TSE: 6921

LeRain Technology Co., Ltd.



ANNUAL REPORT 2025

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

Company Website: https://www.leraintech.com

Printed on April 10, 2026

1. **Spokesperson and Acting Spokesperson (Name, Title, Telephone, and E-mail)**

   Spokesperson:

Name:	Gao, Miao-Bin
Title:	President
Tel:	(02)8227-8678
E-mail:	IR@leraintech.com

   Acting Spokesperson:

Name:	Chen, Yueh-Ching
Title:	Chief Financial Officer
Tel:	(02)8227-8678
E-mail:	IR@leraintech.com

2. **Head Office, Branch Offices, and Factories (Address and Telephone)**

Head Office:	5 F.-2, No. 268, Liancheng Rd., Zhonghe Dist., New Taipei City
Tel:	(02)8227-8678

3. **Stock Transfer Agent (Name, Address, Website, and Telephone)**

Name:	Trust Department, CTBC Bank Co., Ltd.
Address:	5 F., No. 83, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City
Website:	https://ecorp.chinatrust.com.tw
Tel:	(02)6636-5566

4. **CPAs Auditing the Most Recent Annual Financial Statements (Names, Firm, Address, Website, and Telephone)**

CPAs:	Tsai, Pei-Ju and Lee, Feng-Hui
Firm:	KPMG Taiwan
Address:	68 F., No. 7, Sec. 5, Xinyi Rd., Xinyi Dist., Taipei City
Website:	https://www.kpmg.com.tw
Tel:	(02)8101-6666

5. **Trading Venue for Overseas Securities and Methods for Accessing Related Information**

   Not applicable.

6. **Company Website**

Website:	https://www.leraintech.com

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I. Letter to Shareholders

Dear Shareholders,

In 2025, Taiwan's stock market experienced a strong upward trend driven by the wave of artificial intelligence (AI). However, Taiwan's IC design and IP (intellectual property, or silicon IP) industries did not significantly benefit. The primary reason lies in the relatively low proportion of AI-related revenue among these companies. Even when profitability remained stable, they were still unable to gain favor in the capital markets. Most IC design and IP companies in Taiwan continue to focus on consumer electronics and lack explosive growth momentum, resulting in earnings per share (EPS) growth that lags behind stock price performance. Consequently, capital has shifted toward AI-related stocks. Nevertheless, in response to the challenges posed by the rapid proliferation of data, demand for data communication transmission has increased substantially. Under high-speed transmission, signal loss becomes a critical issue, which can be effectively addressed by signal repeaters. Although recent uncertainties surrounding U.S. tariff policies have led to a downturn in end-market demand for consumer electronics, posing greater challenges for the gaming and high-end commercial PC segments, the medium- to long-term outlook remains positive. With next-generation high-speed transmission standards emerging, coupled with comprehensive demand driven by cloud computing platforms and AI, as well as an anticipated replacement cycle for external transmission devices, significant business opportunities are expected to arise for high-speed transmission ICs. At the same time, the Company continues to operate with steady progress, leveraging its strong technological capabilities and agile adaptability, and maintains a cautiously optimistic outlook in facing market challenges. The implementation results and overall status of the Company's 2025 business plan are summarized as follows:

Benefiting from a gradual recovery in market demand, which drove increased demand for gaming and high-end commercial PCs, upstream IC design companies experienced growth in chip sales volumes. As a result, the Company's revenue and operating income both increased in 2025. However, due to significant exchange rate fluctuations, substantial foreign exchange losses were incurred, resulting in a decrease in net income compared to 2024.

(1) Operating Overview for 2025: (Unit: NT$ thousand)

Year / Item	2025	2024	Variance	Change (%)
Operating revenue	194,898	151,727	43,171	28.45
Gross profit	112,023	99,435	12,588	12.66
Operating expenses	96,057	87,584	8,473	9.67
Operating income	15,966	11,851	4,115	34.72
Profit before tax	10,693	22,858	-12,165	-53.22
Net income	10,693	22,858	-12,165	-53.22
Earnings per share (NT$)	0.35	0.76		

(2) Budget Execution

A review of the Company's budget execution for 2025 indicates that resources were allocated reasonably and utilized effectively. The Company will continue to implement cost control measures and enhance operational efficiency to create greater value for shareholders.

(3) Profitability Analysis

The profitability indicators for 2025 are as follows:

Category	Item	2025	2024
Profitability	Return on assets (%)	3.40	8.59
	Return on equity (%)	4.23	11.10
	Ratio of pre-tax profit to paid-in capital (%)	3.36	7.60
	Net profit margin (%)	5.49	15.07
	Earnings per share (NT$)	0.35	0.76

(4) Research and Development Status

The Company invested NT$55,931 thousand in research and development expenses in 2025. Going forward, the Company will continue to allocate R&D expenditures for research activities and equipment procurement, as well as for the cultivation of outstanding R&D talent. Such expenditures will be budgeted progressively in accordance with product development schedules, and the level of investment will be adjusted based on development outcomes, with the aim of expanding the Company's operational scale and enhancing its competitiveness.

Looking ahead to 2026, the Company will not only continue to focus on the field of high-frequency analog integrated circuits, but will also actively expand diversified product applications by promoting its IC designs across various application markets, thereby mitigating risks arising from industry cycles. The Company has proactively positioned itself in transmission markets such as e-sports, servers, and active cables/connectors. With the ongoing deployment of 5G, the increasing penetration of wireless transmission, and improvements in network speed, demand from cloud computing, cloud storage, e-sports gaming, digital audio and video, and e-commerce live streaming continues to drive explosive global data growth. In addition, growing demand for applications such as artificial intelligence (AI), machine learning (ML), big data analytics, high-performance computing (HPC), networking databases, autonomous driving, and virtual interfaces will further support market expansion. The Company will continue to seek stable and long-term partners and customers to reduce the impact of economic cycles, maintain technological leadership, and expand products with strong market niches.

On December 23, 2025, the Company was officially listed on the Innovation Board of the Taiwan Stock Exchange. Leveraging its outstanding technology in Re-Driver ICs and its steady operational growth momentum, the Company has gained recognition from the capital market, marking an important milestone in its corporate development history. In addition, while conducting its business operations, the Company integrates environmentally conscious practices into product design by optimizing manufacturing processes, specifications, and technological upgrades to produce ultra-low power consumption ICs, thereby reducing energy consumption. The Company also adopts environmentally friendly recycled materials to minimize environmental impact and promote sustainable use of the Earth's resources, achieving its environmental sustainability objectives. Looking ahead, the Company will continue to deepen its core technologies and actively invest in the development of high-frequency equalizer ICs featuring low latency, low cost, and low power consumption. By leveraging the Innovation Board as a platform for accelerated growth, the Company will continue to expand its market share in high-end servers, data centers, and next-generation interface standards (such as PCIe Gen 7.0 and CXL), and actively capture growth opportunities in the high-speed transmission interface market.

In the future, the Company will continue to uphold its commitment to innovative technology, high-quality products, and the principles of integrity, innovation, and sustainable management, in order to create maximum value for its shareholders, employees, and customers.

Chairman: Chu, Te-Hsiang

President: Gao, Miao-Bin

Chief Accounting Officer: Chen, Yueh-Ching

II. Corporate Governance

1. Information on Directors, President, Vice Presidents, Associate Vice Presidents, and Heads of Departments and Branches

(1) Information on Directors

1. Basic Information of Directors

As of March 29, 2026; Unit: Shares; %

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Term	Date First Elected	Shares Held When Elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shares Held in the Name of Others		Education and Past Positions	Current Positions at LeRain and Other Companies	Other Executives or Directors Who Are Spouses or Within the Second Degree of Kinship			Notes
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	R.O.C.	Lotes Co., Ltd.	—	112.05.24	3 years	108.12.18	4,732,059	15.74	4,722,059	14.83	—	—	—	—	Director of LeRain Technology Co., Ltd.	Director of LeRain Technology Co., Ltd.	—	—	—	—
	R.O.C.	Representative: Chu, Te-Hsiang	Male 61-70	2023.05.24	3 years	108.12.18	—	—	—	—	—	—	—	—	Department of Mechanical Engineering, New Taipei Municipal Taishan Senior High School Chairman, Lotes Co., Ltd. Chairman, Chia Ming Investment Co., Ltd. Supervisor, Golden Grown Co., Ltd. Chairman, LOTES INVESTMENT LTD Chairman, LOTES SUZHOU CO., LTD. Vice Chairman, LOTES GUANGZHOU CO., LTD. Chairman, Jiayou Investment Co., Ltd. Chairman, LINTES TECHNOLOGY CO., LTD. Chairman, De Chuang Investment Co., Ltd. Chairman, COMPERTUM MICROSYSTEMS INC. Chairman, GOOD NEWS MEDICAL CO., LTD. Chairman, Lomites Co., Ltd. Vice Chairman, GENIE Precision Machining CO., LTD. Representative of Institutional Director, SteadyBeat Technology Corporation Supervisor, Fu Pei Yen Investment Co., Ltd. Supervisor, NEOTON OPTRONICS CORPORATION Chairman, LeRain Technology Co., Ltd.	Chairman, LeRain Technology Co., Ltd. Chairman, Lotes Co., Ltd. Chairman, Chia Ming Investment Co., Ltd. Chairman, LOTES INVESTMENT LTD Chairman, LOTES SUZHOU CO., LTD. Vice Chairman, LOTES GUANGZHOU CO., LTD. Chairman, Jiayou Investment Co., Ltd. Chairman, LINTES TECHNOLOGY CO., LTD. Supervisor, De Chuang Investment Co., Ltd. Chairman, COMPERTUM MICROSYSTEMS INC. Chairman, GOOD NEWS MEDICAL CO., LTD. Chairman, Lomites Co., Ltd. Vice Chairman, GENIE Precision Machining CO., LTD. Supervisor, Fu Pei Yen Investment Co., Ltd. Supervisor, NEOTON OPTRONICS CORPORATION Chairman, AionChip Technologies CO., LTD. Independent Director, APAQ TECHNOLOGY CO., LTD. Representative of Institutional Director, I-SEE VISION TECHNOLOGY INC.	—	—	—	—

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Term	Date First Elected	Shares Held When Elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shares Held in the Name of Others		Education and Past Positions	Current Positions at LeRain and Other Companies	Other Executives or Directors Who Are Spouses or Within the Second Degree of Kinship			Notes
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	U.S.	Gao, Miao-Bin	Male 51-60	2023.05.24	3 years	110.02.09	4,607,941	15.33	4,607,941	14.47	4,600,000	14.45	–	–	M.S., Electrical Engineering, University of Idaho, USA IC Design Engineer, Hewlett Packard IC Design Engineer, Agilent Technologies, San Jose Senior IC Design Engineer, Intel Corporation, Santa Clara President, LeRain Technology Co., Ltd.	President, LeRain Technology Co., Ltd.	Director and Executive Vice President of Technology	Lu, Xiao-Di	Spouse	–
Director	U.S.	Lu, Xiao-Di	Female 51-60	2023.05.24	3 years	112.05.24	4,600,000	15.30	4,600,000	14.45	4,607,941	14.47	–	–	M.S., Computer Science, University of Idaho, USA Software Engineer, Cable & Wireless Exodus Communications, Santa Clara Software Engineer, TRAM Semiconductor, Milpitas Senior Software Engineer, VMware Inc., Palo Alto Executive Vice President of Technology, LeRain Technology Co., Ltd.	Executive Vice President of Technology, LeRain Technology Co., Ltd.	Director and President	Gao, Miao-Bin	Spouse	–

