of 2025 11. To issue the Company's 2025 Employee Stock Options

- (11) In the most recent year and up to the publication date of the Annual Report, in case that any Director or Supervisor has a dissenting opinion, which is on record or stated in a written statement, on any important resolution passed by the Board of Directors, the Company shall state its main content: N/A

4. Information of Audit Fee

(1) Audit Fee

Unit: In thousands of NTD

Accounting Firm	Name of CPA	Audit Period	Audit Fee	Non-Audit Fee	Total Amount	Remark
Deloitte & Touche	Chien, Ming-Yen	January 1, 2025, to December 31, 2025	4,900	400	5,300	—
	Chuang, Bi-Yu					

Explanation: Non-Audit Fee includes transfer pricing reports, declaration of issuance of employee stock options, checklist of full-time employees' salary information for non-supervisory positions, and issuance of GDR.

- (2) If the Company has replaced an accounting firm and the amount of audit fee paid in the year of the replacement was less than that in the year preceding the replacement, the Company shall disclose the amount, proportion, and reasons for the reduction of the audit fee: N/A
- (3) If the audit fee has been reduced by more than 10% compared with the previous year, the Company shall disclose the amount, proportion, and reasons for the reduction of the audit fee: N/A

5. Information on Replacement of CPA: N/A

6. The Company's Chairman, President, and managers in charge of its finance or accounting operations holds any positions within the Company's independent audit firm or its affiliates within the last one year: N/A

7. In the most recent year and up to the publication date of the Annual Report, any transfer of equity interests and pledge of or change in equity interests by any director, supervisor, Managerial Officers, and shareholder with 10% shareholdings or more

- (1) Net Change in Shareholding by Directors, Supervisors, Managerial Officers, and Major Shareholders: Please refer to the Market Observation Post System (MOPS).
Index Path: MOPS > Summarized Reports > Shareholding Changes/Securities Issuance > Shareholding/Pledge/Transfer by Directors, Supervisors, and Major Shareholders > Summary of Shareholding Balance of Directors, Supervisors, Managerial Officers, and Major Shareholders.
URL: https://mops.twse.com.tw/mops/#/web/stapap1_all
- (2) Information of stock trade with related party by any director, supervisor, Managerial Officers, and shareholder with 10% shareholdings or more: N/A

8. Relationship Information, if among the Company's 10 largest shareholders any one is a related party or is the spouse or a relative within the second degree of kinship of another

March 10, 2026; Unit: Share; %

Name	Shareholding		Shareholding of spouse and minor children		Total shareholding by nominee arrangements		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree		Remarks
	Shares	%	Shares	%	Shares	%	Name of entity or individual	Name of entity or individual	
Shanyi Investment Co., Ltd	27,008,668	16.59%	-	-	-	-	Representative of YAMAICHI HOLDINGS CO., LTD.: Li, Juan	Parent Company	
Representative: Li, Juan	-	-	-	-	-	-			
Deutron Electronics Corporation	6,365,000	3.91%	-	-	-	-	N/A	N/A	
Representative: Lo, Ying-Hua	10,000	0.01%	-	-	-	-			
Yuhui Enterprise Co., Ltd.	4,325,470	2.66%	-	-	-	-	N/A	N/A	Note
Representative: Chen, Hui-Chuan	527,970	0.32%	-	-	504,286	0.31%			
Mitsubishi Ufj Morgan Stanley Securities Co., Ltd.- Equity Trading Division (Proprietary Trading Desk) For Tri-Party Sbl Trading	4,139,000	2.54%	-	-	-	-	N/A	N/A	
YAMAICHI HOLDINGS Co., Ltd.	4,058,610	2.49%	-	-	-	-	Representative of Shanyi Investment Co., Ltd: Li, Juan	Subsidiary	
Representative: Li, Juan	-	-	-	-	-	-			
Wu, Yu-Chan	3,989,000	2.45%	-	-	-	-	N/A	N/A	
Girish	3,513,678	2.16%	-	-	-	-	N/A	N/A	
Huang, Chung-Jen	2,960,006	1.82%	-	-	-	-	N/A	N/A	
Li, Hsuan-Hsi	2,720,192	1.67%	-	-	-	-	N/A	N/A	
Mizuho Securities Co., Ltd.	2,315,000	1.42%	-	-	-	-	N/A	N/A	

Note: Holding shares through JHC HOLDINGS INTERNATIONAL LTD.

9. Number of shares held in any re-investment enterprise by the Company, its Directors, Supervisors, Management, and any enterprise directly or indirectly controlled by the Company; Calculate the consolidated shareholding percentage of the above categories.

December 31, 2025; Unit: 1,000 Shares; %

Investee enterprise (Note)	Investment by the Company		Investment by the Directors, Supervisors, Management, and any enterprise directly or indirectly controlled by the Company		Total investment	
	Shares	%	Shares	%	Shares	%
AP Memory Corp, USA	5,000	100%	-	-	5,000	100%
AP Memory Technology (Hangzhou) Co. Limited	-	100%	-	-	-	100%
AP Memory Technology (Hong Kong) Co. Limited	-	-	10	100%	10	100%
APware Technology Corp.	13	100%	-	-	13	100%
VIVR Corporation	10,000	100%	-	-	10,000	100%
CascadeTeq Inc.	1,000	100%	-	-	1,000	100%
M3 Technology Inc.	4,987	11.41%	-	-	4,987	11.41%
LYONTEK INC.	3,600	30%	-	-	3,600	30%
Onecent Technology Ltd.	7,348	27.78%	160	0.6%	7,508	28.38%
Onecent Technology Inc.	-	-	17	100%	17	100%
Onecent Technology (Singapore) Pte. Ltd.	-	-	50	100%	50	100%
Onecent Technology Co. Ltd.	-	-	1,500	100%	1,500	100%
Shanghai Smardust Technology Co., Ltd.	-	-	-	71.4%	-	71.4%

Note: This refers to investee enterprises in which the Company makes long-term investment calculated according to the equity method.

III Fundraising

1. Capital and Shares

(1) Sources of Capital

March 10, 2026; Unit: In thousands of NTD; 1,000 Shares

Month/ Year	Issue Price (NTD)	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital paid in by assets other than cash	Other
Mar. 2024	5	200,000	1,000,000	162,004	810,020	Increase NT\$648 thousand due to exercise of employee share options	N/A	Mar. 19, 2024, Eco Auth Biz Zhi No. 11330041170
May 2024	5	200,000	1,000,000	162,190	810,951	Increase NT\$931 thousand due to exercise of employee share options	N/A	May 27, 2024, Eco Auth Biz Zhi No. 11330080020
Sep. 2024	5	200,000	1,000,000	162,212	811,062	Increase NT\$111 thousand due to exercise of employee share options	N/A	Sep. 5, 2024, Eco Auth Biz Zhi No. 11330149470
Nov. 2024	5	200,000	1,000,000	162,250	811,249	Increase NT\$187 thousand due to exercise of employee share options	N/A	Nov. 21, 2024, Eco Auth Biz Zhi No. 11330199300
Mar. 2025	5	200,000	1,000,000	162,348	811,739	Increase NT\$491 thousand due to exercise of employee share options	N/A	Mar. 19, 2025, Eco Auth Biz Zhi No. 11430033290
Jan. 2025	5	200,000	1,000,000	162,492	812,461	Increase NT\$722 thousand due to exercise of employee share options	N/A	Jan. 2, 2025, Eco Auth Biz Zhi No. 11430068810
Sep. 2025	5	200,000	1,000,000	162,602	813,009	Increase NT\$548 thousand due to exercise of employee share options	N/A	Sep. 18, 2025, Eco Auth Biz Zhi No. 11430130810
Nov. 2025	5	200,000	1,000,000	162,663	813,314	Increase NT\$305 thousand due to exercise of employee share options	N/A	Nov 24, 2025, Eco Auth Biz Zhi No. 11430178900

March 10, 2026; Unit: Share

Type of Stock	Authorized Share Capital			Remark
	Outstanding Shares	Unissued Shares	Total	
Common Stock	162,846,540	37,153,460	200,000,000	The outstanding shares are listed company stocks and include 183,769 shares from the exercise of employee stock warrants that have not yet completed registration for conversion.

(2) List of Major Shareholders

If there are less than 10 shareholders with shareholding ratio of 5% or more, the names, amounts and proportions of the top 10 shareholders shall be disclosed.

March 10, 2026; Unit: Share; %

Name of Major Shareholders	Shares	Shareholding	Holding Percentage
Shanyi Investment Co., Ltd	27,008,668		16.59
Deutron Electronics Corporation	6,365,000		3.91
Yuhui Enterprise Co., Ltd.	4,325,470		2.66
Mitsubishi Ufj Morgan Stanley Securities Co., Ltd.-Equity Trading Division (Proprietary Trading Desk) For Tri-Party Sbl Trading	4,139,000		2.54
YAMAICHI HOLDINGS CO., LTD.	4,058,610		2.49
Wu Yu-Chan	3,989,000		2.45
Girish	3,513,678		2.16
Huang, Chung-Jen	2,960,006		1.82
Li, Hsuan-Hsi	2,720,192		1.67
Mizuho Securities Co., Ltd.	2,315,000		1.42

3) The Company's Dividend Policy and Implementation Status

A. The Company's Dividend Policy

After closing of accounts, if there are earnings, the Company shall first make up the losses of the previous years and then set aside 10% of said earnings as legal reserve (however, where such legal reserve amounts to the total paid-in capital, this provision shall not apply). The Board of Directors shall prepare an earning distribution proposal by adding the unappropriated accumulated retained earnings of the previous years to the special reserve which has been set aside as required by law or by the competent authority.

If the earning distribution proposal referred to in the preceding paragraph is in the form of issuing new shares, it shall be submitted to the shareholders' meeting for approval. In accordance with the provisions of the Company Act, the Company authorizes the distributable dividends, statutory legal reserve, or capital reserve in whole or in part to be paid in the form of cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition, there to a report of such distribution shall be submitted to the shareholders' meeting.

Considering the Company's environment and stage of growth, as well as future capital needs and long-term financial planning, the dividend distribution amount is determined based on the following criteria: (1) 50% of the net profit for the year; and (2) an amount higher than the dividend distributed in the previous year. This is done without violating the Company's Articles of Incorporation. The Company's dividends may be distributed in the form of cash or stock, the proportion of which shall not be less than 20% of the shareholders' dividend distribution.

The aforesaid dividend distribution ratio may be adjusted by resolution of the shareholders' meeting in light of the Company's actual profit and financial situation in the current year.

B. Dividend Distribution

Unit: NTD

Dividends per share		Year	2025
Cash Dividends			7.0
Issuance of Bonus Shares	Earnings		0
	Capital Surplus		0
Total			7.0

The above table is the cash dividends approved by the Board of Directors on February 26, 2026, which was calculated based on the number of outstanding shares on February 12, 2026. The actual dividend distribution and dividend ratio shall be calculated according to the actual number of outstanding shares on the ex-dividend base date.

C. Whether significant changes in dividend policy are expected: N/A.

(4) Impact to the Company's business performance and earnings per share resulting from this annual stock dividend distribution: Not applicable.