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Term	Date First Elected	Shares Held When Elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shares Held in the Name of Others		Education and Past Positions	Current Positions at LeRain and Other Companies	Other Executives or Directors Who Are Spouses or Within the Second Degree of Kinship			Notes
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	R.O.C.	Yao, Te-Chang	Male 61-70	2023.05.24	3 years	112.05.24	–	–	–	–	–	–	–	–	M.S., Electrical Engineering, University of Southern California, USA M.S., Finance, National Taiwan University Vice President, Gaintech Co. Limited President, TA YA VENTURE CAPITAL CO., LTD. Chairman, Huachen Investment Co., Ltd.	Director, LeRain Technology Co., Ltd. Chairman, Huachen Investment Co., Ltd. Director, ASIX ELECTRONICS CORPORATION Director, YOUNGTEK ELECTRONICS CORP. Director, TAITIEN ELECTRONICS CO., LTD. Director, GIGASTONE CORPORATION Director, Sync-Tech System Corp. Chairman, Phoenix Capital Venture Capital Co., Ltd. Chairman, Phoenix II Capital Venture Capital Co., Ltd. Chairman, Phoenix III Capital Venture Capital Co., Ltd. Chairman, Phoenix IV Capital Venture Capital Co., Ltd. Chairman, Phoenix V Capital Venture Capital Co., Ltd. Chairman, Phoenix VI Capital Venture Capital Co., Ltd. Chairman, Phoenix VIII Capital Venture Capital Co., Ltd. Representative of Institutional Director, NCKU Venture Capital Co., Ltd. Chairman, Cheng Kung Innovation Management Consulting Co., Ltd. Chairman, Yong Chuang Investment Co., Ltd. Chairman, Chun Feng Investment Co., Ltd. Chairman, Yung Fu Investment Co., Ltd. Chairman, Yong Da Investment Co., Ltd. Representative of Institutional Director, WishMobile, Inc. Representative of Institutional Director, IHH CO., LTD. Representative of Institutional Director, ONEWAVE TECHNOLOGY CO., LTD. Director, LEDIAMOND OPTO CORPORATION Director, ACTi Corporation Independent Director, Syntec Technology Co., Ltd. Representative of Institutional Director, Ying Xi Innovation Technology Venture Capital Corporation	–	–	–	–

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Term	Date First Elected	Shares Held When Elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shares Held in the Name of Others		Education and Past Positions	Current Positions at LeRain and Other Companies	Other Executives or Directors Who Are Spouses or Within the Second Degree of Kinship			Notes
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	R.O.C.	Kao, Shu-Jung	Male 61-70	2023.05.24	3 years	112.05.24	–	–	–	–	200,000	0.63	–	–	Bachelor's Degree in Electronic Engineering, National Chin-Yi Institute of Technology Electronic Engineer, KINPO ELECTRONICS, INC. Sales Section Manager, Taiwan Ye Yuan Co., Ltd. President, AI-EN Thailand PVT Co., Ltd. Vice President, Beijing Shen Ru Computer Technology Co., Ltd. President, Zhi Rong Information Technology Co., Ltd. Chief Representative, Beijing Office, ELSA Technology Inc. Project Consultant, TIGER TECHNOLOGY INC. Chairman, CHAINTECH TECHNOLOGY CORPORATION	Independent Director, LeRain Technology Co., Ltd. Chairman, CHAINTECH TECHNOLOGY CORPORATION Chairman, Hong Bang Investment Co., Ltd. Chairman, CHUNG CHIEH TECHNOLOGY LIMITED Director, Transcross Technology Incorporation Representative of Institutional Supervisor, E CHENG TECHNOLOGY LIMITED	–	–	–	–
Independent Director	R.O.C.	Yeh, Chia-Chin	Male 61-70	2023.05.24	3 years	112.05.24	–	–	–	–	–	–	–	–	Bachelor's Degree in Electrical Engineering, National Taipei University of Technology Executive Director, Panasonic Industrial Devices Sales Taiwan Co., Ltd. Chairman, JDX Technology Co., Ltd. Chairman, Jiang Quan Enterprise Co., Ltd.	Independent Director, LeRain Technology Co., Ltd. Chairman, JDX Technology Co., Ltd. Chairman, Jiang Quan Enterprise Co., Ltd. Independent Director, CHAINTECH TECHNOLOGY CORPORATION	–	–	–	–
Independent Director	R.O.C.	Lin, Mei-Ling	Female 61-70	2025.08.11	3 years	114.08.11	–	–	–	–	–	–	–	–	Department of Accounting, Fu Jen Catholic University Auditor, DFI Inc. Partner CPA and Managing Partner, First CPA Firm Partner CPA and Chief Administrative Officer, Crowe Taiwan Independent Director, APPRO PHOTOELECTRON INC. Independent Director, CX Technology Corporation	Independent Director, LeRain Technology Co., Ltd. Independent Director, APPRO PHOTOELECTRON INC. Independent Director, CX Technology Corporation Chairman, Mejia Property Co., Ltd.	–	–	–	–

2. Where a Director Serves as a Representative of an Institutional Shareholder, the Name of the Institutional Shareholder and the Names and Shareholding Ratios of Its Top Ten Shareholders

April 15, 2025

Institutional Shareholder	Major Shareholders of the Institutional Shareholder	%
Lotes Co., Ltd.	Golden Grown Co., Ltd.	9.74%
	Chia Ming Investment Co., Ltd.	8.71%
	Labor Pension Fund (New Scheme)	5.01%
	Dun Lin Investment Co., Ltd.	4.44%
	Fubon Life Insurance Co., Ltd.	3.25%
	Standard Chartered Custody for Small-Cap World Fund Investment Account	2.73%
	De Chuang Investment Co., Ltd.	2.58%
	Citibank (Taiwan) Limited, Custodian for Norges Bank Investment Account	2.12%
	Cathay Life Insurance Company, Ltd.	1.86%
	Labor Pension Fund (Old Scheme)	1.67%

3. Where a Major Shareholder of the Institutional Shareholder Is Also an Institutional Shareholder, the Name and Shareholding Ratio of Its Major Shareholders:

April 10, 2026

Institutional Shareholder	Major Shareholders of the Institutional Shareholder	%
Golden Grown Co., Ltd.	Qian-An Investment Co., Ltd.	100.00%
Chia Ming Investment Co., Ltd.	Fu Pei Yen Investment Co., Ltd.	100.00%
Dun Lin Investment Co., Ltd.	Qian-An Investment Co., Ltd.	100.00%
Cathay Life Insurance Company, Ltd.	Cathay Financial Holdings Co., Ltd.	100.00%
Fubon Life Insurance Co., Ltd.	Fubon Financial Holding Co., Ltd.	100.00%
De Chuang Investment Co., Ltd.	Fu Pei Yen Investment Co., Ltd.	100.00%

(2) Professional Qualifications and Experience of Directors and Independence Status of Independent Directors

Criteria / Name	Professional Qualification and Experience	Independence Status	Number of Other Public Companies Concurrently Serving as an Independent Director
Lotes Co., Ltd. Representative: Chu, Te-Hsiang	1. Currently serves as Chairman of Lotes Co., Ltd. and Lintes Technology Co., Ltd., with over 30 years of experience in product R&D, manufacturing, and corporate management, possessing expertise in leadership decision-making, business management, operational judgment, and commercial and business affairs. 2. None of the circumstances specified in Article 30 of the Company Act apply.	1. Lotes Co., Ltd. is an institutional shareholder holding more than 10% of the Company's issued shares and is the largest shareholder of the Company. 2. Chairman Chu, Te-Hsiang was elected as a director as the designated representative of Lotes Co., Ltd. 3. The independence criteria set forth in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission have been reviewed, and the relevant independence requirements are still satisfied.	1
Gao, Miao-Bin (Director)	1. Holds a Master's degree in Electrical Engineering from the University of Idaho, USA; formerly served as an IC Design Engineer at Hewlett Packard, an IC Design Engineer at Agilent Technologies (San Jose), and a Senior IC Design Engineer at Intel Corporation (Santa Clara), with extensive industry expertise and professional experience. 2. None of the circumstances specified in Article 30 of the Company Act apply.	1. Serves as President of the Company and is a natural person shareholder holding more than 10% of the Company's issued shares; therefore, not an independent director. The independence criteria set forth in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission have been reviewed, and the relevant independence requirements are still satisfied. 2. Has a spousal relationship with Director Lu, Xiao-Di.	0
Lu, Xiao-Di (Director)	1. Holds a Master's degree in Computer Science from the University of Idaho, USA; formerly served as a Software Engineer at Cable & Wireless Exodus Communications (Santa Clara), a Software Engineer at TRAM Semiconductor (Milpitas), and a Senior Software Engineer at VMware Inc. (Palo Alto), with diverse industry knowledge and professional experience. 2. None of the circumstances specified in Article 30 of the Company Act apply.	1. Serves as Vice President of the Company and is a natural person shareholder holding more than 10% of the Company's issued shares; therefore, not an independent director. The independence criteria set forth in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission have been reviewed, and the relevant independence requirements are still satisfied. 2. Has a spousal relationship with Director Gao, Miao-Bin.	0

Criteria / Name	Professional Qualification and Experience	Independence Status	Number of Other Public Companies Concurrently Serving as an Independent Director
Yao, Te-Chang (Director)	1. Holds dual master's degrees—a Master's in Electrical Engineering from the University of Southern California and a Master's in Finance from National Taiwan University. Currently serves as Chairman of Huachen Investment Co., Ltd., Director of ASIX Electronics Corporation, and Independent Director of Syntec Technology Co., Ltd. He is well-versed in technological developments in the semiconductor industry chain and specializes in investment management, with capabilities in corporate governance, accounting information, financial analysis, and insights into industry development and technological applications. 2. None of the circumstances specified in Article 30 of the Company Act apply.	Serves as a natural person director of the Company and meets the independence requirements stipulated by the competent authority. During the two years prior to appointment and throughout the term of office, the independence criteria set forth in Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission have been satisfied. During his tenure, he has exercised his duties independently with full participation in decision-making and the right to express opinions in accordance with Article 14-3 of the Securities and Exchange Act.	1
Kao, Shu-Jung (Independent Director)	1. Bachelor's Degree in Electronic Engineering, National Chin-Yi Institute of Technology. Currently serves as Chairman and President of CHAINTECH TECHNOLOGY CORPORATION for over ten years and Chairman of Hong Bang Investment Co., Ltd., possessing extensive professional qualifications and experience in leadership decision-making, business management, operational judgment, and commercial and business affairs. 2. None of the circumstances specified in Article 30 of the Company Act apply.	The above three independent directors, during the two years prior to their appointment and throughout their tenure, have all met the qualification requirements set forth in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act. Furthermore, all independent directors have been granted full authority to participate in decision-making and express opinions in accordance with Article 14-3 of the Securities and Exchange Act, thereby enabling them to independently perform their duties.	0
Yeh, Chia-Chin (Independent Director)	1. Bachelor's Degree in Electrical Engineering, National Taipei University of Technology. Formerly served as Executive Director of Panasonic Industrial Devices Sales Taiwan Co., Ltd.; currently serves as Chairman of JDX Technology Co., Ltd., Chairman of Jiang Quan Enterprise Co., Ltd., and Independent Director of CHAINTECH TECHNOLOGY CORPORATION. Has extensive experience in the development of the technology industry and possesses professional qualifications and experience in leadership decision-making, business management, operational judgment, and commercial and business affairs. 2. None of the circumstances specified in Article 30 of the Company Act apply.		1
Lin, Mei-Ling (Independent Director)	1. Department of Accounting, Fu Jen Catholic University. Holds a Certified Public Accountant (CPA) license and possesses extensive professional qualifications, knowledge, and skills in accounting and finance. Has engaged in accounting-related work for over 30 years and previously served as Partner and Managing Partner of First CPA Firm, as well as Partner and Chief Administrative Officer of Crowe Taiwan. Currently serves as Independent Director of APPRO PHOTOELECTRON INC. and CX Technology Corporation, and Chairman of Mejia Property Co., Ltd., with professional qualifications and experience in finance, accounting and auditing, corporate governance, business management, and investment management. 2. None of the circumstances specified in Article 30 of the Company Act apply.		2

(3) Board Diversity Policy and Independence

1. Board Diversity:

The Company, based on its existing business model and operational needs, recruits talents with diverse business backgrounds, including but not limited to gender, age, nationality, culture, and professional experience, knowledge, and skills, in order to strengthen the effectiveness of Board operations. The Board of Directors consists of seven directors with diverse professional backgrounds, including three independent directors, two non-independent directors, and two directors concurrently serving as managerial officers of the Company. Directors who are not managerial officers account for more than half of the Board seats. Among the Board members, two directors are female, and two directors are U.S. nationals who also participate in management as managerial officers.

The Company has three independent directors, representing 42.86% of the Board; two female directors, representing 28.57%; and directors who are employees account for 28.57% of the Board. Among them, the three independent directors have each served for less than three years. The professional backgrounds of the Board members cover industries such as electronics, semiconductors, finance, and management, and collectively provide the Company with diversity in gender, industry knowledge, operational judgment, international market perspective, leadership, and decision-making capabilities.

The Company places importance on gender equality in Board composition. Its future diversity objective is to increase the proportion of female directors to at least one-third (i.e., 33%). Currently, male directors account for 71.43% (5 members) and female directors account for 28.57% (2 members). The Company will endeavor to increase the number of female directors to achieve this target.

2. Board Independence:

The election procedures for all directors of the Company are open and fair, and comply with the Company's Articles of Incorporation, the Procedures for Election of Directors, the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and Article 14-2 of the Securities and Exchange Act. The current Board structure consists of three independent directors (42.86%) and four non-independent directors (57.14%), among which two directors also serve as managerial officers (28.57%), not exceeding one-third of the total Board seats. Except for Mr. Gao, Miao-Bin and Ms. Lu, Xiao-Di, who are spouses, none of the other directors fall under the circumstances specified in Paragraphs 3 and 4, Article 26-3 of the Securities and Exchange Act.

The Board of Directors is responsible for guiding corporate strategy, supervising management, and being accountable to the Company and its shareholders. In all corporate governance operations and arrangements, the Board exercises its powers in accordance with applicable laws and regulations, the Articles of Incorporation, and resolutions of shareholders' meetings. The Board emphasizes independent operation and transparency. Directors and independent directors act as independent individuals and exercise their duties independently. The three independent directors also perform

their duties in accordance with the Company's Rules Governing the Scope of Powers of Independent Directors and relevant regulations, and, in conjunction with the functions of the Audit Committee, assess and manage existing or potential risks. They effectively supervise the implementation of internal controls, the appointment (and dismissal) and independence of the CPAs, and the fair presentation of financial statements.

The Company has established a Board performance evaluation system, under which an internal self-evaluation of the Board and self-assessments of individual directors are conducted annually. The Board performance evaluation covers five major aspects: (1) participation in Company operations, (2) enhancement of Board decision-making quality, (3) Board composition and structure, (4) director selection and continuing education, and (5) internal control. The individual director self-assessment covers six major aspects: (1) understanding of Company goals and missions, (2) awareness of director responsibilities, (3) participation in Company operations, (4) internal relationship management and communication, (5) professional competence and continuing education, and (6) internal control. The results of these evaluations are reported to the Board and disclosed in the Company's annual report.

In addition, to ensure that investors have a full understanding of the Company's Board operations, relevant information has been disclosed in the Company's annual report and on the Market Observation Post System (MOPS), including: (1) directors' attendance at Board meetings, (2) Board resolutions and proposals, (3) continuing education of directors, and (4) changes in directors' shareholdings (including shareholding ratios, share transfers, and pledges of shares).

(4) Information on the President, Vice Presidents, Associate Vice Presidents, and Heads of Departments and Branches

As of March 29, 2026; Unit: Shares; %

Title	Nationality	Name	Gender	On-board Date	Shares Held		Shares Held by Spouse & Minors		Shares Held in the Name of Others		Education and Past Positions	Current Positions at Other Companies	Managers who are Spouses or Within the Second Degree of Kinship			Notes
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
President and Head of Sales & Marketing Department and Operations & Production Department	U.S.	Gao, Miao-Bin	Male	2020.03.16	4,607,941	14.47	4,600,000	14.45	–	–	Master's Degree in Electrical Engineering, University of Idaho, USA IC Design Engineer, Hewlett Packard IC Design Engineer, Agilent Technologies, San Jose Senior IC Design Engineer, Intel Corporation, Santa Clara President, LeRain Technology Co., Ltd.	None	Executive Vice President of Technology	Lu, Xiao-Di	Spouse	–
Executive Vice President of Technology and Head of Administration Department	U.S.	Lu, Xiao-Di	Female	2021.09.08	4,600,000	14.45	4,607,941	14.47	–	–	Master's Degree in Computer Science, University of Idaho, USA Software Engineer, Cable & Wireless Exodus Communications, Santa Clara Software Engineer, TRAM Semiconductor, Milpitas Senior Software Engineer, VMware Inc., Palo Alto	None	President	Gao, Miao-Bin	Spouse	–
Vice President of Research & Development	R.O.C.	Chiang, Hsin-Che	Male	2022.08.08	53,666	0.17	30,000	0.09	–	–	University of Maryland College Park Electrical Engineering: Master Degree Oracle Systems Corporation Senior mixed signal circuit design engineer Intel Corporation Senior analog circuit design engineer	None	–	–	–	–
Chief Financial Officer and Chief Corporate Governance Officer	R.O.C.	Chen, Yueh-Ching	Female	2021.05.10	33,000	0.10	–	–	–	–	Bachelor's Degree in Accounting, Providence University Chief Financial Officer, MacroWell OMG Digital Entertainment Co., Ltd. Assistant Manager, Audit Department / Manager, Accounting Department, First CPA Firm	None	–	–	–	–
Internal Audit Manager	R.O.C.	Tu, Mei-Ling	Female	2023.12.18	–	–	–	–	–	–	Master's Degree in Financial Information, National Kaohsiung University of Science and Technology Internal Audit Manager, DataVan International Corp. Internal Audit Specialist, Taiwan Line Tek Electronic Co., Ltd.	None	–	–	–	–

(5) Where the Chairman and the President or Equivalent Position (Highest Managerial Officer) Are the Same Person, Spouses, or Within the First Degree of Kinship, the Reasons, Rationale, Necessity, and Corresponding Measures Shall Be Explained: The Chairman and the President of the Company are not the same person, nor are they spouses or within the first degree of kinship; therefore, this is not applicable.

2. Remuneration Paid to Directors, President, Vice Presidents, and Others in the Most Recent Fiscal Year

(1) Remuneration of Directors (Including Independent Directors)

Unit: NT$ thousand; %

Title	Name	Directors' Remuneration								(A+B+C+D) as a % of Net Income		Remuneration Received by Directors Concurrently Serving as Employees								(A+B+C+D+E+F+G) as a % of Net Income		Compensation from Non-consolidated Affiliates or Parent Company
		Salary (A)		Severance Pay and Pensions (B)		Directors' Remuneration (C)		Business Execution Expenses (D)				Salary, Bonuses, and Allowances (E)		Severance Pay and Pensions (B)		Employee Compensation (G)						
																The Company		From All Consolidated Entities				
		The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	Cash	Stock	Cash	Stock	The Company	From All Consolidated Entities	
Chairman	Lotes Co., Ltd. Representative: Chu, Te-Hsiang	350	350	–	–	–	–	27	27	377 3.52%	377 3.52%	–	–	–	–	–	–	–	–	377 3.52%	377 3.52%	–
Director	Gao, Miao-Bin	350	350	–	–	–	–	27	27	377 3.52%	377 3.52%	11,008	11,008	–	–	–	–	–	–	11,385 106.47%	11,385 106.47%	–
Director	Lu, Xiao-Di	350	350	–	–	–	–	27	27	377 3.52%	377 3.52%	2,853	2,853	–	–	–	–	–	–	3,230 30.20%	3,230 30.20%	–
Director	Yao, Te-Chang	350	350	–	–	–	–	21	21	371 3.47%	371 3.47%	–	–	–	–	–	–	–	–	371 3.47%	371 3.47%	–
Independent Director	Kao, Shu-Jung	500	500	–	–	–	–	48	48	548 5.13%	548 5.13%	–	–	–	–	–	–	–	–	548 5.13%	548 5.13%	–
Independent Director	Chu, Wen-Yi (Note)	250	250	–	–	–	–	18	18	268 2.51%	268 2.51%	–	–	–	–	–	–	–	–	268 2.51%	268 2.51%	–
Independent Director	Yeh, Chia-Chin	500	500	–	–	–	–	48	48	548 5.13%	548 5.13%	–	–	–	–	–	–	–	–	548 5.13%	548 5.13%	–
Independent Director	Lin, Mei-Ling (Note)	250	250					15	15	265 2.48%	265 2.48%									265 2.48%	265 2.48%	–

Note: Independent Director Chu, Wen-Yi resigned on June 9, 2025, and Independent Director Lin, Mei-Ling assumed office on August 11, 2025.

1. Please describe the policies, systems, standards, and structure for the payment of remuneration to independent directors, and explain the relationship between such remuneration and factors such as responsibilities, risks, and time commitment:
   (1) The Company's policy on directors' remuneration is based on Article 19 of the Articles of Incorporation, which authorizes the Board of Directors to determine the remuneration of all directors with reference to their actual participation in the Company's operations, the value of their contributions, and prevailing industry standards both domestically and internationally. In addition, Article 22 of the Articles of Incorporation stipulates that if the Company is profitable in a given year, no less than 3% of such profits shall be allocated as employee compensation (of which no less than 10% shall be allocated for salary adjustments or compensation for non-executive employees), and no more than 3% shall be allocated as directors' remuneration. However, where the Company has accumulated losses (including adjustments to unappropriated retained earnings), such losses shall first be offset before any allocation is made.
   (2) In accordance with the Articles of Incorporation and the Company's Regulations Governing Compensation for Directors and Managers, the Company determines directors' remuneration by taking into account overall operational performance, future business risks, and development prospects, as well as industry standards, directors' responsibilities, time commitment, and performance, and submits such remuneration for reporting to the shareholders' meeting.
   (3) The performance of the overall Board of Directors, functional committees, and individual directors is evaluated annually in accordance with the Company's Regulations Governing Performance Evaluation for Directors and Managers.
2. In addition to the disclosures in the table above, remuneration received by directors for providing services to the Company (such as serving as consultants to the parent company, companies included in the financial statements, or investee companies, where such services are not in the capacity of employees) in the most recent fiscal year: None.

(2) Compensation of President and Vice Presidents

Unit: NT$ thousand

Title	Name	Salary (A)		Severance Pay and Pensions (B)		Bonuses and Allowances (C)		Employee Compensation (D)				(A+B+C+D) as a % of Net Income		Compensation from Non-consolidated Affiliates or Parent Company
		The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company		From All Consolidated Entities		The Company	From All Consolidated Entities	
								Cash	Stock	Cash	Stock			
President	Gao, Miao-Bin	12,709	12,709	–	–	2,455	2,455	–	–	–	–	141.81%	141.81%	–
Executive Vice President of Technology	Lu, Xiao-Di													
Vice President	Chiang, Hsin-Che													

Compensation Ranges

Compensation Ranges for Each President and Vice President of the Company	Names of the President and Vice Presidents	
	The Company	From All Consolidated Entities
NT$0 ~ NT$999,999		
NT$1,000,000 ~ NT$1,999,999	Chiang, Hsin-Che	Chiang, Hsin-Che
NT$2,000,000 ~ NT$3,499,999	Lu, Xiao-Di	Lu, Xiao-Di
NT$3,500,000 ~ NT$4,999,999		
NT$5,000,000 ~ NT$9,999,999		
NT$10,000,000 ~ NT$14,999,999	Gao, Miao-Bin	Gao, Miao-Bin
NT$15,000,000 ~ NT$29,999,999		
NT$30,000,000 ~ NT$49,999,999		
NT$50,000,000 ~ NT$99,999,999		
Over NT$100,000,000		
Total	3	3

(3) Names of Managers Allocated Employee Compensation and Allocation Status

The Company has accumulated losses to be offset; therefore, no employee compensation was distributed for 2024.

(4) Comparative Analysis of the Total Compensation Paid by the Company and All Companies Included in the Consolidated Financial Statements to Directors, the President, and Vice Presidents as a Percentage of Net Income After Tax in the Parent Company Only or Individual Financial Statements for the Most Recent Two Years, and Description of Compensation Policies, Standards, Structure, Determination Procedures, and Their Relationship with Operating Performance and Future Risks

1. Analysis of the total compensation paid in the most recent two years as a percentage of net income after tax

Title	2024		2025	
	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities
Director	13.36%	13.36%	29.28%	29.28%
President and Vice President	57.67%	57.67%	141.81%	141.81%

Net income after tax in 2025 decreased significantly compared to 2024, resulting in a substantial increase in the ratio of total compensation for directors and managers to net income after tax compared to 2024.