(5) Compensation of Employees, Directors, and Supervisors

A. The percentage or range of compensation to Employees, Directors, and Supervisors specified in the Company's Articles of Association

The Company shall allocate no less than 1% of its annual pre-tax net profit before deducting the compensation of employees, directors, and supervisors as the employees' compensation, and no more than 3% as the compensation of directors and supervisors. However, if the Company still has accumulated losses (including adjusting the amount of undistributed earnings), it shall reserve the amount of the losses.

Employees' compensation may be paid in the form of stock or cash, and the recipients may include employees of affiliated companies who meet certain conditions. Directors' compensation will be paid in cash only.

B. The basis for estimating the compensation amount of employees, directors, and supervisors, for calculating the number of shares to be distributed as employee compensation, and the accounting handling of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period.

The compensation for employees, directors, and supervisors in 2025 is estimated at 2.27% and 0.3% of the pre-tax profit before deduction of the compensation for employees and directors respectively, which were allocated in cash by the resolution of the Board of Directors on February 26, 2026.

C. Distribution of Compensation approved by the Board of Directors

(i) The amount of employees' compensation distributed in cash or stock and the compensation for directors and supervisors. If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the Company shall disclose the amount of the discrepancy, the reasons, and the handling situation.

The Board of Directors of the Company adopted the resolution on February 26, 2026, to distribute in cash the compensation of NT\$36,235 thousand to the employees and NT\$4,800 thousand to the directors in 2024, which had no difference with the estimated figure for the fiscal year these expenses are recognized.

(ii) The amount of employees' compensation distributed in stock, and its proportion in the current period of individual financial statements of parent company or individual financial statements net profit after tax and the total amount of employees' compensation.

Not applicable as the Board of Directors only decided to distribute the employee's compensation in cash.

D. The actual distribution of compensation to employees, directors, and supervisors for the previous year (including number of shares allocated, amount, and share price). If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the Company shall disclose the amount of the discrepancy, the reasons, and the handling situation:

The Board of Directors of the Company adopted the resolution on February 27, 2025, not to distribute directors and employee's compensation, which had no difference with the estimated figure stated in the financial statements of 2024.

(6) Buyback of Common Stock

- A. In the most recent year and up to the publication date of the Annual Report, the Company did not buy back any common stock.
- B. In order to transfer the shares to the employees, the Board of Directors of the Company adopted the resolution on October 8, 2018, for buyback treasury shares. The period of repurchase of treasury shares was October 9, 2018, to December 8, 2018; repurchase of treasury shares amounting to 258,000 shares and at the purchase price of NT\$11,246 thousand. On February 25, 2022, by resolution of the Board of Directors, the Company retired its treasury shares and completed the registration of the relevant changes.
- C. In order to transfer the shares to the employees, the Board of Directors of the Company adopted the resolution on May 14, 2019, for buyback treasury shares. The period of repurchase of treasury shares was May 15, 2019, to July 12, 2019; repurchase of treasury shares amounting to 1,500,000 shares and at the purchase price of NT\$55,325 thousand. On August 9, 2019, by resolution of the Board of Directors, the Company retired 1,500,000 of its treasury shares and completed the registration of the relevant changes.

2. Corporate Bonds: N/A

3. Preferred Shares: N/A

4. Depositary Receipt:

Issue Date			January 25, 2022
Item			
Issuance and listing			Luxembourg Exchange
Total amount			US\$189,760,000
Offering price			US\$29.65 per GDS
Number of GDS issued			6,400,000 GDS
Sources of the securities underlying the GDS			Issuance of new common shares by cash capital increase for sponsoring GDS issuance
Number of shares represented by each GDS			Each GDS represents 2 common shares
Rights and obligations of GDS holders			The new common shares have the same rights and obligations as the Company's existing issued and outstanding common shares
Trustee			None
Depository bank			Citibank, N.A.
Custodian bank			Citibank Taiwan Limited
Outstanding balance			0 units
Treatment of expenses incurred at issuance and thereafter			Borne by the issuing company
Important conventions about depository and escrow agreement			Please refer to the depository and custodian contract
Market price per unit	2025	Highest	US\$28.60
		Lowest	US\$11.70
		Average	US\$20.51
	Current year to March 10, 2026	Highest	US\$32.60
		Lowest	US\$25.20
		Average	US\$28.16

5. Status of Employee Stock Options Plan

(1) Status of Employee Stock Options before the expiration date

March 10, 2026

Type of Employee Stock Options	2 nd time in 2016	2018		2019	2020	
Approval Date	December 26, 2016	September 14, 2018		July 11, 2019	September 15, 2020	
Total number of unit	1,200,000	700,000		750,000	400,000	
Issue Date	January 25, 2017	November 9, 2018	April 26, 2019	December 20, 2019	September 26, 2020	March 12, 2021
Number of unit issued	680,000	692,000	8,000	750,000	319,000	69,430
Number of units still available for issuance	0	0		0	0	
Ratio of shares exercisable to the total number of shares issued	0.20%	0.41%	0.01%	0.80%	0.31%	0.07%
Duration	10 Years	10 Years		10 Years	10 Years	
Exercise method	Issuance of new shares	Issuance of new shares		Issuance of new shares	Issuance of new shares	
Vesting period and percentage (%)	Duration of the option grant and the percentage of the maximum number of exercisable options accumulated: (1) Two years after the duration of the option grant: 40% of the total options granted (2) Three years after the duration of the option grant: 70% of the total options granted (3) Four years after the duration of the option grant: Free to exercise the remaining stock options.	Duration of the option grant and the percentage of the maximum number of exercisable options accumulated: (1) Two years after the duration of the option grant: 25% of the total options granted (2) Three years after the duration of the option grant: 25% of the total options granted (3) Four years after the duration of the option grant: 25% of the total options granted (4) Five years after the duration of the option grant: Free to exercise the remaining stock options.		Duration of the option grant and the percentage of the maximum number of exercisable options accumulated: (1) Two years after the duration of the option grant: 25% of the total options granted (2) Three years after the duration of the option grant: 50% of the total options granted (3) Four years after the duration of the option grant: 75% of the total options granted (4) Five years after the duration of the option grant: Free to exercise the remaining stock options.	Duration of the option grant and the percentage of the maximum number of exercisable options accumulated: (1) Two years after the duration of the option grant: 25% of the total options granted (2) Three years after the duration of the option grant: 50% of the total options granted (3) Four years after the duration of the option grant: 75% of the total options granted (4) Five years after the duration of the option grant: Free to exercise the remaining stock options.	
Shares Exercised	323,200	658,000	8,000	946,000	255,600	16,642
Value of Shares Exercised	NT\$23,134,176	NT\$ 17,000,900	NT\$ 211,600	NT\$37,842,800	NT\$ 39,903,060	NT\$ 5,988,677
Number of unexercised shares	0 ^(Note 1)	10,000 ^(Note 2)	6,000	348,000 ^(Note 3)	248,900 ^(Note 4)	105,058 ^(Note 5)
Subscription price per share of the unexercised shares	NA	NT\$20.30	NT\$19.80	NT\$37.8	NT\$150.90	NT\$ 353.20
Ratio of the number of unexercised shares to the total number of issued shares	-	0.01%	-	0.21%	0.15%	0.06%
The effect on shareholders' equity	No significant impact to the dilution of equity of the original common shareholders. It can attract and retain the talents needed and improve the centripetal force of the employees, which has positive benefit to the development of the Company.	No significant impact to the dilution of equity of the original common shareholders. It can attract and retain the talents needed and improve the centripetal force of the employees, which has positive benefit to the development of the Company.		No significant impact to the dilution of equity of the original common shareholders. It can attract and retain the talents needed and improve the centripetal force of the employees, which has positive benefit to the development of the Company.	No significant impact to the dilution of equity of the original common shareholders. It can attract and retain the talents needed and improve the centripetal force of the employees, which has positive benefit to the development of the Company.	

Note 1: Excluding the cancellation of 363,800 shares due to resignation.

Note 3: Excluding the cancellation of 206,000 shares due to resignation.

Note 5: Excluding the cancellation of 17,160 shares due to resignation.

Note 6: The number of shares available for subscription per unit of the outstanding and unexpired employee stock options issued prior to the date of par value change of share, October 15, 2021, has been adjusted in accordance with the formula set forth in the "The Employee Stock Option Issuance and Share Subscription Plan".

Note 2: Excluding the cancellation of 378,000 shares due to resignation.

Note 4: Excluding the cancellation of 133,500 shares due to resignation.

Type of Employee Stock Options	2021	2022			2023			2024
Approval Date	September 24, 2021	September 28, 2022			December 6, 2023			December 10, 2024
Total number of unit	270,000	1,000,000			300,000			350,000
Issue Date	April 29, 2022	Dec. 23, 2022	April 28, 2023	June 1, 2024	January 1, 2024	June 1, 2024	January 1, 2025	August 1, 2025
Number of unit issued	267,000	426,330	173,670	398,400	150,000	40,000	68,000	350,000
Number of units still available for issuance	0	0			0			0
Ratio of shares exercisable to the total number of shares issued	0.13%	0.22%	0.10%	0.22%	0.09%	0.02%	0.04%	0.21%
Duration	10 Years	10 Years			10 Years			10 Years
Exercise method	Issuance of new shares	Issuance of new shares			Issuance of new shares			Issuance of new shares
Vesting period and percentage (%)	Duration of the option grant and the percentage of the maximum number of exercisable options accumulated: (1) Two years after the duration of the option grant: 25% of the total options granted (2) Three years after the duration of the option grant: 50% of the total options granted (3) Four years after the duration of the option grant: 75% of the total options granted (4) Five years after the duration of the option grant: Free to exercise the remaining stock options.	Duration of the option grant and the percentage of the maximum number of exercisable options accumulated: (1) Two years after the duration of the option grant: 25% of the total options granted (2) Three years after the duration of the option grant: 50% of the total options granted (3) Four years after the duration of the option grant: 75% of the total options granted (4) Five years after the duration of the option grant: Free to exercise the remaining stock options.	Duration of the option grant and the percentage of the maximum number of exercisable options accumulated: (1) Two years after the duration of the option grant: 25% of the total options granted (2) Three years after the duration of the option grant: 50% of the total options granted (3) Four years after the duration of the option grant: 75% of the total options granted (4) Five years after the duration of the option grant: Free to exercise the remaining stock options.	Duration of the option grant and the percentage of the maximum number of exercisable options accumulated: (1) Two years after the duration of the option grant: 25% of the total options granted (2) Three years after the duration of the option grant: 50% of the total options granted (3) Four years after the duration of the option grant: 75% of the total options granted (4) Five years after the duration of the option grant: Free to exercise the remaining stock options.	Duration of the option grant and the percentage of the maximum number of exercisable options accumulated: (1) Two years after the duration of the option grant: 25% of the total options granted (2) Three years after the duration of the option grant: 50% of the total options granted (3) Four years after the duration of the option grant: 75% of the total options granted (4) Five years after the duration of the option grant: Free to exercise the remaining stock options.	Duration of the option grant and the percentage of the maximum number of exercisable options accumulated: (1) Two years after the duration of the option grant: 25% of the total options granted (2) Three years after the duration of the option grant: 50% of the total options granted (3) Four years after the duration of the option grant: 75% of the total options granted (4) Five years after the duration of the option grant: Free to exercise the remaining stock options.	Duration of the option grant and the percentage of the maximum number of exercisable options accumulated: (1) Two years after the duration of the option grant: 25% of the total options granted (2) Three years after the duration of the option grant: 50% of the total options granted (3) Four years after the duration of the option grant: 75% of the total options granted (4) Five years after the duration of the option grant: Free to exercise the remaining stock options.	Duration of the option grant and the percentage of the maximum number of exercisable options accumulated: (1) Two years after the duration of the option grant: 25% of the total options granted (2) Three years after the duration of the option grant: 50% of the total options granted (3) Four years after the duration of the option grant: 75% of the total options granted (4) Five years after the duration of the option grant: Free to exercise the remaining stock options.
Shares Exercised	30,526	59,753	9,753	9,020	0	0	0	0
Value of Shares Exercised	NT\$7,129,130	NT\$9,617,490	NT\$2,549,438	NT\$3,941,740	NT\$0	NT\$0	NT\$0	NT\$0
Number of unexercised shares	180,316 ^(Note 1)	294,202 ^(Note 2)	147,141 ^(Note 3)	350,780 ^(Note 4)	150,000	40,000	68,000	336,000 ^(Note 5)
Subscription price per share of the unexercised shares	NT\$230.20	NT\$159.00	NT\$261.40	NT\$4.7.00	NT\$439.00	NT\$340.60	NT\$302.10	NT\$353.00
Ratio of the number of unexercised shares to the total number of issued shares	0.11%	0.18%	0.09%	0.22%	0.09%	0.02%	0.04%	0.21%
The effect on shareholders' equity	No significant impact to the dilution of equity of the original common shareholders. It can attract and retain the talents needed and improve the centripetal force of the employees, which has positive benefit to the development of the Company.	No significant impact to the dilution of equity of the original common shareholders. It can attract and retain the talents needed and improve the centripetal force of the employees, which has positive benefit to the development of the Company.	No significant impact to the dilution of equity of the original common shareholders. It can attract and retain the talents needed and improve the centripetal force of the employees, which has positive benefit to the development of the Company.	No significant impact to the dilution of equity of the original common shareholders. It can attract and retain the talents needed and improve the centripetal force of the employees, which has positive benefit to the development of the Company.	No significant impact to the dilution of equity of the original common shareholders. It can attract and retain the talents needed and improve the centripetal force of the employees, which has positive benefit to the development of the Company.	No significant impact to the dilution of equity of the original common shareholders. It can attract and retain the talents needed and improve the centripetal force of the employees, which has positive benefit to the development of the Company.	No significant impact to the dilution of equity of the original common shareholders. It can attract and retain the talents needed and improve the centripetal force of the employees, which has positive benefit to the development of the Company.	No significant impact to the dilution of equity of the original common shareholders. It can attract and retain the talents needed and improve the centripetal force of the employees, which has positive benefit to the development of the Company.

Note 1: Excluding the cancellation of 56,158 shares due to resignation.

Note 2: Excluding the cancellation of 72,375 shares due to resignation.

Note 3: Excluding the cancellation of 16,776 shares due to resignation.

Note 4: Excluding the cancellation of 38,600 shares due to resignation.

Note 5: Excluding the cancellation of 14,000 shares due to resignation.

(2) In the most recent year and up to the publication date of the Annual Report, employee stock options granted to Managerial Officers Team and to top 10 employees.

March 10, 2026; Unit: New Taiwan dollars; Share

	Title	Name	Number of Options Granted	% of Shares Exercisable to Outstanding Common Shares	Exercised				Unexercised			
					Shares Exercised	Exercise Price Per Share	Value of Shares Exercised	% of Shares Exercised to Outstanding Common Shares	Shares Un-excised	Adjusted Grant Price Per Share	Value of Shares Unexercised	% of Shares Unexercised to Outstanding Common Shares
Officers	CEO & CTO	Chen, Wen-Liang	1,271,445	0.78%	328,659	\$20.30~ \$437.00	\$24,431,213	0.20%	942,786	\$37.80~ \$439.00	\$258,086,764	0.58%
	President	Hung, Chih-Hsun										
	Vice President & CFO	Lin, Yu-Hsin										
	Vice President	Hsueh, Che-Yuan										
	Vice President	Liu, Tsung-Ning										
	Assistant Vice President	Huang, Wei Cheng										
	Assistant Vice President	Lin, Chih-Tsung										
	Assistant Vice President	Huang, Jing-Lun										
	Accounting and Finance Officer	Hung, Mao-Chuan										
	Corporate Governance Officer	Hong, Shu-Ling										
Employees (Remark)	Senior Manager	Wang, Jian Gang	1,138,865	0.70%	741,594	\$20.30~ \$437.00	\$34,528,694	0.46%	397,271	\$20.30~ \$437.00	\$69,196,581	0.24%
	Senior Manager	Wang, Mei-Hsien										
	Senior Technical Manager	Ho, Yi-Zhong										
	Senior Manager	Kuo, Chang-Li										
	Senior Manager	Chen, Bing-Ze										
	Director	Huang, Zhong-Qiqng										
	Deputy Director	Huang, Jian-Zhang										
	Senior Manager	Huang, Ssu-Wei										
	Senior Manager	Jia, Syue-Jhen										
	Senior Advisor	Liu, Chin-Hung										

Note 1: Sorted by Chinese last name stroke.

Note 2: The number of shares available for subscription per unit of the outstanding and unexpired employee stock options issued prior to the date of par value change of share, October 15, 2021, has been adjusted in accordance with the formula set forth in the "The Employee Stock Option Issuance and Share Subscription Plan".

6. New restricted stock award shares issued to employees: None.
7. Status of new share issuance in connection with mergers or acquisitions: None.
8. Implementation of funding utilization plan :
- (1) Year 2022 issued new common shares to be offered in the form of Global Depositary Shares.
- A. Proceeds Needed from the Plans : US\$200,001 thousand, converting to NT\$5,700,032 thousand.
- B. Sources of Proceeds : Issued new common shares to be offered in the form of Global Depositary Shares.
- C. Use of Proceeds Plan and Schedule: Please refer to the Market Observation Post System (MOPS).
- Index Path: MOPS > Single Company > Shareholding Changes/Securities Issuance > Fundraising > Execution of Fundraising Plan.
- URL: https://mopsov.twse.com.tw/mops/web/bfhtm_q2

IV Operation Overview

1. Business Activities

- (1) Business scope: AP Memory is a integrated circuit (IC) design company, engaging in the research and development, design, manufacturing and sales of customized memory, and provides technical support and authorization of Silicon intelligence property, as a leading manufacturer in the world in designing non-standard memory ICs. With superior quality and integrated services, the Company assists customers in achieving their goals and launching innovative and world-changing products.

A. The main contents of the business registered with the Department of Commerce, Ministry of Economic Affairs:

- (i) CC01080 Electronics Components Manufacturing
- (ii) F401010 International Trade
- (iii) I501010 Product Designing
- (iv) F601010 Intellectual Property Rights
- (v) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

B. Sales-to-revenue ratios of major product items

Unit: In thousands of NTD ; %

Product item \ Year	2024		2023	
	Net operating revenue	Ratio (%)	Net operating revenue	Ratio (%)
Memory IC chips Sales revenue	3,872,334	92.36	5,153,005	90.94
Service revenue	245,587	5.86	430,206	7.59
License and Royalty revenue	48,061	1.15	62,380	1.10
Other revenue(Remark)	26,396	0.63	20,907	0.37
Total	4,192,378	100.00	5,666,498	100.00

Source: Financial statements audited and attested by CPAs.

Remark: Other revenue represents the revenue from the sale of engineering products and samples.

C. Current products (services) and applications

The company is a professional integrated circuit (IC) design company whose main business in the design, manufacturing and sales of memory-related IC products, and its business is as follows:

- (i) IoT related memory products (IoTRAM™) can be divided into the following two categories:

a. Pseudo SRAM

Key advantages are low pin count, small size, and low power, mainly for applications like wearable devices and IoT-related products. To support specialized application requirements, we have been actively developing customized DRAM solutions in recent years, including ultra-low-power and ultra-high-bandwidth products, to meet the demands of next-generation high-speed IoT applications.

b. Low Power DRAM

It has the characteristics of small size and low power consumption, which can be used in communication modules and various mobile devices.

- (ii) AI Memory, licensing and customized design services

The Company's customized Very High-Bandwidth Memory (VHM™) products and designs are primarily applied in artificial intelligence (AI) and high-performance computing (HPC). By integrating heterogeneous wafers through 3D stacking technology (Wafer-on-Wafer, WoW), these solutions enhance system performance and offer superior bandwidth and power efficiency compared to conventional high-bandwidth memory (HBM).

The Company has also introduced the VHMInterposer™ and VHMStack™ technology platforms, providing customers with more flexible and high-performance solutions. VHMInterposer™ features micro-bump bonding technology to integrate DRAM with silicon capacitors while optimizing resource allocation through the existing supply chain. Meanwhile, VHMStack™ adopts wafer-on-wafer hybrid bonding, enabling multi-layer DRAM stacking to significantly increase storage capacity while keeping high bandwidth advantages, meeting customers' demands for high-performance and high-capacity products.

(iii) Silicon capacitor products and IP licensing (S-SiCap™)

Silicon Capacitor is one category of Integrated Passive Devices (IPD). The Company's silicon capacitor technology is named as S-SiCap™, an abbreviation for Stack Silicon Capacitor. With the advanced stack capacitor structure, S-SiCap™ provides high capacitance density, low product profile, and excellent temperature and voltage stability, meeting the application requirements for high-end smartphones and High-Performance Computing (HPC) chips. S-SiCap™ technology is applied to develop various types of products, integrated in advanced packaging process to offer customers an effective solution.

The Company has also developed Interposer with Silicon Capacitor (IPC) technology. The S-SiCap™ Interposer utilizes a silicon wafer as the interposer substrate and integrates high-capacitance-density silicon capacitors within the structure, effectively enhancing power integrity and signal integrity in advanced packaging. This technology is applicable to high-speed I/O applications such as Die-to-Die, SerDes, and High Bandwidth Memory. In collaboration with supply chain partners, reticle stitching technology has been applied to enlarge interposer die sizes, integrate more chiplets, and meet the demanding requirement of high-performance computing and advanced packaging.

D. New products (services) planned to be developed

The company continues to provide innovative DRAM solutions and invest in R&D resources to develop the following new products and applications.