2. Compensation Policies, Standards, Structure, Determination Procedures, and Their Relationship with Operating Performance and Future Risks

(1) Directors

When directors perform their duties for the Company, their remuneration is determined by the Board of Directors in accordance with the Company's Regulations Governing Compensation for Directors and Managers, with

reference to prevailing industry standards both domestically and internationally. If the Company is profitable for the fiscal year, pursuant to Article 22 of the Articles of Incorporation, no less than 3% shall be allocated as employee compensation (of which no less than 10% shall be allocated for salary adjustments or compensation for non-executive employees), and no more than 3% shall be allocated as directors' remuneration. However, where the Company has accumulated losses (including adjustments to unappropriated retained earnings), such losses shall first be offset before any allocation is made. Such allocations are subject to review by the Remuneration Committee and approval by the Board of Directors, and are then reported to the shareholders' meeting.

(2) President and Vice Presidents

The remuneration of the President and Vice Presidents is determined in accordance with the Company's Regulations Governing Compensation for Directors and Managers, and includes salary, bonuses, employee stock options, and employee compensation. The Company's compensation policy takes into account academic qualifications, professional experience, industry benchmarks, job responsibilities, level of contribution, and the Company's operating results for the year, so as to provide reasonable compensation commensurate with the responsibilities and risks undertaken.

(3) Relationship with Operating Performance and Future Risks

The remuneration of the Company's directors, President, and Vice Presidents is determined based on their positions, responsibilities, and contributions to the Company, with reference to industry standards. In addition, overall economic conditions are taken into consideration, along with the positive correlation between compensation and the Company's operating performance and future risks.

3. Status of Corporate Governance Operations

(1) Operation of the Board of Directors: In 2025, the Board of Directors convened 7 meetings (A). The attendance of directors is as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate in Person (%)(B/A) (Note 2)	Notes
Chairman	Lotes Co., Ltd.Representative: Chu, Te-Hsiang	7	0	100%	
Director	Gao, Miao-Bin	7	0	100%	
Director	Lu, Xiao-Di	7	0	100%	
Director	Yao, Te-Chang	7	0	100%	
Independent Director	Kao, Shu-Jung	7	0	100%	
Independent Director	Chu, Wen-Yi	2	0	100%	Resigned on June 9, 2025
Independent Director	Yeh, Chia-Chin	7	0	100%	
Independent Director	Lin, Mei-Ling	2	0	66.67%	Assumed office on August 11, 2025

Other Matters to be Disclosed:

1. Where any of the following circumstances occur in the operation of the Board of Directors, the date and session of the Board meeting, content of proposals, opinions of all independent directors, and the Company's response to such opinions shall be specified:

(1) Matters specified in Article 14-3 of the Securities and Exchange Act

Board Meeting Date / Session	Proposals	Matters under Article 14-3 of the Securities and Exchange Act	Independent Directors' Dissenting or Qualified Opinions	Company's Response to Independent Directors' Opinions
March 6, 2025 8th Meeting of the 2nd Term	1. Approval of the regular evaluation of the independence and suitability of CPAs	Yes	None	N/A
	2. Approval of the appointment of CPAs for auditing financial statements	Yes	None	N/A
	3. Approval of amendments to the Company's "Internal Control System –Labor and Wage Cycle"	Yes	None	N/A
	4. Approval of the waiver of preemptive subscription rights by existing shareholders in connection with the issuance of new shares for public underwriting prior to the Company's initial listing	Yes	None	N/A
	5. Approval of salary adjustments for the Company's managers	Yes	None	N/A
	6. Approval of bonuses for the Company's managers	Yes	None	N/A
	Resolutions: Items 1 and 2 regarding the independence, suitability, appointment for 2025, and fees of the Company's CPAs were reviewed by the Audit Committee. Upon inquiry by the chairperson, all attending directors expressed no objection and the proposals were approved as presented. Items 3 and 4 were reviewed by the Audit Committee and approved without objection by all attending directors. For Items 5 and 6, Directors Gao, Miao-Bin and Lu, Xiao-Di abstained from discussion and voting due to conflicts of interest. These items were reviewed by the Remuneration Committee and approved without objection by the attending directors.			

Board Meeting Date / Session	Proposals	Matters under Article 14-3 of the Securities and Exchange Act	Independent Directors' Dissenting or Qualified Opinions	Company's Response to Independent Directors' Opinions
November 5, 2025 13th Meeting of the 2nd Term	1. Approval of the issuance of new shares through cash capital increase prior to the Company's initial listing on the Innovation Board	Yes	None	N/A
	2. Approval of the number of shares to be subscribed by managers in the cash capital increase	Yes	None	N/A
	3. Approval of year-end bonuses for the Company's managers	Yes	None	N/A
	Resolutions: Item 1 was reviewed by the Audit Committee and approved without objection by all attending directors. For Items 2 and 3, Directors Gao, Miao-Bin and Lu, Xiao-Di abstained from discussion and voting due to conflicts of interest. These items were reviewed by the Remuneration Committee and approved without objection by the attending directors.			
March 6, 2026 15th Meeting of the 2nd Term	1. Approval of the regular evaluation of the independence and suitability of CPAs	Yes	None	N/A
	2. Approval of the appointment of CPAs for auditing financial statements	Yes	None	N/A
	3. Approval of the issuance of restricted stock awards	Yes	None	N/A
	4. Approval of salary adjustments for the Company's managers	Yes	None	N/A
	Resolutions: Items 1 and 2 regarding the independence, suitability, appointment for 2026, and fees of the Company's CPAs were reviewed by the Audit Committee and approved without objection by all attending directors. Item 3 was reviewed by the Audit Committee and approved without objection by all attending directors. For Item 4, Directors Gao, Miao-Bin and Lu, Xiao-Di abstained from discussion and voting due to conflicts of interest. This item was reviewed by the Remuneration Committee and approved without objection by the attending directors.			

(2) Except for the matters disclosed above, there were no Board resolutions in the most recent fiscal year to which independent directors expressed dissenting or qualified opinions and for which records or written statements were made.

2. For the implementation of directors' recusal from proposals involving conflicts of interest, including the names of directors, content of proposals, reasons for recusal, and participation in voting, please refer to the description in Item 1 above.

3. Information on Board Self-Evaluation, Including Evaluation Cycle and Period, Scope, Method, and Content

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Aspect
Annual	2025.01.01~ 2025.12.31	Includes performance evaluation of the overall Board of Directors, individual directors, and functional committees.	Performance evaluation is conducted through internal self-evaluation of the Board, self-assessment by individual directors, or	1. Board Performance Evaluation: At a minimum, the following five aspects are covered: (1) Degree of participation in the Company's operations (2) Enhancement of the quality of Board decision-making (3) Board composition and structure (4) Selection and continuing education of directors (5) Internal control

			other appropriate methods.	2. Individual Director Performance Evaluation: At a minimum, the following six aspects are covered: (1) Understanding of the Company's objectives and missions (2) Awareness of directors' responsibilities (3) Degree of participation in the Company's operations (4) Internal relationship management and communication (5) Professional competence and continuing education (6) Internal control 3. Functional Committee Performance Evaluation: At a minimum, the following five aspects are covered: (1) Degree of participation in the Company's operations (2) Awareness of the responsibilities of functional committees (3) Enhancement of the quality of committee decision-making (4) Composition of functional committees and selection of members (5) Internal control In 2025, the Company conducted a Board self-evaluation. The overall self-evaluation results for the Board, individual directors, and functional committees were rated as excellent. Compared with 2024, improvements were observed in enhancing the quality of Board decision-making, selection and continuing education of directors, and internal control; however, declines were noted in participation in Company operations, Board composition and structure, and internal relationship management and communication. The evaluation results were reported to the Board of Directors on March 6, 2026.

4. Objectives for Strengthening Board Functions in the Current and Most Recent Fiscal Years (e.g., Establishment of an Audit Committee, Enhancement of Information Transparency) and Evaluation of Implementation

The Company completed a full re-election of seven directors on May 24, 2023, including three independent directors, and established an Audit Committee and a Remuneration Committee to support and strengthen the functions of the Board of Directors.

The Company has adopted its Rules of Procedure for Board of Directors Meetings in accordance with the Regulations Governing Procedure for Board of Directors Meetings of Public Companies. In addition, in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, the Company has established its Procedures for Election of Directors, which clearly set forth the nomination procedures and qualification criteria for director candidates.

In 2025, the Company conducted a Board self-evaluation, and the overall self-evaluation results for the Board and functional committees were rated as excellent. Improvements were observed in enhancing the quality of Board decision-making, selection and continuing education of directors, and internal control. The evaluation results were reported to the Board of Directors on March 6, 2026.

In accordance with applicable laws and regulations, the Company discloses and reports various financial and business information, as well as important resolutions of Board meetings and shareholders' meetings, on the Market Observation Post System (MOPS) to enhance information transparency.

(2) Operation of the Audit Committee

In 2025, the Audit Committee convened 5 meetings (A). The attendance of independent directors is as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate in Person (%)(B/A) (Note 2)	Notes
Independent Director	Kao, Shu-Jung	5	0	100%	
Independent Director	Chu, Wen-Yi	2	0	100%	Resigned on June 9, 2025
Independent Director	Yeh, Chia-Chin	5	0	100%	
Independent Director	Lin, Mei-Ling	2	0	100%	Assumed office on August 11, 2025

Other Matters to be Disclosed:

1. Where any of the following circumstances occur in the operation of the Audit Committee, the meeting date and session, proposals, independent directors' dissenting or qualified opinions or significant recommendations, the resolutions of the Audit Committee, and the Company's response to such opinions shall be specified:

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

Audit Committee Date / Session	Proposals	Matters under Article 14-5 of the Securities and Exchange Act	Independent Directors' Dissenting or Qualified Opinions	Company's Response to Audit Committee's Opinions
March 6, 2025 7th Meeting of the 1st Term	1. Approval of the regular evaluation of the independence and suitability of CPAs	Yes	No	N/A
	2. Approval of the appointment of CPAs for auditing financial statements	Yes	No	N/A
	3. Approval of the 2024 Business Report and financial statements	Yes	No	N/A
	4. Approval of the 2024 deficit compensation proposal	Yes	No	N/A
	5. Approval of the Company's 2024 Statement of Internal Control System	Yes	No	N/A
	6. Approval of issuing the "Statement of Internal Control System" in connection with the Company's application for listing on the Innovation Board	Yes	No	N/A
	7. Approval of amendments to the Company's "Internal Control System – Payroll Cycle"	Yes	No	N/A
	8. Approval of the waiver of preemptive subscription rights by existing shareholders in connection with the issuance of new shares for public underwriting prior to the Company's initial listing	Yes	No	N/A
	Audit Committee Resolution: All members of the Audit Committee expressed no objection and approved the proposals as presented.			
May 7, 2025	1. Approval of the financial statements for	Yes	No	N/A

Audit Committee Date / Session	Proposals	Matters under Article 14-5 of the Securities and Exchange Act	Independent Directors' Dissenting or Qualified Opinions	Company's Response to Audit Committee's Opinions
8th Meeting of the 1st Term	the first quarter of 2025			
	Audit Committee Resolution: All members of the Audit Committee expressed no objection and approved the proposals as presented.			
August 5, 2025 9th Meeting of the 1st Term	1. Approval of the financial statements for the second quarter of 2025	Yes	No	N/A
	2. Approval of issuing the "Statement of Internal Control System" in connection with the Company's application for listing on the Innovation Board	Yes	No	N/A
	Audit Committee Resolution: All members of the Audit Committee expressed no objection and approved the proposals as presented.			
November 5, 2025 10th Meeting of the 1st Term	1. Approval of the issuance of new shares through cash capital increase prior to the Company's initial listing on the Innovation Board	Yes	No	N/A
	Audit Committee Resolution: All members of the Audit Committee expressed no objection and approved the proposals as presented.			
November 14, 2025 11th Meeting of the 1st Term	1. Approval of the financial statements for the third quarter of 2025	Yes	No	N/A
	Audit Committee Resolution: All members of the Audit Committee expressed no objection and approved the proposals as presented.			
March 6, 2026 12th Meeting of the 1st Term	1. Approval of the regular evaluation of the independence and suitability of CPAs	Yes	No	N/A
	2. Approval of the appointment of CPAs for auditing financial statements	Yes	No	N/A
	3. Approval of the 2025 Business Report and financial statements	Yes	No	N/A
	4. Approval of the 2025 deficit compensation proposal	Yes	No	N/A
	5. Approval of the Company's 2025 Statement of Internal Control System	Yes	No	N/A
	6. Approval of the issuance of restricted stock awards	Yes	No	N/A
	Audit Committee Resolution: All members of the Audit Committee expressed no objection and approved the proposals as presented.			