- (i) Next-generation ultra-low-power, high-bandwidth memory products for wearable devices and IoT applications
- (ii) Customized memory for Artificial Intelligence (AI) applications
- (iii) Application areas of 3D stacking (WoW) customized VHM™ and VHMStack™ solutions

- (iv) Silicon Capacitor (S-SiCap™), integrated in advanced packaging process for high-end smart phone and high-performance computing chips
- (v) DRAM and silicon capacitor interposer solution (VHMInterposer™ and S-Sicap™ interposer)
- (vi) Power delivery technology and products
- (vii) Wireless Radio Frequency Identification (RFID) solution

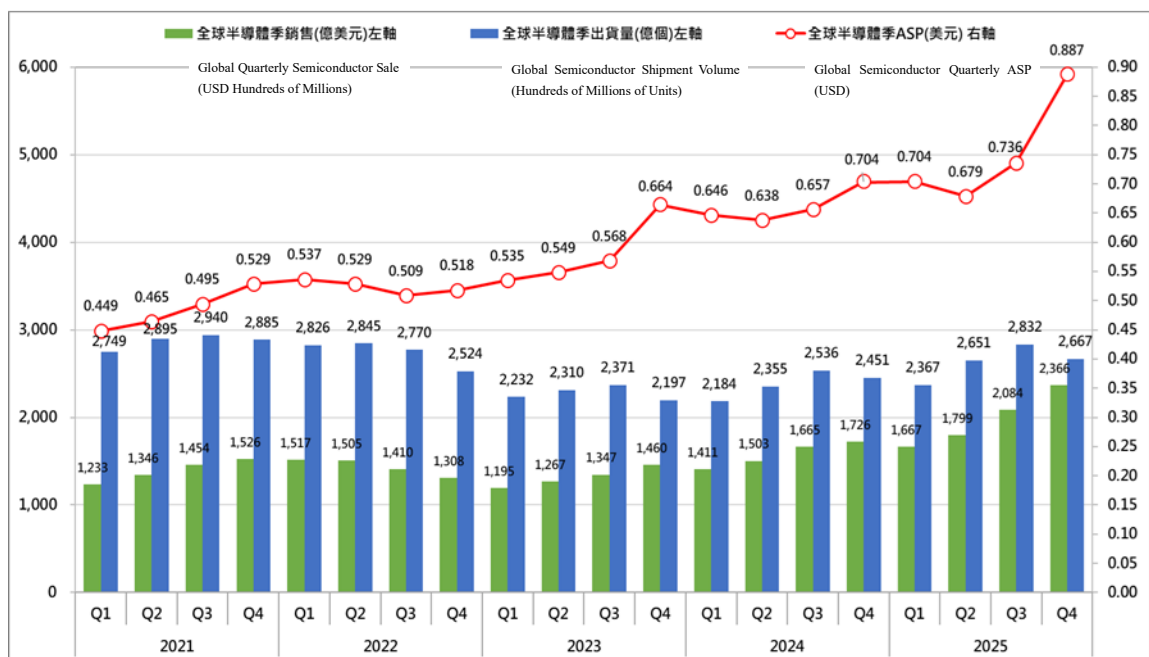
(2) Industry overview

A. Industry status and outlook

(i) Current industry status

In recent years, the global semiconductor industry has undergone a period of inventory correction and supply-demand rebalancing amid geopolitical risks, inflationary pressures, and cyclical market fluctuations. As market conditions stabilized, demand across major end markets improved, and industry growth momentum resumed. Entering 2025, driven by the rapid expansion of Artificial Intelligence (AI), High-Performance Computing (HPC), cloud data center deployments, and generative AI applications, the global semiconductor market has demonstrated significant growth momentum. This trend has led to strong demand for High Bandwidth Memory (HBM) and high-capacity memory products. The industry's growth focus is gradually shifting from traditional consumer applications toward high-performance and data-centric computing applications, with product portfolios evolving toward higher performance and greater value-added offerings.

According to WSTS statistics, 2025 worldwide semiconductor revenue totaled US\$791.6 billion, an increase of 25.5% compared to 2024, while Asia Pacific totaled US\$ 220.9 billion, a 45% increase compared to 2024. The growth of the overall market was attributable not only to a rebound in demand, but also to the positive effects of rising average selling prices (ASP) and product mix optimization.



Source: Taiwan Semiconductor Industry Association, WSTS (2025/12, 2026/02), Industry, Science and Technology International Strategy Center (2026/02)

Looking back at the industry's development in 2025, growth momentum

showed a trend of concentration, with high-performance computing and data center-related applications serving as the primary drivers of the market. Global semiconductor equipment investment continued its upward trajectory, closely linked to rising demand for high-end memory and AI applications. Overall, the industry's growth in 2025 has transitioned from a simple cyclical recovery to a stage characterized by simultaneous application-driven upgrades and value enhancement. (TSIA 2025)

(ii) Overview of Taiwan's IC industry market

According to statistics from ITRI Industry, Science and Technology International Strategy Center, Taiwan's IC industry output value in 2025 is estimated to reach NT\$6,522.5 billion (USD\$207.1B), a 22.7% increase from 2024. Among them, the output value of the IC design industry was NT\$1,424.5 billion (USD\$45.2B), up 12.0% from 2024. The exchange rate of the New Taiwan Dollar to the US Dollar is calculated at 31.2.

2022-2026 Taiwan IC Revenue

Unit: In thousands of NTD

Billion NT Dollars	2022	2022 Growth Rate	2023	2023 Growth Rate	2024	2024 Growth Rate	2025	2025 Growth Rate	2026(e)	2026(e)) Growth Rate
IC Industry Output Value	48,370	18.5%	43,428	-10.2%	53,151	22.4%	65,225	22.7%	77,150	18.3%
IC Design Output Value	12,320	1.4%	10,965	-11.0%	12,721	16.0%	14,245	12.0%	15,214	6.8%
IC Manufacturing Output Value	29,203	31.0%	26,626	-8.8%	34,195	28.4%	43,869	28.3%	54,339	23.9%
Foundry	26,847	38.3%	24,925	-7.2%	32,438	30.1%	41,693	28.5%	51,317	23.1%
Memory & Other	2,356	-18.2%	1,701	-27.8%	1,757	3.3%	2,176	23.8%	3,022	38.9%
IC Packaging	4,660	7.0%	3,931	-15.6%	4,233	7.7%	4,825	14.0%	5,163	7.0%
IC Testing	2,187	7.7%	1,906	-12.8%	2,002	5.0%	2,286	14.2%	2,434	6.5%
IC Product Value	14,676	-2.3%	12,666	-13.7%	14,478	14.3%	16,421	13.4%	18,236	11.1%
WW Value (Billion USD) & Growth rate (%)	5,741	3.3%	5,269	-8.2%	6,305	19.7%	7,917	25.6%	9,999	26.3%

Source: TSIA; Industry, Science and Technology International Strategy Center, Industrial Technology Research Institute (2026/02); (e) indicates an estimate.

(iii) DRAM market overview

In 2025, growth momentum in the DRAM market strengthened significantly, driven not only by the continued expansion of AI-related applications, but also by supply-side adjustments that contributed to price recovery. According to the TSIA report, major memory vendors in the U.S. and South Korea have shut down portions of their DDR4 production lines, prioritizing capacity allocation toward high-end applications such as HBM, resulting in tighter supply of traditional DDR4/DDR5 products. With an increase in demand and supply tightening simultaneously, customers anticipating higher prices engaged in early stocking, further boosting orders and upward pricing pressure.

Moreover, the rapid development of generative AI and large language model (LLM) applications has driven concurrent increases in demand for both HBM and DRAM, creating a phase of temporary supply tightness in the industry.

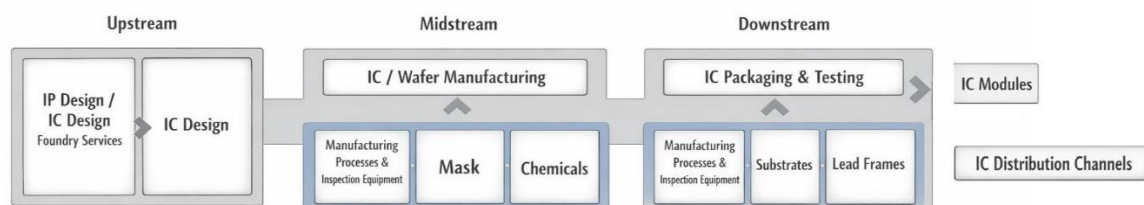
As production capacity shifted toward HBM, overall DDR supply remained relatively constrained, supporting sustained DRAM price growth. In 2025, the memory market has transitioned from a cyclical recovery to a structurally AI-driven growth phase, progressively entering the so-called AI Memory Supercycle.

B. Semiconductor Industry supply chain linkage: Upstream, Midstream and Downstream

The IC design industry is positioned at the upstream end of the semiconductor value chain. It works closely with downstream segments, including foundries, packaging, and testing service providers. Unlike some other major foreign companies that have a vertically integrated structure of design, manufacturing, packaging, and testing, Taiwan's IC industry is structured horizontally. It comprises individual companies in each production segment, each with its expertise forming a horizontal system with a division of labor.

IC design industry is a knowledge-intensive industry whereby IC design companies design and sell their products or receive design commissions from customers. IC design industry is at the upstream of the semiconductor industry supply chain. Once IC design companies complete the product design, they appoint a foundry or IDM (Integrated Device Manufacturer) to produce semi-finished wafer products and test through wafer probing. After preliminary tests, the products are sent to packaging factories for cutting and packaging. The IC testing factory then conducts final tests, and finished products passing tests are sold to system manufacturers through sales channels for assembly and production for system products.

IC design industry supply-chain: Upstream, Midstream, and Downstream are listed as follows :



Source: Taipei Exchange, Introduction to the semiconductor industry chain

C. Product development trend

Driven by the application of artificial intelligence and the Internet of Things, the demand for DRAM has become more diversified, with power saving, high performance, and miniaturization as the main features, and customized memory is getting valued and adopted by the market. The following describes the company's product development trend:

(i) Ultra-low-power

Memory used in wearable and IoT edge devices requires low power consumption, with some needing less than one-tenth of the power of traditional DRAM. The Company is dedicated to research and development, as well as mass production of low-power memory, and we have emerged as a leader in this segment.

(ii) Wide range of IoT applications

The IoT technology has become widespread, resulting in the emergence of new applications and the need for more and smaller devices to be connected to the network for transmitting various data. These IoT devices require high

performance, low power consumption, and small size. As a result, there is an increased demand for customized low-power memory.

(iii) New DRAM applications triggered by technology development

Artificial intelligence (AI) and high-performance computing (HPC) applications require extensive data processing and high-bandwidth data transmission, placing higher demands on DRAM compared to traditional computing devices. As AI algorithms continue to evolve, various chip architectures including CPU, GPU, FPGA, and ASIC have been widely adopted to meet the requirements of AI models, driving the development of different types of DRAM to cater to diverse application scenarios. AI model computations require frequent and rapid storage and retrieval of large volumes of data from memory. As a result, high-performance, high-bandwidth, and low-power memory solutions are essential to enable fast data transmission, reduce overall system power consumption and heat generation, and enhance computational efficiency and performance. To address these challenges, our company actively collaborates with leading industry players to drive innovation and advancements in memory technology, ensuring that emerging applications are well-supported and contributing to the overall growth of the industry.

D. Market competition

The DRAM industry has undergone consolidation and resulted in few major players now. Samsung, Micron, and SK Hynix are large-scale global DRAM manufacturers, and the major DRAM manufacturers in Taiwan are Nanya, Winbond, and Powerchip Semiconductor. Most of Taiwanese DRAM IC design companies' offerings are mainly standard memory products, while our company specializes in the design of customized memory products for customers and intended applications.

(3) Technology and R&D overview

A. Technology focus and R&D

The Company specializes in customized memory design and continues to lead the global customized DRAM market for IoT applications. The IoTRAM™ product portfolio encompasses Pseudo SRAM (pSRAM) and Low-Power DRAM series, and is offered in Known-Good-Die (KGD) and Wafer-Level Chip-Scale Package (WLCSPP) formats to provide customers with highly integrated solutions. These products are widely deployed across end markets including cellular communications, wearable devices, smart connectivity, and intelligent audio-visual applications.

Annual shipments of IoTRAM™ products reach approximately one billion units. Building upon its established technological foundation, the Company will continue to allocate substantial R&D resources toward the development of higher-performance interface platforms and products, while actively expanding into emerging application scenarios.

In the field of heterogeneous integration, the Company successfully completed the world's first development of 3D-stacked integration combining DRAM with logic, and subsequently launched VHM™ DRAM and related IP products, establishing a new high-bandwidth memory architecture.

VHM™ technology shortens transmission distance through vertical stacking, enhancing bandwidth efficiency and optimizing power consumption

performance, making it well suited for AI inference and high-performance computing (HPC) applications that demand high data transfer density. VHMStack™ is a multi-layer stacked VHM™ solution that enables flexible memory capacity expansion based on application requirements, delivering high bandwidth with superior energy efficiency. VHMInterposer™ leverages VHM™ technology to form a novel silicon interposer architecture, enhancing system-on-chip (SoC) flexibility in memory integration and advanced packaging design.

Furthermore, the Company has built its S-SiCap™ product series and related IP licensing services around stack silicon capacitor technology, including Discrete S-SiCap™ and S-SiCap™ Interposer solutions. This technology features high capacitance density, compact form factor, and excellent temperature and voltage stability. It can be integrated with advanced packaging processes for high-end mobile devices and high-speed computing platforms, enhancing power and signal integrity and strengthening overall system performance and reliability.

B. R&D expenses invested in the most recent year and as of the printing date of the annual report

The Company's research and development expenses in the most recent two years and the most recent quarter as a percentage of net operating revenue were as follows: in 2023 and 2024, the amount of research and development expenses were NT\$583,627 thousand and NT\$780,593 thousand, respectively. The Company has spared no effort in investing in R&D to build up its R&D strength and to develop new product lines.

C. Technologies or products successfully developed in the most recent year and as the printing date of the annual report

- (i) Very High-Bandwidth Memory (VHM™)
- (ii) Ultra-High-Speed OPI Pseudo-SRAM (UHS™)
- (iii) Ultra-Low-Swing OPI Pseudo-SRAM (ULS™)
- (iv) Products and services based on S-SiCap™ IP
- (v) Next-Generation High-Bandwidth, Low-Power IoT Memory (ApSRAM™)

(4) IP Management Overview

A. IP Management Plan

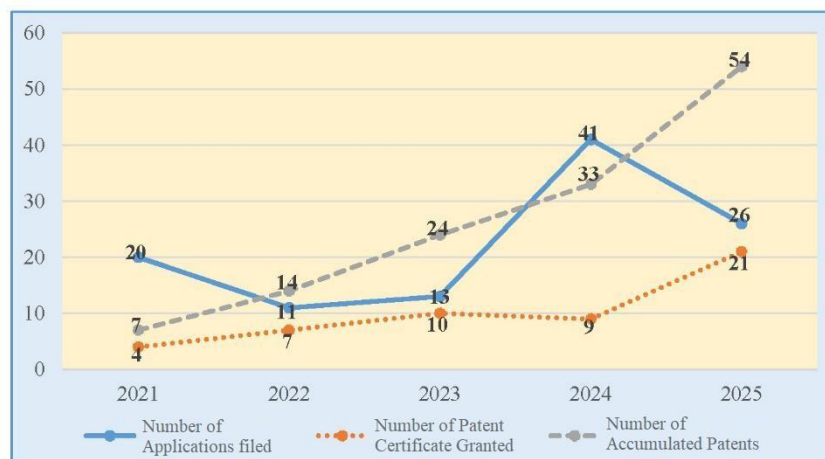
The Company has established Measures for the Management of Intellectual Property that outline our intellectual property (IP) policies, principles of IP ownership, IP protection measures, IP infringement detection, IP registration procedures, and incentive programs. Based on these fundamental principles, the Company has further established guidelines such as Patent Application and Reward Guideline and Proprietary Information Management Regulations. The purpose of these measures is to provide enforceable management practices to maintain and strengthen the intangible assets necessary for the Company's operations. The Company regularly reports its IP management to the Board of Directors; the most recent report was presented in Board Meeting dated December 26, 2025.

B. Patent

The company has established a comprehensive system of patent proposal submission, internal review, and incentive programs to encourage employees across all departments to continuously develop innovative solutions that would gradually build a tailored patent portfolio. Recent optimizations to the patent

proposal review process have yielded significant results; as shown in the chart below, both the number of applications filed and patents granted have increased substantially over the past two years, with 2025 marking a record high for patents granted in a single year.

The inventions for which the Company files patent applications are all



centered on its current and future product portfolios. Taking the 21 patents granted in 2025 as an example, their technological applications can be broadly categorized according to the Company's product lines: stacked wafers, pseudo static random-access memory, silicon capacitors, circuit design, and radio-frequency identification technology. The number of patents in each category is as follows:

C. Trade Secret



In addition to the inventions for which patent applications have been filed, the Company possesses other corresponding technologies as well as technical and commercial information necessary for daily operations, all of which are protected as the Company's confidential information.

The Company's confidential information is subject to controls such as classification, labeling, segregated storage, and restricted distribution in accordance with Proprietary Information Management Regulations. Furthermore, through contractual terms or declarations, the Company requires employees,

customers and suppliers to assume confidentiality obligations regarding the Company's confidential information. Furthermore, in 2024 and 2025, the Company established electronic platforms for data sheets and technical data distribution to serve as review and control mechanisms for outbound dissemination of technical confidential information. In addition, since 2021, the Company has conducted annual employee training focused on trade secrets and intellectual property rights; starting in 2023, trade secret protection has been designated as a mandatory annual course, with completion requiring the passing of a written exam.

(5) Long-term and short-term business development plans

A. Short-term business goals

- (i) Create the greatest value for existing customers, providing superior products, complete after-sales service and technical support.
- (ii) Continue to expand marketing channels and extend the export markets in the United States and Europe.
- (iii) Continue to maintain good relationships with foundries and packaging and testing companies to secure capacity and production cost advantages.
- (iv) Actively develop new applications and expand market share of company's products.
- (v) Focus on product trends and customer needs to optimize R&D investment.
- (vi) Integrate company's resources effectively, strengthen internal control and corporate governance, and enhance operational management efficiency.

B. Long-term operation direction

- (i) Innovation is our Core Value: as an R&D and design company, AP Memory will continue to innovate. Through consistent training and proactive, innovation will become our employees' DNA.
- (ii) By utilizing the existing core memory technology and developing high value-added products to enhance the company competitiveness, AP Memory will become a unique and irreplaceable brand.
- (iii) Maintain a good relationship with existing wafer foundries and packaging and testing companies; seek cooperation with new OEM companies to expand supply capacity.
- (iv) Continue the partnership with world-class companies by jointly develop specifications and long-term collaboration.
- (v) Establish cross-industry strategic alliances to accelerate the development of diversified IC product lines other than memory to increase the Company's overall competitive advantage.
- (vi) Integrate management resources for timely decision-making to respond to industry changes and maintain optimal competitiveness.

2. Market and production and sales overview

(1) Market analysis

A. Sales regions of main products

Unit: In thousands of NTD;%

Region \ Year	2024		2025	
	Amount	Percentage	Amount	Percentage
China	3,244,929	78%	4,420,000	78%
Taiwan	586,343	14%	683,203	12%
America	178,165	4%	374,326	7%
Singapore	138,799	3%	150,068	2%
Europe	11,810	-	25,896	1%
Other	32,332	1%	13,005	-
Total	4,192,378	100%	5,666,498	100%

B. Market shares

The Industrial Technology Research Institute (IEK) announced the 2025 total output value of Taiwan's IC design industry to be NT 1,425 billion. Based on the company's consolidated net operating revenue in 2025, the company's revenue accounts for 0.4% share in the above mentioned output value. As the company focuses on customized memory-related products and design services, it is estimated based on the industrial output value, resulting in a lower ratio.

C. The market's future supply and demand status and growth

The Company is a professional IC design firm, specializing in customized high-bandwidth, low-power memory solutions and an expanded portfolio of silicon capacitor products for advanced packaging applications. With the rapid development of artificial intelligence (AI), high-performance computing (HPC), and edge computing applications, market demand for high-bandwidth, low-power, and highly integrated memory and key components continue to rise. The Company's current product portfolio includes Pseudo SRAM, low-power DRAM, and VHM™ series solutions based on 3D stacked heterogeneous integration technology, as well as silicon capacitor (S-SiCap™) products and related IP licensing services.

In the edge computing and Internet of Things (IoT) sectors, as device connectivity and real-time data processing requirements increase, low power consumption, high performance, and customizable flexibility have become key competitive factors. The Company's memory products provide these advantages and can be customized to application requirements, supporting a wide range of IoT and smart end devices scenarios. As 5G and high-speed communication infrastructure mature, edge AI applications are expected to expand, driving steady growth in embedded memory demand.

In high-performance computing and data centers markets, generative AI and large language models (LLMs) are pushing computing architectures toward higher bandwidth and data throughput. To address this, the Company offers 3D stacked heterogeneous integration (Wafer-on-Wafer) memory architectures, along with VHM™, VHMStack™, and VHMInterposer™ product series, enhancing bandwidth

efficiency while reducing power consumption to meet next-generation HPC demands.

Furthermore, with the widespread adoption of advanced process and packaging technologies, high-speed chips face increasing stringent requirements for power integrity and signal stability. The Company's S-SiCap™ silicon capacitors, featuring a stack architecture, high capacitance density, compact form factor, and voltage stability, are ideal for high-end smartphones, high-speed computing chips, and AI platforms. These products can be integrated into system architectures via advanced packaging processes, providing customers with solutions that combine performance and space efficiency.

Overall, with growing AI memory demand, the deepening of heterogeneous integration, and expanded advanced packaging applications, the Company's portfolio spans high-performance memory and critical power components, positioning it to benefit from market upgrades and value-added growth.

D. Competitive niche

(i) Experienced management team

The company's management team members have served in well-known semiconductor companies both domestically and internationally in the past, and the heads of its main departments have extensive experience in the pulse of semiconductor market trends, mastering advanced process technologies and core IC design technologies, and developing and establishing good communication channels with domestic and international chip maker customers. At the same time, the company has a precise management system, which will greatly help to improve the company's overall competitiveness in the future.

(ii) Good relationship with suppliers and vendors

The company has a good long-term cooperative relationship with its suppliers, a full grasp on product quality, and delivery schedule to fulfill customers' needs. At the same time, it improves the cost structure through effective design methods, which has a positive impact on the company's business development and profits.