(2) Except for the matters disclosed above, there were no resolutions not approved by the Audit Committee but subsequently approved by more than two-thirds of all directors.

2. There were no instances where independent directors were required to recuse themselves from proposals due to conflicts of interest.

3. Communication Between Independent Directors, the Head of Internal Audit, and CPAs (including major matters regarding the Company's financial and business conditions, communication methods, and results):

(1) In addition to submitting monthly audit reports and follow-up reports on the improvement of audit findings to independent directors, the internal audit unit regularly reports to independent directors at each Audit Committee meeting on audit operations, audit results, and follow-up status.

(2) The Company's CPAs meet with independent directors at least once annually to

report on the results of reviews or audits of the Company's financial statements, internal control audits, the impact of IFRS amendments and issuances on the Company, and other regulatory requirements. They also communicate whether any adjusting journal entries are required or whether regulatory amendments affect accounting treatments.

(3) The Head of Internal Audit and the CPAs may communicate directly with independent directors at any time as needed, and communication channels remain open and effective.

Communication Between Independent Directors, CPAs, and Internal Audit in 2025

Meeting Date	Attendees	Communication with Head of Internal Audit / Results	Communication with CPAs / Results
March 6, 2025 7th Audit Committee Meeting of the 1st Term	Independent Director Kao, Shu-Jung Independent Director Yeh, Chia-Chin Independent Director Chu, Wen-Yi Head of Internal Audit Tu, Mei-Ling CPA Tsai, Pei-Ju	Matters discussed: 1. Report on audit operations 2. Discussion of the Statement of Internal Control System 3. Discussion of the Internal Control System – Labor and Wage Cycle Results: Acknowledged; no further recommendations.	Matters discussed: 1. 2024 financial statements 2. Corporate governance evaluation report 3. Discussion and communication regarding questions raised by attendees Results: Acknowledged; no further recommendations.
May 7, 2025 8th Audit Committee Meeting of the 1st Term	Independent Director Kao, Shu-Jung Independent Director Yeh, Chia-Chin Independent Director Chu, Wen-Yi Head of Internal Audit Tu, Mei-Ling CPA Tsai, Pei-Ju CPA Lee, Feng-Hui	Matters discussed: Report on audit operations Results: Acknowledged; no further recommendations.	Matters discussed: 1. First quarter 2025 financial statements 2. Regulatory update report 3. Discussion and communication regarding questions raised by attendees Results: Acknowledged; no further recommendations.
August 5, 2025 9th Audit Committee Meeting of the 1st Term	Independent Director Kao, Shu-Jung Independent Director Yeh, Chia-Chin Head of Internal Audit Tu, Mei-Ling CPA Tsai, Pei-Ju CPA Lee, Feng-Hui	Matters discussed: 1. Report on audit operations 2. Discussion of the Statement of Internal Control System Results: Acknowledged; no further recommendations.	Matters discussed: 1. Second quarter 2025 financial statements 2. IFRS regulatory update report 3. Discussion and communication regarding questions raised by attendees Results: Acknowledged; no further recommendations.
November 5, 2025 10th Audit Committee Meeting of the 1st Term	Independent Director Kao, Shu-Jung Independent Director Yeh, Chia-Chin Independent Director Lin, Mei-Ling Head of Internal Audit Tu, Mei-Ling	Matters discussed: Report on audit operations Results: Acknowledged; no further recommendations.	Matters discussed: None Results: None

Meeting Date	Attendees	Communication with Head of Internal Audit / Results	Communication with CPAs / Results
November 14, 2025 11th Audit Committee Meeting of the 1st Term	Independent Director Kao, Shu-Jung Independent Director Yeh, Chia-Chin Independent Director Lin, Mei-Ling Head of Internal Audit Tu, Mei-Ling CPA Tsai, Pei-Ju CPA Lee, Feng-Hui	Matters discussed: 1. Report on audit operations 2. Discussion of the 2026 internal audit plan Results: Acknowledged; no further recommendations.	Matters discussed: 1. Third quarter 2025 financial statements 2. Annual audit planning 3. Regulatory update report 4. Discussion and communication regarding questions raised by attendees Results: Acknowledged; no further recommendations.

(3) Corporate Governance Implementation Status as Required by Taiwan Financial Supervisory Commission

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Explanation	
1. Does Company follow "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" to establish and disclose its corporate governance practices?	v		The Company has formulated its Corporate Governance Best Practice Principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies." After approval by the Board of Directors, the relevant contents have been disclosed on the Company's website and the Market Observation Post System (MOPS).	None.
2. Shareholding Structure & Shareholders' Rights (1) Does Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, has these procedures been implemented accordingly? (2) Does Company possess a list of major shareholders and beneficial owners of these major shareholders? (3) Has the Company built and executed a risk management system and "firewall" between the Company and its affiliates? (4) Has the Company established internal rules prohibiting insider trading on undisclosed information?	v		(1) The Company has established "Rules of Procedure for Shareholders' Meetings" and has designated a spokesperson, acting spokesperson, and share administration unit to handle shareholders' suggestions, inquiries, or disputes. (2) The Company's stock transfer agent regularly updates the shareholder register to accurately identify major shareholders and the ultimate beneficial owners of such shareholders. (3) The Company operates independently from its affiliates in terms of finance and business. It has established the "Regulations Governing Financial and Business Transactions Between Related Parties," which are implemented through the internal control system and internal audit system to establish risk management and firewall mechanisms between the Company and its affiliates. (4) The Company has established the "Procedures for Ethical Management and Guidelines for Conduct" and the "Procedures for Prevention of Insider Trading," which prohibit insiders from trading securities using undisclosed information in the market to obtain improper benefits.	None.
3. Composition and Responsibilities of the Board of Directors	v		(1) The Company has established its "Procedures for Election of Directors"	None.

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Explanation	
(1) Has the Board of Directors established a diversity policy, set goals, and implemented them accordingly?			in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies," clearly stipulating that the selection of directors shall take into consideration the overall composition of the Board and the diversity policy of Board members. The Company's Board of Directors consists of seven directors with extensive experience in the electronics, semiconductor, finance, and management industries. For the implementation of the Board diversity policy, please refer to the description under Board diversity policy.	
(2) Other than the Remuneration Committee and the Audit Committee which are required by law, does the Company plan to set up other Board committees?			(2) In addition to establishing the Remuneration Committee and the Audit Committee as required by law, the Company will establish other functional committees in the future as needed for its operations.	
(3) Has the Company established methodology for evaluating the performance of its Board of Directors, on an annual basis, reported the results of performance to the Board of Directors, and use the results as reference for directors' remuneration and renewal?			(3) The Company has established regulations governing the performance evaluation of the Board of Directors and conducts regular annual evaluations in accordance with such regulations. The results of the evaluations are reported to the Board and are used as a reference for determining directors' remuneration and nomination for reappointment.	
(4) Does the Company regularly evaluate its external auditors' independence?			(4) The Audit Committee conducts an annual evaluation of the independence and suitability of the external auditors and reports the results to the Board of Directors. The most recent evaluation was approved by the Audit Committee on March 6, 2026, and subsequently approved by the Board of Directors on the same date. The evaluation of auditors' independence and suitability is based on the Audit Quality Indicators (AQIs) provided by the auditors, covering five major dimensions—professional competence, quality control, independence, supervision, and innovation—and thirteen evaluation indicators. In addition, the auditors provide an annual independence declaration. Based on the results of the evaluation, the Company's external auditors meet the Company's independence requirements and suitability standards and are therefore considered qualified for appointment.	
4. Does the Company appoint competent and appropriate corporate governance personnel and corporate governance officer to be in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by directors and supervisors, assisting directors' compliance of law, handling	v		The Company has appointed a corporate governance officer responsible for corporate governance matters, including providing directors with information required for the execution of their duties, assisting directors in complying with laws and regulations, handling matters related to Board and	None.

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Explanation	
matters related to board meetings and shareholders' meetings according to law, and recording minutes of board meetings and shareholders' meetings)?			shareholders' meetings in accordance with applicable laws, and preparing minutes of Board and shareholders' meetings.	
5. Has the Company established a means of communicating with its Stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) or created a Stakeholders Section on its Company website? Does the Company respond to stakeholders' questions on corporate responsibilities?	v		The Company has designated a spokesperson and an acting spokesperson as communication channels for stakeholders. In addition, the Company has established a dedicated section on its website to appropriately respond to stakeholders' concerns and related issues.	None.
6. Has the Company appointed a professional registrar for its Shareholders' Meetings?	v		The Company has appointed the Trust Department of CTBC Bank Co., Ltd. as its professional stock affairs agent to handle all share administration matters.	None.
7. Information Disclosure (1) Has the Company established a corporate website to disclose information regarding its financials, business and corporate governance status? (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.)? (3) Does the Company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the first, second, and third quarter financial statements as well as the operating status of each month before the prescribed deadline?	v		(1) The Company's website discloses information on its corporate profile, financial and business operations, and corporate governance. (2) The Company has established both Chinese and English websites and has designated personnel responsible for disclosing information related to finance, business operations, share administration, corporate governance, and other public information. A designated spokesperson system is also in place to ensure proper information disclosure. (3) The Company has announced and reported its annual financial statements, quarterly financial statements, and monthly operating results within the deadlines required by applicable laws and regulations.	None.
8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (e.g. including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	v		(1) Employee Rights and Welfare: The Company places great importance on safeguarding employee rights. In addition to providing statutory insurance, implementing a pension system, and offering employee stock ownership, the Company has established labor-management meetings as a direct communication channel to foster a harmonious working environment and facilitate smooth operations. (Please refer to Section IV, Operational Overview – Labor Relations.) (2) Investor Relations: Investors may obtain information on the Company's operations through the Market Observation Post System (MOPS) and the Company's website, and may communicate through shareholders' meetings and the spokesperson's email mailbox. (3) Supplier Relations: The Company requires that raw materials procured must not contain environmentally hazardous prohibited substances. It	None.

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Explanation	
			maintains close cooperative relationships with suppliers to ensure stable supply sources. (4) Stakeholders' Rights: The Company has established a spokesperson and an acting spokesperson as communication channels with stakeholders. (5) Directors' Continuing Education: All directors in office as of the end of 2025 have completed the required training hours in compliance with regulatory requirements. For details, please refer to Note 1 and the Market Observation Post System (MOPS). (6) Implementation of Risk Management Policies and Risk Measurement Standards: The Company adopts a prudent approach to risk management, and the internal audit unit conducts regular or ad hoc reviews of the effectiveness of internal controls. (7) Implementation of Customer Policies: Company personnel regularly visit customers to understand their needs and provide timely support, maintaining stable and positive relationships to create mutual benefits. (8) Directors' Liability Insurance: The Company has purchased directors' liability insurance with a coverage amount of USD 3,000 thousand. The coverage period is from November 15, 2025 to November 15, 2026. Information regarding the insured amount and coverage scope has been reported to the Board of Directors and duly disclosed on the Market Observation Post System (MOPS).	
9. The improvement status for the result of Corporate Governance Evaluation announced by Taiwan Stock Exchange: Not applicable.				