(iii) Providing complete sales service

The company designs the required products according to customers' needs, commissions the foundry to manufacture them, sells them to customers after testing, and provides customers with technical consultation and support services on the use of the products to meet customers' needs with complete sales services.

(iv) Working with customers to develop product specifications

The company will discuss and jointly define product specifications with customers before product design to design customized products that meet customers' needs and gain customer recognition with leading design methods in the industry.

E. Favorable and unfavorable factors for development prospects and response measures

(i) Favorable factors

a. The demand for memory in Artificial Intelligence (AI) and High-Performance Computing (HPC) is driving growth in the market

As applications in the Internet of Things (IoT), wearable devices, and

smart home become more intelligent, and breakthroughs in artificial intelligence (AI) technology are driving the need for high-performance memory in cloud data centers and edge computing, the demand for customized, low-power, high-bandwidth memory continues to grow significantly. Also, the massive scale of AI model training and inference processes requires memory with larger capacities and higher bandwidth to support them. Leveraging our deep expertise in the IoT field and leadership in AI technology, our company is well-positioned to seize emerging growth opportunities and stand out in the highly competitive memory market.

- b. Domestic semiconductor industry's division of labor model is comprehensive, providing IC design companies with sufficient logistical support

Taiwan is the epicenter of the world's leading foundry, with a high market share, high capacity utilization, and complete process technology and experience. Taiwan's semiconductor industry is unique in the world with its vertical division of labor in upstream and downstream, and the value chain of the entire IC industry is well-structured with very fine specialization, resulting in a comprehensive industrial cluster effect, which gives the company's products a certain advantage in terms of timing and cost control.

- c. Research and development personnel are familiar with industry technology and have strong R&D capabilities

As a professional memory IC design company, AP Memory's R&D team has extensive practical experience, and thus the company can adjust its product portfolio in accordance with the changing market trend. While continuing to increase the application of existing memory products and extend existing technologies. The company has started to develop silicon capacitor products by leveraging the stack capacitor structure to replace the traditional deep trench etching method to develop and design silicon capacitor products to meet the needs of high-end mobile phones and high-performance computing chips.

- d. Maintain good relationship with global semiconductor companies

The company's main customers are world-renowned chip design companies. As the company continues to meet customers' customized needs timely, we have established a long-term and stable mutually beneficial relationship with them, which is extremely helpful to the company's business expansion.

- (ii) Unfavorable factors and response measures

- a. Rapid market changes

As the technology of information and electronic products continue to upgrade, if the future trend of the industry is misjudged, it will lead to a backlog of inventory and generate operational risks.

Response measures:

- ① Maintain a good interactive relationship with suppliers and customers, and have first-line contact with customers through business and field application support personnel to help grasp market trends and product pulses.
- ② Regularly hold management meetings to determine sales plans and revise sales forecasts based on sales, order placement, inventory, etc., with the goal of achieving accurate sales forecasts.
- ③ Continuously develop new products and innovate functions to understand the product direction of world-class manufacturers and gain market opportunities.

- b. Market competition grows increasingly fierce

With competitors and increasingly fierce market competition making product prices more volatile, if coupled with the rising cost of foundry, it will

lead to relatively higher operating risks.

Response measures:

- ① Continuously innovate products and functions, and conduct feasibility assessments for vertical and horizontal integration to create added value to its products. Also, explore and develop innovative non-memory technologies and products by leveraging existing expertise and capabilities.
 - ② Continuously improve product design models, so as to increase the reusability of design modules, reduce costs, and increase competitiveness.
 - ③ Shorten product development time by integrating R&D and cooperation.
 - ④ Strengthen the training of talents to enhance R&D capabilities to cope with the speed of product changes.
- c. Products are mainly for exports and subject to the risk of exchange rate fluctuations

Most of the company's products are exported, and the prices are mainly denominated in U.S. dollars, so exchange rate changes will affect the company's profit.

Response measures:

The company mainly engages in R&D, sales and design services for customized memory-related integrated circuit chips, which are used as cache memory in various mobile devices and edge computing devices, and have characteristics such as small size, low power consumption, and high performance product features.

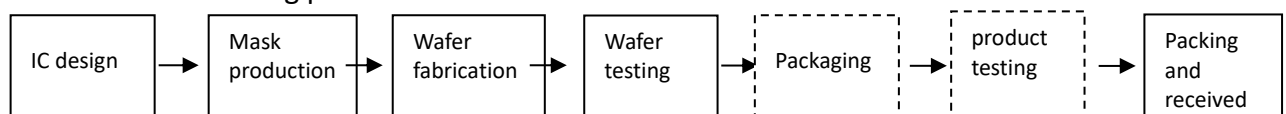
(2) Key applications and production processes of main products

A. Key applications of main products

The company is mainly to develop and sell customized memory-related integrated circuit chips, which can be used as buffer memory in various edge devices and high performance computing products, and have product features such as high bandwidth and low power consumption.

B. Production process

The Company is a professional IC design company, and the IC chips it developed are commissioned to foundries and testing and packaging houses for production according to each manufacturing process. The flow chart of the product manufacturing process is as follows:



(3) Supply of major raw materials

Major material	Company	Status
Wafer	Company A	Good

(4) The names of customers whose purchases (or sales) accounted for more than 10% of the total purchases (or sales) in any of the last two years, along with the corresponding procurement (or sales) amounts and percentages. The reasons for any increases or decreases should also be provided.

A. Information on the major suppliers

Unit: In thousands of NTD

2024					2025			
Item	Name	Amount	As a % of the	Note	Name	Amount	As a % of the	Note

			annual net purchase				annual net purchase	
1	Company A	1,884,705	99.55%	-	Company A	2,495,825	99.48%	-
	Others	8,503	0.45%	-	Others	13,010	0.52%	-
	Net purchase	1,893,208	100.00%		Net purchase	2,508,835	100.00%	

Note: Relationship with the Company

Change analysis:

The Company's consolidated revenue increased significantly in 2025, driven by strong growth momentum in the IoTRAM™ product line. In addition, the S-SiCap™ product line began ramping up shipment volumes in the second half of the year. As a result, compared to 2024, the amount of wafer procurement increased substantially.

B. Information on the major customers

Unit: In thousands of NTD

	2024				2025			
Item	Name	Amount	As a % of the annual net sales	Note	Name	Amount	As a % of the annual net sales	Note
1	Customer A	644,723	15.38%	-	Customer A	703,911	12.42%	-
2	-	-	-	-	Customer B	641,306	11.32%	-
	Others	3,547,655	84.62%	-	Others	4,321,281	76.26%	-
	Net sales	4,192,378	100.00%		Net sales	5,666,498	100.00%	

Remark: Customers with sales of less than 10% of net sales are classified as other

Change analysis:

The Company's consolidated revenue increased significantly in 2025, primarily driven by strong growth momentum in the IoTRAM™ product line and the ramp-up of shipment volumes of the S-SiCap™ product line in the second half of the year. Major Customer A is an IoTRAM™ customer, while Customer B is an S-SiCap™ customer. Benefiting from demand growth across various application segments for IoTRAM™ products, sales to Customer A increased accordingly. In addition, as S-SiCap™ products entered mass production and became one of the Company's key revenue-contributing product lines, sales to Customer B increased significantly.

3. Number of employees in the last two years

Unit: Number of persons; years; %

Year		2024	2025	March 10, 2026
Number of employees	Managers	56	60	61
	R&D/Engineering Staff	141	147	149
	Support Staff	36	41	42
	Total	233	248	252
Average age		38.1	39.0	39.0
Average service years (years)		3.9	4.3	4.4
Educational distribution ratio (%)	Ph.D.	2.6	2.8	2.8
	Master's	59.2	57.7	57.5
	University/College	38.2	39.5	39.7
	High school	-	-	-
	Below high school	-	-	-

4. Information on environmental protection expenses

Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

The Company has not suffered any losses due to environmental pollution in the most recent fiscal year and up to the printing date of the annual report. Additionally, as an IC design company, our primary business is IC research and development, and our products are manufactured by external manufacturers, there is currently no risk of environmental pollution, nor is there any foreseeable risk in the future.

5. Labor-management relationship

- (1) The following parts list various employee benefit measures, education, training, retirement system and its implementation, as well as labor-management agreements and various employee rights protection measures.

A. Employee Benefits and Implementation

- (i) Employees are entitled to labor insurance, national health insurance, and group insurance from their first day of employment.
- (ii) The company has established an "Employee Stock Ownership Trust Plan" with the company fully funding the share purchase.
- (iii) In addition to basic monthly salary, we provide bonuses for the Chinese New Year, Dragon Boat Festival, and Mid-Autumn Festival. We also share profits with employees based on the company's overall performance, team performance, and individual performance, aiming to attract, retain, motivate, and nurture top talent.
- (iv) To care for employee health, we provide annual health check subsidies.
- (v) Employees can apply for various welfare subsidies such as marriage, funeral, and maternity benefits. The company also provides parking subsidies, special gifts, a variety of snacks, physical activities, and regular employee gatherings.
- (vi) The company has established an "Employee Welfare Committee" in accordance with the law to take care of employees' lives, promote physical and mental health, and maintain harmonious labor-management relations. The committee is responsible for planning and implementing various welfare programs, such as club activities, employee travel, and year-end party.

B. Employee Education and Training

Starting from the date of hire, the Company provides orientation training to introduce new hires to corporate policies and systems. The "AP Memory College" serves as the core of the Company's learning system, organizing internal and external training based on various professional fields to implement a comprehensive talent development plan.

C. Retirement system and implementation

To ensure the financial stability of employees after retirement, the Company has established a clear retirement policy in accordance with the "Labor Standards Act" and the "Labor Pension Act." The implementation details are as follows:

(i)Labor Pension

The New Labor Pension System applies to all domestic employees (including those who joined after July 1, 2005, and those who opted for the new system).

a. Contribution Status: The Company contributes 6% of the employee's monthly insurable wage to the individual pension account at the Bureau of Labor Insurance. This ensures that retirement rights are protected and portable regardless of job changes.

b. Voluntary Contribution: In addition to the mandatory employer contribution, employees are encouraged to voluntarily contribute up to an additional 6% of their monthly wage. These voluntary contributions are fully deductible from the individual's gross annual income for tax purposes.

c. Current Implementation: For the current year to date, all required contributions have been paid monthly to the Bureau of Labor Insurance without any delinquency or delay. In 2025, the total amount of pension contribution under the New Pension System was NT\$13,513,956.

(ii)Retirement Application Procedures and Conditions

The Company has defined clear retirement application procedures. When employees meet the eligibility criteria, they may submit a retirement application form. Upon approval by the authorized supervisor, the Human Resources Division will process the retirement benefits.

a. Voluntary Retirement: Employees may apply for voluntary retirement if they have: (a) worked for 15 years and reached age 55; (b) worked for 25 years; or (c) worked for 10 years and reached age 60.

b. Mandatory Retirement: The Company shall not force an employee to retire unless they have reached the age of 65 or are unable to perform their duties due to mental or physical disability.

D. Agreements between labor and management and various measures to protect employees' rights and interests

In accordance with the relevant laws and regulations, labor and management shall follow the service agreement, working rules and regulations, which specify the rights and obligations of employees and benefits in order to protect employees' rights and interests. Since its establishment, the Company has established harmonious labor-management relation and has actively established a two-way and open communication. No major labor disputes and losses have occurred.

- (2) Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes, and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided.

The Company has always attached importance to harmonious labor-management relations and therefore has not suffered any significant losses due to labor disputes in the most recent fiscal year and up to the printing date of the annual report.

6. Cyber Security Management

- (1) Describe the Cybersecurity risk management framework, Cybersecurity policies, concrete management programs, and investments in resources for Cybersecurity management:

A. Cybersecurity Risk Management Framework:

Since 2020, senior executives have participated in planning and implementing

Cybersecurity governance, reviewing risk items, and proposing countermeasures.

A dedicated Cybersecurity organization was established at the end of 2023, including a committee, dedicated units, and a chief information security officer, responsible for formulating and executing Cybersecurity policies, reviewing and updating them in quarterly meetings, and regularly reporting performance to the Board of Directors.

B. Information Security Policies:

- (i) Objective: Ensure confidentiality, integrity, and availability of information assets belonging to the company and partners, preventing unauthorized disclosure and misuse.
- (ii) Policies: Comply with internal control standards; conduct Cybersecurity training; establish comprehensive backup mechanisms and internal/external defense systems; develop disaster recovery plans and conduct regular drills to maintain operational continuity.

C. Specific Management Plans:

- (i) Establish Management Systems: Develop information security management mechanisms covering Cybersecurity management, incident reporting and response, outsourced IT security management, equipment disposal and recycling, business continuity management, and secure system development lifecycle.
- (ii) Continuous Risk Assessment: Implement an information security risk assessment platform to regularly evaluate the security of the information environment.
- (iii) Enhance Security Capabilities: Strengthen firewalls, endpoint controls, and anomaly intrusion detection mechanisms.
- (iv) Access Management: Control access to physical data centers, systems, and information environments, regularly review and adjust access permissions for personnel accounts, application systems, and databases.
- (v) Regular Training and Drills: Conduct biannual Cybersecurity education and training, social engineering drills, and annual disaster recovery exercises for critical systems.

D. Resource Allocation for Information Security Management:

- (i) Education and Training: All employees must complete Cybersecurity training twice annually.
- (ii) Security awareness announcements and incident notifications are distributed periodically.

E. 2025 (FY115) Cybersecurity Implementation Results:

- (i) A total of 236 employees completed the annual online cybersecurity training, covering security awareness, social engineering prevention, ransomware threats, mobile security risks, information security policies, and computer incident reporting processes.
 - (ii) Conducted two social engineering drills, with click rates of 4.6% and 1.6%, and credential submission rates of 1% and 0%. These drills improved employee vigilance and reduced real-world attack risks.
 - (iii) Published 9 cybersecurity awareness reports addressing major domestic incidents, global cyber threat trends, and supply chain attack cases.
- (2) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant Cybersecurity incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

7. Material contracts

Nature of Contract	Contracting Parties	Term	Summary	Restrictions
Product Development	Customer M	Effective from 2025/7/28	A long-term agreement with Customer M relating to the terms and conditions of products development and products sales.	N/A
Master Agreement of Supply and Sales of Products	Customer T	Effective from 2025/6/9	A long-term agreement with Customer T relating to the terms of supply and purchase of the Company's IoTRAM™.	N/A
ISO 9001:2015 Renewal Validation Program	SGS Taiwan Limited	Effective from 2025/8/12	SGS provides ISO 9001:2015 renewal validation to ensure the quality management system of the Company remains compliant with international standards.	N/A
ApSRAMLnK™ License Agreement	Customer A	2025/9/4~2026/9/3	The Company grants its ApSRAMLnK™ IP to Customer A for enabling Customer A to incorporate the Company's ApSRAM™ into Customer A products.	N/A
VHMLnK™ License Agreement	Customer I	Effective from 2025/11/30	The Company grants its VHMLnK™ IP to Customer I for enabling Customer I to incorporate the Company's ApSRAM™ into Customer I products.	N/A
IP Development	Mobiveil, Inc.	Effective from 2025/1/24	Engage Mobiveil to adapt its PSRAM controller IP to leverage the unique characteristics of the Company's Ultra High Speed (UHS) PSRAM device.	N/A
Joint Development	Customer P	Signed on 2025/5/28	A long-term collaboration agreement leveraging both parties' strengths and resources relating to power management IC.	N/A
Outsourcing	Supplier S	2025/10/1~2026/5/31	Terms and conditions of testers capacity reservation and outsourcing.	N/A
Equipment Procurement	Supplier F	2025/1/1~2025/12/31	MOU that offers annual discounted price for probe cards purchase.	N/A
Green Energy Procurement	Supplier Y	2025/1/20~2026/1/19	Terms and conditions of renewable energy and certificate purchase.	N/A
Office Leasing	Tai Yuen Textile Co., Ltd	2025/4/1~2028/3/31	Office Leasing	N/A
Comprehensive Credit	Mega International Commercial Bank Co., Ltd.	2025/2/1~2026/1/31	Comprehensive credit line allowed for use of facilities procurement, sales and operation purposes.	N/A

V Review and analysis of financial conditions and financial performance and risk issues

1. Financial status

Unit: In thousands of NTD ; %

Item \ Year	2024	2025	Difference	
			Amount	%
Current assets	10,786,575	12,939,212	2,152,637	20
Property, plant and equipment	66,155	57,193	(8,962)	(14)
Intangible assets	64,422	86,423	22,001	34
Other assets	2,091,136	1,657,444	(433,692)	(21)
Total assets	13,008,288	14,740,272	1,731,984	13
Current liabilities	965,019	2,287,583	1,322,564	137
Non-current liabilities	136,212	88,643	(47,569)	(35)
Total liabilities	1,101,231	2,376,226	1,274,995	116
Share capital	812,108	813,762	1,654	-
Capital reserve	6,367,692	6,531,614	163,922	3
Retained earnings	4,719,073	4,839,548	120,475	3
Other equity	8,184	57,673	49,489	605
Equity Attributable to Owners of the Company	11,907,057	12,242,597	335,540	3
Non-controlling Interests	-	121,449	121,449	100
Total shareholders' equity	11,907,057	12,364,046	456,989	4

Description of major changes (for those with a change of more than 20% between the consecutive periods' values, and the absolute change reaching the amount of NT\$10 million):

- (1) Increase in non-current liabilities: Due to temporary differences related to the valuation gains on financial assets contributed non-current deferred tax liability.
- (2) Increase in current assets: This was mainly due to an increase in cash and cash equivalents compared to 2024.
- (3) Increase in intangible assets: This was primarily attributable to the capitalization of intangible assets incurred in the development of new products.
- (4) Decrease in other assets: This was mainly due to the disposal of financial assets measured at fair value through profit or loss.
- (5) Increase in current liabilities and total liabilities: This was primarily attributable to an increase in contract liabilities.
- (6) Decrease in non-current liabilities: This resulted from a decrease in deferred tax liabilities arising from temporary differences related to gains on the valuation of financial assets.
- (7) Increase in other equity: This was mainly due to an increase in exchange differences arising from the translation of financial statements of foreign operations as a result of exchange rate fluctuations.
- (8) Increase in non-controlling interests: Following the consolidation of Onecent Technology Ltd. commencing in March 2025, the Company held a 27.78% equity interest as of the end of 2025, resulting in an increase in non-controlling interests.

2. Financial performance

- (1) The main reasons for the significant changes in operating revenue, operating net profit and income before tax in the past two years.

Unit: In thousands of NTD ; %

Item \ Year	2024	2025	Increase (decrease)	Change ratio (%)
Net operating revenue	4,192,378	5,666,498	1,474,120	35
Operating costs	2,046,805	3,032,837	986,032	48
Gross profit	2,145,573	2,633,661	488,088	23
Operating expenses	1,082,483	1,234,470	151,987	14
Net operating profit	1,063,090	1,399,191	336,101	32
Non-operating revenue and expenses	969,785	119,251	(850,534)	(88)
Income before income tax	2,032,875	1,518,442	(514,433)	(25)
Income tax expenses	454,643	278,556	(176,087)	(39)
Net income	1,578,232	1,239,886	(338,346)	(21)
Other comprehensive income	8,527	47,008	38,481	451
Total comprehensive income	1,586,759	1,286,894	(299,865)	(19)
Description of major changes (for those with a change of more than 20% between the consecutive periods' values, and the absolute change reaching the amount of NT\$10 million):				
(1) Increase in gross profit: Overall gross profit increased as a result of higher gross margins due to a favorable product mix.				
(2) Increase in operating revenue, cost of goods sold, and gross profit: During the current period, increased demand in the memory market led to higher operating revenue, cost of goods sold, and gross profit.				
(3) Increase in operating income: As the growth in gross profit exceeded the increase in operating expenses, operating income for the current period increased compared to 2024.				
(4) Decrease in non-operating income and expenses: This was mainly due to an increase in foreign exchange losses resulting from the depreciation of the U.S. dollar.				
(5) Decrease in income tax expense: This was primarily attributable to the recognition of additional income tax payable for fiscal year 2022 in 2024.				
(6) Decrease in profit before tax and profit for the year: The recognition of foreign exchange losses adversely affected profit before tax and profit after tax, resulting in decreases in both amounts.				

- (2) The expected sales volume and its basis, the possible impact on the Company's future financial business, and the response plan:

A. Expected sales volume and its basis

The Company's annual targets are set based on customers' estimated demand, taking into account the overall market environment, capacity planning and past historical experience. The Company continues to research and develop new products to meet market demand for new products in order to expand its product lines and increase revenue streams. The Company will continue to adjust its operating strategy to match its sales forecast and product development plan, and further control the reasonable inventory level.

B. Possible impact on the Company's future financial business, and the response plan

Based on the estimated sales information provided by the sales and marketing unit, together with the order scheduling of the production operation and yield information of quality control, costs and expenses are estimated to further utilize the production capacity and financial capital effectively to meet the needs of business growth.

3. Cash flows

(1) Analysis of changes in cash flows in the most recent year

Unit: In thousands of NTD

Item \ Year	2024	2025	Increase (decrease)
Operating activities	1,511,720	2,852,558	1,340,838
Investing activities	(4,841,665)	1,359,820	6,201,485
Financing activities	(1,353,290)	(1,007,774)	345,516
Impact of exchange rate changes	7,563	(129,956)	(137,519)
Net cash inflow	(4,675,672)	3,074,648	7,750,320

Analysis of changes in cash flows:

- (1) Decrease in net cash inflow from operating activities: The effect of inventory buildup, even if the profit position in 2024 is better than that in 2023.
- (2) Increase in net cash inflows from operating activities: This was mainly attributable to an increase in operating income, together with favorable changes in working capital, resulting in higher net cash inflows from operating activities.
- (3) Increase in net cash inflows from investing activities: This was primarily due to the disposal of financial assets measured at amortized cost, leading to an increase in net cash inflows from investing activities.
- (4) Decrease in net cash outflows from financing activities: During the current period, an increase in short-term borrowings resulted in a decrease in net cash outflows from financing activities.