Note 1: Directors' Continuing Education in 2025

Title	Name	Dates of Training	Organizer	Course Titles	Hours
Chairman	Chu, Te-Hsiang	2025.06.25	Taiwan Corporate Governance Association	Key Technologies and Business Opportunities Behind the Global Leadership of SpaceX and Starlink	3
		2025.12.19		Trends and Challenges of System-in-Package (SiP)	3
Director	Gao, Miao-Bin	2025.07.09	Taiwan Stock Exchange Corporation	2025 Cathay Sustainable Finance and Climate Change Summit Forum	6
Director	Lu, Xiao-Di	2025.07.09	Taiwan Stock Exchange Corporation	2025 Cathay Sustainable Finance and Climate Change Summit Forum	6
Director	Yao, Te-Chang	2025.07.23	Importers and Exporters Association of Taipei	Comprehensive Perspectives on Emerging Technology Adoption—New Business Opportunities from AI, Robotics, Space Applications, and Precision Health	3

Title	Name	Dates of Training	Organizer	Course Titles	Hours
		2025.07.23		Challenges and Responses to the New Global Economic and Trade Landscape	3
Independent Director	Kao, Shu-Jung	2025.07.09	Taiwan Stock Exchange Corporation	2025 Cathay Sustainable Finance and Climate Change Summit Forum	3
		2025.12.03	Corporate Operating and Sustainable Development Association	Types of Intellectual Property Rights, Protection of Rights, and AI-Related Issues	3
		2025.12.11	Corporate Operating and Sustainable Development Association	Corporate Governance and Securities Regulations—Analysis of Governance Risks from a Prosecutor's Perspective	3
Independent Director	Yeh, Chia-Chin	2025.07.09	Taiwan Stock Exchange Corporation	2025 Cathay Sustainable Finance and Climate Change Summit Forum	3
		2025.10.15	Corporate Operating and Sustainable Development Association	Practical M&A Due Diligence—Analyzing Risks and Opportunities Behind Financial Figures	3
		2025.10.23	Corporate Operating and Sustainable Development Association	AI + ESG: A Must-Take Course for Corporate Innovation and Sustainable Transformation	3
Independent Director	Lin, Mei-Ling	2025.04.15	Taiwan Corporate Governance Association	Case Analysis of Corporate Control Contests	3
		2025.08.05	Securities and Futures Institute	Discussion on Employee and Director Compensation Issues	3

(4) Where the Company Has Established a Remuneration Committee, Its Composition and Operation Shall Be Disclosed:

1. Information on Members of the Remuneration Committee

December 31, 2025

Criteria / Title / Name	Professional Qualifications and Experience	Independence Status	Number of Other Public Companies Where the Member Concurrently Serves as a Member of the Remuneration Committee
Independent Director (Convenor) — Kao, Shu-Jung	1. Bachelor's Degree in Electronic Engineering, National Chin-Yi Institute of Technology. Currently serves as Chairman and President of CHAINTECH TECHNOLOGY CORPORATION for over ten years and Chairman of Hong Bang Investment Co., Ltd., possessing extensive professional qualifications and experience in leadership decision-making, business management, operational judgment, and commercial and business affairs. 2. None of the circumstances specified in Article 30 of the Company Act apply.	All independent directors of the Company comply with the requirements set forth in Subparagraphs 1 to 8, Paragraph 1, Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." In the past two years, none of the independent directors have received compensation for providing commercial, legal, financial, or	0
Independent Director — Chu, Wen-Yi	1. Holds a Ph.D. from London Business School, University of London. Formerly served as Professor in the Department of Business Administration and Graduate Institute of Business Administration at National Taiwan		2

		University, Vice Dean of Academic Affairs at National Taiwan University, Deputy Director of the Center for General Education at National Taiwan University, Chair of the Department of Business Administration, and Director of the Graduate Institute of Business Administration at National Taiwan University. Currently serves as Professor in the Department of Business Administration and Graduate Institute of Business Administration at National Taiwan University, Independent Director of GIGA-BYTE Technology Co., Ltd., and Independent Director of Winmate Inc.. Possesses professional expertise in accounting as well as extensive knowledge and experience across multiple industries. 2. None of the circumstances specified in Article 30 of the Company Act apply.	accounting services to the Company or its related parties.	
Independent Director	Yeh, Chia-Chin	1. Bachelor's Degree in Electrical Engineering, National Taipei University of Technology. Formerly served as Executive Director of Panasonic Industrial Devices Sales Taiwan Co., Ltd.; currently serves as Chairman of JDX Technology Co., Ltd., Chairman of Jiang Quan Enterprise Co., Ltd., and Independent Director of CHAINTECH TECHNOLOGY CORPORATION. Has extensive experience in the development of the technology industry and possesses professional qualifications and experience in leadership decision-making, business management, operational judgment, and commercial and business affairs. 2. None of the circumstances specified in Article 30 of the Company Act apply.		1
Independent Director	Lin, Mei-Ling	1. Department of Accounting, Fu Jen Catholic University. Holds a Certified Public Accountant (CPA) license and possesses extensive professional qualifications, knowledge, and skills in accounting and finance. Has engaged in accounting-related work for over 30 years and previously served as Partner and Managing Partner of First CPA Firm, as well as Partner and Chief Administrative Officer of Crowe Taiwan. Currently serves as Independent Director of APPRO PHOTOELECTRON INC. and CX Technology Corporation, and Chairman of Mejia Property Co., Ltd., with professional qualifications and experience in finance, accounting and auditing, corporate governance, business management, and investment management. 2. None of the circumstances specified in Article 30 of the Company Act apply.		2

2. Operation of the Remuneration Committee

(1) The Company's Remuneration Committee consists of three members.

(2) Term of the current committee: May 24, 2023 to May 23, 2026. In 2025, the Remuneration Committee convened 2 meetings (A). The qualifications and attendance of members are as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate in Person (%)(B/A) (Note 2)	Notes
Convenor	Kao, Shu-	2	0	100%	

	Jung				
Member	Chu, Wen-Yi	1	0	100%	Resigned on June 9, 2025
Member	Yeh, Chia-Chin	2	0	100%	
Member	Lin, Mei-Ling	1	0	100%	Assumed office on August 11, 2025

Other Matters to be Disclosed:

A. If the Board of Directors does not adopt or modifies the recommendations of the Remuneration Committee, the date and session of the Board meeting, agenda items, Board resolutions, and the Company's response to the Remuneration Committee's opinions (including differences and reasons where the Board-approved remuneration is more favorable than the Committee's recommendation) shall be specified: None.

B. If any member of the Remuneration Committee expresses dissenting or qualified opinions with records or written statements, the date and session of the meeting, agenda items, opinions of all members, and the handling of such opinions shall be specified: None.

C. Scope of Duties of the Remuneration Committee:

In accordance with the Company's "Charter of the Remuneration Committee," the scope of duties includes periodically reviewing the Charter and proposing amendments, establishing and regularly reviewing performance evaluation criteria, annual and long-term performance goals for directors and managers, and periodically evaluating the achievement of such performance goals. Based on the results of performance evaluations, the Committee formulates recommendations on the content and amount of individual remuneration for directors and managers and submits such recommendations to the Board of Directors for discussion.

D. Matters Discussed by the Remuneration Committee, Resolutions, and the Company's Response:

Remuneration Committee Date / Session	Resolution	Resolution Results and Members' Opinions	Company's Response
March 6, 2025 5th Meeting of the 1st Term	1. Manager bonuses 2. Annual salary adjustments for managers and review of remuneration policies, systems, standards, and structure for directors and managers 3. Review of performance targets for managers for 2025	Approved by all committee members	Items 1 and 2 were submitted to the Board of Directors and approved by all attending directors
November 5, 2025 6th Meeting of the 1st Term	1. Allocation of shares for managers to subscribe in the Company's cash capital increase and issuance of new shares 2. Year-end bonuses for managers	Approved by all committee members	Submitted to the Board of Directors and approved by all attending directors
March 6, 2026 7th Meeting of the 1st Term	1. Annual salary adjustments for managers and review of remuneration policies, systems, standards, and structure for directors and managers 2. Review of performance targets for managers for 2026	Approved by all committee members	Item 1 was submitted to the Board of Directors and approved by all attending

Remuneration Committee Date / Session	Resolution	Resolution Results and Members' Opinions	Company's Response
			directors

(5) Sustainability Development Implementation Status as Required by Taiwan Financial Supervisory Commission

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Explanation	
1. Does the Company have a governance structure for sustainability development and a dedicated (or ad-hoc) sustainable development organization with Board of Directors authorization for senior management, which is reviewed by the Board of Directors?	v		The Company's Board of Directors approved the adoption of the "Sustainable Development Best Practice Principles" on August 7, 2024. The Office of the President serves as the responsible unit for promoting sustainability development, in charge of proposing and implementing sustainability policies, systems, management guidelines, and specific action plans, and reports to the Board of Directors on a regular annual basis.	None.
2. Does the Company follow materiality principle to conduct risk assessment for environmental, social and corporate governance topics related to company operation, and establish risk management related policy or strategy?	v		(1) Environmental Environmental Impact and Management (1)The raw materials used by the Company comply with EU RoHS, REACH, and halogen-free requirements, thereby reducing environmental impact. The Company obtained ISO 14001 environmental management certification in 2022 and continues to maintain such certification on a regular basis. (2)An annual internal audit plan is established to review compliance with applicable environmental laws and regulations and to ensure that all operational processes meet regulatory requirements. (2) Social 1. Occupational Safety and Health The Company conducts regular fire drills and occupational safety and health training each year to enhance employees' emergency response capabilities and self-safety management awareness. 2. Product Quality and Safety (1)All products comply with applicable government regulations and EU RoHS standards and contain no hazardous substances. (2)The Company completed ISO 9001 quality management certification in 2022 and uses a management system to monitor product quality and safety. (3) Corporate Governance 1. Socioeconomic and Regulatory Compliance (1)Through the establishment of	None.

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Explanation	
			governance structures and the implementation of internal control mechanisms, the Company ensures that all personnel and operations comply with relevant laws and regulations. (2)The Company applies for patents to protect the rights and interests of its R&D results. 2. Enhancement of Board Functions (1)The Company arranges relevant training programs for directors and provides updates on the latest regulations, system developments, and policies each year. (2)The Company has procured directors' liability insurance to protect directors against litigation or claims. 3. Stakeholder Communication (1)The Company conducts annual analyses of key stakeholders and the material issues of concern to them. (2)Various communication channels have been established to facilitate active communication and reduce conflicts and misunderstandings. An investor mailbox is maintained, with responses handled through the spokesperson system.	
3. Environmental Topic (1) Has the Company set an environmental management system designed to industry characteristics? (2) Is the Company committed to improving resource efficiency and to the use of renewable materials with low environmental impact? (3) Does the Company evaluate current and future climate change potential risks and opportunities and take measures related to climate related topics?	v		(1) As an IC design company, the Company carefully considers the fulfillment of corporate social responsibility and compliance with domestic regulations in its daily operations. The Company has obtained ISO 14001:2015 certification and implements internationally recognized environmental management system principles to achieve environmental protection and sustainable operations. (2) The Company implements energy-saving and carbon reduction initiatives and prioritizes the use of low energy-consuming office supplies and equipment to enhance efficient resource utilization. In addition, all raw materials used comply with EU RoHS, REACH, and halogen-free requirements, thereby reducing environmental impact. (3) To proactively address potential risks and opportunities arising from climate change, the Company adopts energy-saving and carbon reduction policies, prioritizes the use of low energy-consuming office supplies and equipment, develops ultra-low power consumption chip products, and continuously identifies climate-related risks and sustainability opportunities.	None.

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Explanation	
(4) Does the Company collect data for greenhouse gas emissions, water usage and waste quantity in recent two years, and set greenhouse gas emissions reduction, water usage reduction and other waste management policies?			(4) With respect to water resource conservation and environmental protection, the Company fully implements water-saving practices in daily operations and continuously improves overall water-use efficiency. As an IC design company without manufacturing facilities, the Company's waste primarily consists of general office waste generated by employees. Therefore, waste management is not considered a material issue for the Company, and disposal is handled in accordance with local government regulations. Nevertheless, although waste management is not a material topic, the Company continues to develop green products and improve operational processes—based on service carbon footprint verification and greenhouse gas verification results—to reduce carbon emissions associated with waste generated during operations.	
4. Social Topic (1) Does the Company set policies and procedures in compliance with regulations and internationally recognized human rights principles?	v		(1) The Company formulates various management policies and procedures in accordance with domestic labor and human rights standards and based on a people-oriented management philosophy. It also adopts the Responsible Business Alliance (RBA) Code of Conduct to safeguard the human rights of all employees.	None.
(2) Has the Company established appropriately managed employee welfare measures (include salary and compensation, leave and others), and link operational performance or achievements with employee salary and compensation?			(2) The Company's employee welfare measures are implemented in accordance with the Labor Standards Act, Labor Insurance Act, National Health Insurance Act, and other relevant laws and regulations. In addition to statutory benefits such as labor insurance, health insurance, and pension contributions, the Company also provides year-end bonuses, employee compensation, and employee stock ownership programs. Performance bonuses are granted based on operating results.	
(3) Does the Company provide employees with a safe and healthy working environment, with regular safety and health training?			(3) The Company requires employees to undergo health examinations once every three years, emphasizing employee health. It has also established office facilities to provide a comfortable working environment and regularly arranges occupational safety and health training conducted by designated personnel.	
(4) Has the Company established effective career development training plans?			(4) To enhance the quality of human resources and strengthen the Company's core competitiveness, the Company provides internal and external training programs based on employees' needs. These programs are	