- (2) Improvement plan for insufficient liquidity: The Company has no cash shortfall and is not yet in danger of insufficient liquidity.
- (3) Analysis of cash liquidity in the coming year: None.

4. Impacts of major capital expenditures on financial operations in the most recent year

The demand in the global semiconductor industry in 2021 far exceeded the existing supply. The shortage of supply will not only impacted the company's foundry production capacity but also the wafer testing capacity. Considering the Company's overall capacity and demand, the company purchased some testing machines in 2021 and 2023 to meet the strong demand pull from end customers. The company raised funds from issuing new shares for GDR in Jan. 2022. The total amount was US\$ 190 million. A portion of the funds will be used to acquire advanced packaging and testing equipment to support and complete its advanced manufacturing processes.

5. The investment policy, the main reasons for profit or loss, and improvement plans in the most recent year and investment plans for the coming year.

(1) Investment policy

The Company's reinvestment policy is in response to the Company's operational strategic planning and focuses on maximizing the use of local resources, taking into account the development of its primary business rather than short-term financial investments.

(2) Main reasons for profit or loss on investment and improvement plans for the most recent year

Driven by robust product demand, the Company's investment income for the current year reached NT\$ [Amount] thousand. We remain committed to supporting our investees in strengthening their core competencies and operational efficiency, aiming to co-create value and ensure the steady growth of overall revenue and profitability.

(3) Investment plan for the coming year

Core Business: We are focusing on IoTRAM™, VHM™, and S-SiCap™ Interposer product lines, aiming to expand our global presence by optimizing investee structures and leveraging local resources.

Strategic Expansion: We continue to explore core technologies in related sectors. By maintaining our investments in UHF RFID IC, PMIC and AI application IC companies, we aim

to foster partnerships that drive the development of breakthrough products for high-growth markets.

6. Risk matter assessment in the most recent year and as of the printing date of the annual report

(1) Impacts of changes in interest rate and exchange rate and inflation on the Company's profit and loss, and the future response measures.

A. Changes in interest rate

(i) Impacts on the Company's profit and loss

The Company's daily operating turnover is mainly using its own funds. The interest expenses amounted to NT\$2,059 thousand and NT\$2,514 thousand in 2024 and 2023 which accounted for 0.05% and 0.04% of net operating revenues, respectively, which had minimal impacts on the Company's profit and loss. The interest revenue is generated from idle funds, based on the interest rate of bank deposits. In 2024 and 2025, the interest revenue amounted to NT\$408,711 thousand and NT\$348,526 thousand, representing 9.75% and 6.15% of net operating revenue, respectively, which had minimal impacts on the Company's profit or loss.

(ii) Specific response measures

The Company regularly evaluates banks' interest rates on deposits and borrowings and observes the impact of changes in financial market interest rates on the Company's funds in order to take flexible measures to constantly adjust the idle fund position. Thus, interest rate changes will not have a material impact on the Company's profit and loss.

B. Changes in exchange rate

(i) Impacts on the Company's profit and loss

The Company's sales to main sales customers are priced in U.S. dollars and its purchases of goods are also priced in U.S. dollars. Through natural hedging and the choice to hold strong currencies, the Company adjusts its foreign exchange gains and losses. The Company's exchange loss was NT\$512,739 thousand and NT\$355,087 thousand in 2024 and 2025, respectively, which accounted for 12.23% and -6.27% of the Company's net operating revenues.

(ii) Specific response measures

The Company has obtained the facility for derivative financial products. If there is a need for hedging, it will use the operation of financial instruments in a timely manner to avoid the risk of exchange rate changes. In view of the continued weakening of the U.S. dollar, the finance unit has reviewed its hedging policy and assessed that hedging of foreign currency positions will be carried out by dedicated personnel to continuously observe exchange rate movements and fully grasp the information on international exchange rate trends and changes, so as to constantly respond to the impact of exchange rate fluctuations and flexibly adjust foreign currency positions in the spot market.

C. Inflation

(i) Impacts on the Company's profit and loss

There was no significant inflation in the most recent year or as of the printing date of the annual report, and the Company's past consolidated income or loss has not been materially affected by inflation.

(ii) Specific response measures

The Company and its subsidiaries pay close attention to the fluctuation of upstream raw materials' market prices and maintain good interaction with suppliers. In the future, the Company will continue to closely observe the changes in price indices, study the impact of inflation on the Company, and adjust product selling prices and raw material inventories in a timely manner in order to cope with the pressure of inflation.

(2) Policies, main causes of gain or loss and future response measures with respect to engaging in high-risk, high-leveraged investments, lending to others, endorsement guarantees, and derivatives trading.

The Company has always operated its business based on the principle of focusing on its primary business and being pragmatic. The Company's financial policy is set based on the principle of being prudent and conservative, and it does not engage in high-risk and high-leverage investment business. The Company has established the "Operational Procedures for Lending Funds to Others," "Operational Procedures for Making of Endorsements/Guarantees" and "Procedures for Regulations Governing the Acquisition and Disposal of Assets" as the basis for the Company's compliance with these procedures. As of the printing date of the annual report, the Company has not entered into any high-risk, highly leveraged investments, loans to others, endorsements and guarantees for others, or derivative transactions, that are assessed as loans of funds in nature in accordance with the criteria of the relevant Q&As.

(3) Future R&D projects and expected R&D expenses

A. Future R&D plan

The Company is constantly improving its existing products to reduce costs and improve compatibility and stability. The Company also continues to invest in market analysis and R&D manpower to develop customized DRAM products optimized to support customers' special application specifications in order to increase its advantages and raise its competitiveness. The application product range of the existing and new generation products and the extension of the existing technologies are as follows:

- (i) Virtual Static Random Access Memory (VSAR) related IC products that can be extended to be applied to wearable devices.
- (ii) Virtual Static Random Access Memory (VSAR) related IC products that can be extended to be applied to the Internet of Things.
- (iii) Develop mobile memory-related integrated circuit products that can be applied to mobile devices.
- (iv) Ultra-high bandwidth customized memory applicable for artificial intelligence (AI) and Blockchain.

B. Estimated R & D expenses

The Company's estimated invested expenses in research and development are gradually compiled according to the development progress of new products and new technologies and continued according to market changes and the progress of new product research and development. In the future, with the growth of sales revenue, it is expected that the research and development expenses will be gradually increased, expanding the Company's operating scale and increasing competitiveness.

(4) Impacts of important domestic and foreign policies and legal changes on the Company's finance and sales, and the response measures.

The Company's daily operations are conducted in compliance with relevant domestic and foreign laws and regulations, and it keeps an eye on domestic and foreign policy trends and changes in regulations to collect relevant information for the management's reference in making decisions and adjusting the Company's relevant operating strategies. As of the printing date of the annual report, there were no material impacts on the Company's financial operations arising from major domestic or foreign policy and legal changes.

(5) Impacts of changes in technology and in industry on the Company's finance and sales, and the response measures.

The Company continues to invest a lot of resources in research and development of new technologies and keeps an eye on industry-related technological changes and developments in order to launch products that meet market trends, as well as to observe future technological trends and adjust the Company's business strategies as appropriate. As of the printing date of the annual report, there were no material impacts on the Company's financial operations arising from technological changes or industry changes.

(6) Impacts of changes in corporate image on the corporate risk management, and the response measure.

Since its establishment, the Company has focused on its primary business operation, complied with relevant laws and regulations, actively strengthened internal management and improved management quality and performance, while maintaining a harmonious

labor-management relationship, in order to continuously maintain an excellent corporate image and increase customers' trust in the Company. Therefore, there was no operational crisis caused by the change of corporate image in the most recent year and as of the printing date of the annual report. However, the occurrence of a corporate crisis may cause considerable damage to an enterprise. Therefore, the Company will continue to implement various corporate governance requirements and conduct risk prevention management in its daily operations in order to reduce the occurrence of corporate risks and their impacts on the Company.

- (7) Expected benefits and possible risk of engaging in merger and acquisition, and the response measure: Not applicable.
- (8) Expected benefits and possible risk of factory expansion, and the response measure: The Company is an IC design company and does not have the need to expand its factory yet, so it is not applicable.
- (9) Risks of purchase or sales concentration and response measures

A. Purchase

Since most domestic professional IC design companies operate without their own foundries, after they complete the IC design, the ICs are manufactured by foundries. In the production process, IC design companies need to fully cooperate with wafer foundries in terms of production capacity, manufacturing process, quality and delivery. Therefore, most of them have the characteristics of concentrating business on a single or a few foundries, heavily relying on wafer foundries, and there is a potential risk of purchase concentration.

Response measures:

The Company selects the world's leading foundries as its main source of wafers and establishes long-term relationships with them so that the production capacity quotas can meet the Company's needs, and the stability of wafer supply and delivery can be improved to reduce the Company's purchase concentration risk.

B. Sales

The Company's main products are memory-related ICs, which are currently shipped as Known Good Die (KGD) to major cell phone chip makers for packaging with their own chips. As the market of cell phone chip is concentrated in the hands of a few manufacturers, the Company's products are sold to the top few manufacturers in the cell phone chip industry in order to enter the market quickly and increase the products' market shares.

Response measures:

The Company continues to interact closely with its existing customers to understand their needs, continues to invest in research and development, launches new products ahead of the rest of the industry, and strives to expand its customer base and reduces the concentration of sales customers.

- (10) Effects and risk of large-scale share transfer or changes in directors, supervisors, or major shareholders with shareholding more than 10% in the Company, and the response measure:

The Company's directors and major shareholders holding more than 10% of the Company's shares have not transferred the Company's shares in the most recent year and as of the printing date of the annual report, which should not have any material impact or risk on the Company.

- (11) Effects and risks of changes in controlling rights on the Company, and the response measure: None.
- (12) For litigation or non-litigation matters, it shall state the major litigation, non-litigation or administrative litigation that has been determined or is still in litigation of the Company and the Company's Directors, Supervisors, General Manager, substantial responsible person, major shareholders holding more than 10% of the shares, and subordinate companies. If the result may have material impacts on the shareholders' equity or the price of the securities, the facts of the dispute, the amount of the subject matter, the commencement date of the litigation, the parties involved in the proceedings, and the handling as of the printing date of the annual report shall be disclosed: None.

(13) Other important risks and response measures:

Cyber security risk assessment:

The Company has set up the cyber security governance system, conducts regular risk assessments, and continuously strengthens cyber security control measures based on this system, such as optimizing the protection functions of hardware and software equipment, conducting regular cyber security drills, conducting regular education and training, and publicizing and revising relevant written specifications, in order to minimize the impact on operations.

7. Other important matters: None.

VI Special notes

1. Information about affiliated enterprises: Please refer to the Market Observation Post System (MOPS).
Index Path: MOPS > Single Company > Electronic Document Download > Affiliated Enterprises Reports Section.
URL: https://mopsov.twse.com.tw/mops/web/t57sb01_q10
2. Private placement of securities in the most recent year and as of the printing date of the annual report: None.
3. Other require supplementary information: None.
4. Matters that have material impacts on shareholders' equity or securities price as defined in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act in the most recent year and as of the printing date of the annual report: None.