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Explanation	
			designed to improve employees' professional skills, deepen their understanding of industry competencies, and unlock their potential. By ensuring the right person is placed in the right position, the Company enhances service quality and management performance, creating a mutually beneficial environment for both employees and the Company.	
(5) Does the Company's product and service comply with related regulations and international rules for customers' health and safety, privacy, sales, labelling and set policies to protect consumers' or customers' rights and consumer appeal procedures?			(5) To ensure product safety, the Company continuously implements comprehensive quality management. All operations comply with applicable laws, regulations, and international standards. To enhance product and service quality and safeguard customer rights, the Company has established procedures for risk management, customer complaint handling, and corrective and preventive actions. These procedures cover product risk assessment and control, management of nonconforming products, complaint handling, and follow-up corrective and preventive measures. The Company also provides customer service contact numbers and email addresses on its website, with the sales department coordinating with relevant units to handle complaints. Customer satisfaction surveys are conducted regularly, with subsequent reviews and improvement plans implemented. A rigorous management system is maintained to ensure product quality and to fulfill the responsibility of protecting customer data confidentiality.	
(6) Does the Company set supplier management policy and request suppliers to comply with related standards on the topics of environmental, occupational safety and health or labor right, and their implementation status?			(6) The Company has established "Supplier Management Procedures" to ensure that suppliers provide qualified products and services that meet environmental, safety, and health regulatory requirements, as well as customers' expectations for green products. Prior to engaging with suppliers, the Company conducts supplier evaluations, including data collection, on-site audits, assessments, and trial production verification. In addition to evaluating suppliers' reputation, product quality, and creditworthiness, the Company also reviews whether suppliers have obtained legal registration, relevant quality certifications, and environmental certifications, and whether there are any records of environmental pollution or social harm. These criteria determine	

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Explanation	
			whether suppliers are included in the approved supplier list. The Company requires suppliers to comply with applicable regulations and government laws related to environmental protection, occupational safety and health, and labor and human rights, with the aim of achieving balanced development in economic, social, and environmental aspects.	
5. Does the Company refer to international reporting rules or guidelines to publish Sustainability Report to disclose non-financial information of the Company? Has the said Report acquire third party verification or statement of assurance?		v	The Company has not yet prepared a Sustainability Report. However, it continues to listen to and respond to issues and expectations of concern to stakeholders. Relevant information can be accessed on the Company's website (https://www.leraintech.com/). The Company remains committed to strengthening corporate governance and advancing sustainable development initiatives.	The Company will prepare such a report in the future as needed or in accordance with regulatory requirements.
6. If the Company has established its sustainable development code of practice according to "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," please describe the operational status and differences: The Company has established its "Sustainable Development Best Practice Principles" in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies." There are no material differences between its actual operations and the established principles.				
7. Other important information to facilitate better understanding of the Company's implementation of sustainable development: None.				

(6) Climate-Related Information

Item	Implementation Status
1. Governance and Oversight of Climate-Related Risks and Opportunities by the Board of Directors and Management	The Company's Board of Directors has approved the adoption of the "Sustainable Development Best Practice Principles." The Office of the President serves as the responsible unit for promoting sustainability development, including climate-related issues, and is responsible for proposing and implementing sustainability policies, systems, management guidelines, and specific action plans. The Office of the President reports to the Board of Directors on a regular annual basis.
2. Impact of Identified Climate-Related Risks and Opportunities on Business, Strategy, and Financials (Short-, Medium-, and Long-Term)	The Company actively develops response strategies to mitigate the operational and financial impacts of climate change, enhance organizational climate resilience, and assess the potential operational and financial effects of climate-related risks and opportunities. These assessments are used to formulate actions to address such risks and opportunities. Please refer to the notes for details.
3. Impact of Extreme Climate Events and Transition Actions on Financials	The Company conducts systematic identification and assessment of the potential financial impacts arising from extreme climate events and net-zero transition actions. Climate-related risks may primarily lead to increases in raw material costs, thereby affecting operating costs and profitability. Regarding transition actions, in response to increasingly stringent regulations and net-zero targets, additional capital expenditures and operating costs for equipment upgrades and energy efficiency improvements may be incurred, impacting the overall cost structure. Furthermore, investments in green product research and development as well as low-carbon products may also create medium- to long-term market opportunities and competitive advantages.
4. Integration of Climate Risk Identification, Assessment, and Management into the Overall Risk Management System	The Board of Directors is the highest decision-making body for risk management and directly oversees the Company's risk governance. To strengthen risk assessment and management functions, each department

	formulates response strategies, integrates and manages risks that may affect operations and profitability, and reports on management implementation and risk control to the Board. The Board supervises and reviews the execution of risk management by the management team to enhance the Company's overall resilience.
5. If scenario analysis is used to assess resilience to climate change risks, please describe the scenarios, parameters, assumptions, analytical factors, and major financial impacts.	The Company has not yet adopted scenario analysis to assess resilience to climate change risks.
6. If there are transition plans for managing climate-related risks, please describe the plan, and the indicators and targets used to identify and manage physical and transition risks.	As an IC design company, the Company outsources all manufacturing processes and does not operate manufacturing facilities, with only office premises. In its daily operations, the Company continues to implement energy-saving and carbon reduction initiatives, including establishing recycling systems, promoting paperless office practices, adopting electronic approval systems, using energy-efficient equipment, and maintaining stable air conditioning settings. These measures aim to maintain sound corporate governance performance and promote sustainable development.
7. If internal carbon pricing is used as a planning tool, please describe the basis for determining such pricing.	The Company has not yet adopted internal carbon pricing as a planning tool.
8. If climate-related targets have been set, please describe the activities covered, greenhouse gas emission scopes, planning timeline, and annual progress. If carbon offsets or Renewable Energy Certificates (RECs) are used, please describe the sources and quantities.	The Company conducts greenhouse gas inventory and verification in accordance with the timeline set forth in the Corporate Governance 3.0—Sustainable Development Roadmap issued by the competent authority. As an IC design company with outsourced manufacturing and no production facilities, the Company has relatively low carbon emissions and has not yet planned for the use of Renewable Energy Certificates (RECs). However, the Company regularly monitors the energy policy developments of its suppliers.
9. Greenhouse gas inventory, assurance status, reduction targets, strategies, and specific action plans	Please refer to the following description for details.

1. Greenhouse Gas Inventory and Assurance Status in the Most Recent Two Years

(1) Greenhouse Gas Inventory Information

Disclosure of greenhouse gas emissions (metric tons of CO_2e), emission intensity (metric tons of CO_2e per NT$ million of revenue), and data coverage for the most recent two years.

1. The parent company (standalone) will commence inventory from 2025.
2. Subsidiaries included in the consolidated financial statements: None.

The Company has established a greenhouse gas inventory mechanism in accordance with the Greenhouse Gas Protocol issued by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI), as well as ISO 14064-1 issued by the International Organization for Standardization. The Company's greenhouse gas emissions are as follows:

Year	Greenhouse gas emissions (metric tons CO2e)				Water consumption (m3)
	Scope 1	Scope2	Scope 3	Intensity(tons CO_2e / NT$ million of revenue)	
2024	-	26.14	-	0.17	360
2025	Note 2	Note 2	Note 2	Note 2	527

Note 1:Direct emissions (Scope 1) refer to emissions from sources owned or controlled by the Company; energy indirect emissions (Scope 2) refer to emissions from purchased electricity,

heat, or steam; and other indirect emissions (Scope 3) refer to emissions resulting from Company activities but occurring at sources owned or controlled by other entities.

Note 2: Scope 2 emissions include only electricity consumption and are calculated using the CO_2 emission factor for electricity announced by the Bureau of Energy. The emission factor is 0.474 $kgCO_2e/kWh$ for 2024 and not yet announced for 2025.

(2) Greenhouse Gas Assurance Information

Disclosure of assurance status for the most recent two years as of the date of publication of the annual report, including assurance scope, assurance provider, assurance standards, and assurance opinion.
1. The parent company (standalone) will commence assurance from 2027. 2. Subsidiaries included in the consolidated financial statements: None.

2. Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans

Disclosure of the base year for greenhouse gas reduction, relevant data, reduction targets, strategies, specific action plans, and progress toward achieving such targets.
Due to the Company's relatively low greenhouse gas emissions, no specific reduction targets, strategies, or action plans have been established at this stage.

Notes: Impact of Identified Climate Risks and Opportunities on Business, Strategy, and Financials (Short-, Medium-, and Long-Term)

	Type of Risk / Opportunity	Short-term	Medium-term	Long-term
Risks	Risks arising from long-term changes in climate patterns. Acute risks originate from weather-related events such as storms, floods, droughts, or heatwaves, with increasing severity and frequency. Chronic risks stem from long-term shifts in climate patterns, including changes in precipitation and temperature, which may lead to rising sea levels, reduced water availability, biodiversity loss, and changes in soil productivity.	Increased costs due to carbon pricing and substitution of existing raw materials with low-carbon alternatives.	Supply chain disruptions caused by increased flooding and droughts.	Rising average temperatures.
Opportunities	Positive impacts arising from climate change. Efforts to mitigate and adapt to climate change may create climate-related opportunities.	Development of ultra-low energy consumption products.	Increase in product market share.	Enhancement of corporate revenue and reputation.

(7) Corporate Conduct and Ethics Implementation Status as Required by Taiwan Financial Supervisory Commission

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Explanation	
1. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures (1) Does the company have a clear 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?	v		(1) To establish a culture of ethical management and ensure sound development, the Company's Board of Directors has approved the "Procedures for Ethical Management and Guidelines for Conduct" and the "Code of Ethical Conduct," which clearly define the principles, procedures, and practices for ethical management. All directors and managers of the Company have	None.

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Explanation	
			signed a declaration of ethical management. Senior management leads by example, with compliance with laws and regulations as the fundamental basis for implementing ethical management. All personnel, including directors, managers, and employees, are required to comply with applicable laws and internal regulations in all business activities, strictly adhere to conflict-of-interest avoidance and anti-corruption principles, and respect intellectual property rights and fair trade practices.	
(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 paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies"?			(2) The Company has established the "Ethical Corporate Management Best Practice Principles," "Codes of Ethical Conduct," "Procedures for Ethical Management and Guidelines for Conduct," and "Employee Code of Conduct" as standards for the conduct of the Board of Directors, management, and employees, in order to prevent high-risk unethical behavior.	
(3) Whether the company has established relevant policies that are duly enforced to prevent unethical conduct, provided implementation procedures, guidelines, consequences of violation and complaint procedures, and periodically reviews and revises such policies?			(3) The Company has implemented a program for preventing unethical conduct, which clearly defines operating procedures, codes of conduct, a whistleblowing system, disciplinary measures for violations, and an appeals mechanism, and ensures effective implementation.	
2. Ethic Management Practice (1) Whether the company has assessed the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the business contracts?	v		(1) Prior to entering into transactions, the Company evaluates the integrity records of its counterparties, and all transaction activities must comply with relevant internal management regulations.	None.
(2) Whether the company has set up a unit which is dedicated to promoting the company's ethical standards and regularly (at least once a year) reports directly to the Board of Directors on its ethical corporate management policy and relevant matters, and program to prevent unethical conduct and monitor its implementation?			(2) The Office of the President serves as the dedicated unit responsible for promoting ethical management, including revising ethical management policies, preventing unethical conduct, supervising implementation, and reporting the status of ethical management implementation to the Board of Directors on a regular annual basis. The Company reported the implementation status of ethical management for 2025 to the Board of Directors on November 14, 2025.	
(3) Whether the company has established policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly?			(3) The Company's "Procedures for Ethical Management and Guidelines for Conduct" clearly stipulate conflict-of-interest avoidance policies. Directors, managers, and other attendees or participants in Board meetings who have a conflict of interest with respect to any agenda item, whether in their own capacity or	

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Explanation	
(4) To implement relevant policies on ethical conducts, has the company established effective accounting and internal control systems, audit plans based on the assessment of unethical conduct, and have its ethical conduct program audited by internal auditors or CPA periodically? (5) Does the company provide internal and external ethical conduct training programs on a regular basis?			as representatives of a legal entity, must disclose the material aspects of such conflict at the relevant Board meeting. Where there is a risk of harm to the Company's interests, they shall not participate in discussion or voting, must recuse themselves during deliberation and voting, and may not exercise voting rights on behalf of other directors. Directors are also required to exercise self-discipline and shall not provide improper mutual support. Directors, managers, employees, entrusted persons, and controlling persons of the Company shall not use their position or influence within the Company to obtain improper benefits for themselves, their spouses, parents, children, or any third party. Any such situation must be reported simultaneously to their immediate supervisor and the designated responsible unit of the Company, and the supervisor shall provide appropriate guidance. (4) The Company has established effective accounting and internal control systems, and internal auditors conduct regular audits of these systems to ensure the implementation of ethical management. (5) The Company promotes a culture of ethical management through orientation training for new employees and various internal meetings.	
3. Implementation of Complaint Procedures (1) Does the company establish specific complaint and reward procedures, set up conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received? (2) Whether the company has established standard operation procedures for investigating the complaints received, follow-up measures after investigation are completed, and ensuring such complaints are handled in a confidential manner? (3) Does the company adopt proper measures to prevent a complainant from retaliation for his/her filing a complaint?	v		The Company has established the "Whistleblowing Management Procedures," which provide channels for employees and other relevant parties to report any illegal conduct or violations of "Code of Ethical Conduct" or "Ethical Corporate Management Best Practice Principles." The Administration Department serves as the responsible unit for handling reports. Upon receiving information from whistleblowers, designated personnel are assigned to handle the case. The handling process and the identity of the parties involved are kept confidential, and whistleblowers are protected from improper treatment. The "Whistleblowing Management Procedures" clearly define the responsible unit for handling reports, reporting principles, reporting channels, conflict-of-interest avoidance in investigations, investigation procedures, and measures for the protection and incentives of whistleblowers, thereby ensuring the legitimate rights and interests of whistleblowers and related parties.	None.

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Explanation	
			No whistleblowing cases were received by the Company in 2025.	
4. Information Disclosure Does the company disclose its guidelines on business ethics as well as information about implementation of such guidelines on its website and Market Observation Post System ("MOPS")?	v		The Company's "Ethical Corporate Management Best Practice Principles" has been disclosed on the Company's website and the Market Observation Post System (MOPS). The Office of the President collects and discloses information on the implementation of ethical management on the Company's website.	None.
5. If the company has established corporate governance policies based on Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, please describe any discrepancy between the policies and their implementation: None.				
6. Other important information to facilitate better understanding of the company's corporate conduct and ethics compliance practices (e.g., review the company's corporate conduct and ethics policy): Please refer to the Company's website for further information.				

(8) Other Important Information to Facilitate a Better Understanding of the Company's Corporate Governance Practices:

1. Succession Planning for Board Members and Key Management

Succession Planning and Operation of the Board of Directors

(1) The election of the Company's Board members is conducted in accordance with the "Articles of Incorporation" under a candidate nomination system. The "Corporate Governance Best Practice Principles" and the "Procedures for Election of Directors" clearly stipulate that Board composition shall consider diversity and establish policies based on the Company's operational needs, business model, and development strategy. Diversity considerations include, but are not limited to, fundamental qualifications and values, as well as professional knowledge and skills.

(2) Board members shall generally possess the knowledge, skills, and professional competencies necessary to perform their duties. Collectively, the Board should have capabilities in operational judgment, industry knowledge, international market perspective, leadership, decision-making, business management, accounting and financial analysis, and crisis management.

(3) The structure of the Board is determined based on the Company's scale of operations, development needs, and shareholding structure of major shareholders, taking into account practical operational requirements.

(4) The Board currently consists of seven directors (including three independent directors), all of whom possess extensive experience and expertise in business management, industry operations, finance and accounting, and leadership decision-making, thereby fulfilling the Board diversity policy. Among them, two directors concurrently serve as senior management of the Company. Each director is required to undertake at least six hours of continuing education annually, covering topics such as corporate governance, corporate social responsibility, information security, finance and accounting, risk management, and internal control systems, to enhance their knowledge and understanding of their roles, responsibilities, and obligations.

(5) The Company implements Board succession planning through the following methods:
   A. Recommendations by incumbent directors of suitable candidates
   B. Recommendations of director candidates by shareholders
   C. Reference to Board performance evaluation results as a basis for nominating directors for reappointment

(6) The Company has established the Regulations Governing Performance Evaluation for Directors and Managers. Performance evaluation criteria include understanding of Company goals and missions, awareness of responsibilities, participation in operations, internal relationship management and communication, professional competence and continuing education, internal control, and expression of substantive opinions. These evaluations ensure effective Board operations and assess directors' performance, serving as a reference for future director selection.

Succession Planning and Implementation for Key Management

Key management personnel are required to possess strong management, decision-making, and analytical capabilities. In addition to demonstrating effective execution in their professional fields, they must align with the Company's management philosophy and possess integrity and ethical character. In response to operational development and organizational structure, the Company has established appropriate management staffing and succession planning, using performance, character, and future potential as evaluation criteria for successor selection.

(1) Comprehensive Training System: Internal and external training programs are provided, including management and professional courses, to enhance and develop successors' capabilities and cultivate management personnel with professional knowledge, skills, and attitudes.

(2) Executive Development Programs: Senior executives participate in external executive training programs to broaden management perspectives, enhance leadership capabilities, and improve decision-making through diversified learning and experience sharing.

(3) Delegation and Acting System: Clear departmental responsibilities are established, and delegation of authority and acting arrangements are implemented to facilitate operations and cultivate successor talent.

(4) Management Meetings: Participation in regular and ad hoc management meetings allows potential successors to learn about corporate strategies, operational aspects, and decision-making processes, thereby enhancing comprehensive management capabilities.

2. Intellectual Property Management

To enhance brand value, promote R&D innovation, and strengthen employees' awareness of intellectual property rights, the Company has established relevant regulations and management systems for the acquisition, maintenance, and utilization of intellectual property. These systems ensure compliance with applicable intellectual property laws and prevent infringement of others' rights. The Company reports annually to the Board of Directors on the status of its intellectual property management

system and its implementation. The Company reported the 2025 intellectual property management plan and its implementation status to the Board of Directors on November 14, 2025.

(9) Implementation Status of the Internal Control System

1. Internal Control Statement

LeRain Technology Co., Ltd.

Statement of Internal Control System

Date: March 6, 2026

The internal control system of the Company for the year 2025 is hereby declared based on the results of the Company's self-assessment as follows:

1. The Company acknowledges that the establishment, implementation, and maintenance of an internal control system are the responsibilities of the Board of Directors and management. The Company has established such a system. Its purpose is to provide reasonable assurance regarding the achievement of objectives in the effectiveness and efficiency of operations (including profitability, performance, and safeguarding of assets), the reliability, timeliness, and transparency of reporting, and compliance with applicable regulations and relevant laws.
2. An internal control system has inherent limitations. No matter how well designed, an effective internal control system can only provide reasonable assurance regarding the achievement of the aforementioned objectives. Moreover, due to changes in environment and circumstances, the effectiveness of the internal control system may change accordingly. However, the Company's internal control system includes a self-monitoring mechanism, and deficiencies identified are promptly corrected.
3. The Company evaluates the effectiveness of the design and implementation of its internal control system based on the criteria set forth in the Regulations Governing Establishment of Internal Control Systems by Public Companies (the "Regulations"). These criteria classify internal control into five components in accordance with the management control process: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. Each component includes multiple elements. Please refer to the Regulations for details of these components.
4. The Company has adopted the above evaluation criteria to assess the effectiveness of the design and implementation of its internal control system.
5. Based on the results of the aforementioned evaluation, the Company believes that, as of December 31, 2025, its internal control system (including supervision and management of subsidiaries) is effective in design and operation with respect to achieving the objectives of operational effectiveness and efficiency, reliable, timely, and transparent reporting, and compliance with applicable regulations and laws, thereby providing reasonable assurance that the above objectives are achieved.
6. This statement will serve as a major part of the Company's annual report and prospectus and will be publicly disclosed. Any false representation, concealment, or other illegal conduct in the above disclosures will be subject to legal liabilities under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This statement has been approved by the Board of Directors of the Company on March 6, 2026. Among the six directors present, none expressed dissenting opinions, and all others approved the contents of this statement.

LeRain Technology Co., Ltd.

Chairman: Chu, Te-Hsiang (Signature/Seal)

President: Gao, Miao-Bin (Signature/Seal)

2. If CPAs Were Engaged to Conduct a Special Audit of Internal Control System, Provide Its Audit Report:

Review of Internal Control System Assurance Report

To LeRain Technology Co., Ltd.:

The design and implementation of LeRain Technology Co., Ltd.'s internal control system related to external financial reporting and safeguarding of assets as of December 31, 2025, and the statement issued on March 6, 2026 asserting that, upon evaluation, its internal control system related to external financial reporting and safeguarding of assets was effectively designed and implemented as of December 31, 2025, have been completed upon the performance of necessary procedures by the certified public accountants.

Subject Matter, Subject Matter Information, and Applicable Criteria

The subject matter and subject matter information of this assurance engagement are the design and implementation of LeRain Technology Co., Ltd.'s internal control system related to external financial reporting and safeguarding of assets as of December 31, 2025, and the statement issued by LeRain Technology Co., Ltd. on March 6, 2026 asserting that, upon evaluation, its internal control system related to external financial reporting and safeguarding of assets was effectively designed and implemented as of December 31, 2025.

The applicable criteria for measuring or evaluating the aforementioned subject matter and subject matter information are the criteria for determining the effectiveness of internal control systems as set forth in the "Regulations Governing Establishment of Internal Control Systems by Public Companies."

Inherent Limitations

Due to the inherent limitations of any internal control system, the aforementioned internal control system of LeRain Technology Co., Ltd. may not prevent or detect errors or fraud that have occurred. Furthermore, as future environments may change and the degree of compliance with internal control systems may decline, the effectiveness of the internal control system in the current period does not necessarily indicate its effectiveness in future periods.

Management's Responsibility

Management is responsible for establishing an internal control system in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies" and relevant laws and regulations, and for conducting ongoing reviews to maintain the continuous effectiveness of the design and implementation of the internal control system, and, after evaluating its effectiveness, issuing a statement on the internal control system.

Certified Public Accountant's Responsibility

The responsibility of the certified public accountants is to perform necessary procedures in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies" and Assurance Engagement Standard No. 3000, "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information," to obtain reasonable assurance, and to express a conclusion as to whether the subject matter and subject matter information comply with the applicable criteria in all material respects and are fairly presented.

Independence and Quality Management Requirements

The certified public accountants and the accounting firm to which they belong have complied with the independence and other ethical requirements set forth in the Code of Professional Ethics for Certified Public Accountants, the fundamental principles of which include integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. In addition, the accounting firm to which the certified public accountants belong complies with Quality Management Standard, maintain a complete quality management system, including policies and procedures related to compliance with professional ethics, professional standards, and applicable laws and regulations.

Summary of Procedures Performed

The certified public accountants planned and performed necessary procedures based on professional judgment to obtain evidence regarding the subject matter and subject matter information. The procedures performed included understanding the Company's internal control system, evaluating the process by which management assesses the effectiveness of the overall internal control system, testing and evaluating the effectiveness of the design and implementation of the internal control system related to external financial reporting and safeguarding of assets, and other assurance procedures deemed necessary by the certified public accountants.

Assurance Conclusion

In the opinion of the certified public accountants, the design and implementation of LeRain Technology Co., Ltd.'s internal control system related to external financial reporting and safeguarding of assets as of December 31, 2025 have, in all material respects, complied with the criteria for determining the effectiveness of internal control systems as set forth in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" and are effective; and the statement issued by LeRain Technology Co., Ltd. on March 6, 2026 asserting that, upon evaluation, its internal control system related to external financial reporting and safeguarding of assets was effectively designed and implemented is fairly presented in all material respects.

The engagement partners on the audits resulting in this internal control system review's report are Tsai,Pei-Ju and Lee,Feng-Hui.

KPMG

Taipei, Taiwan (Republic of China)

March 6, 2026

(10) Major Resolutions of Shareholders' Meetings and Board Meetings in the Most Recent Fiscal Year and Up to the Date of Publication of the Annual Report

1. 2025 Shareholders' Meeting

Major Resolutions	Implementation Status
1. Approval of the 2024 Business Report and financial statements	Approved by the shareholders' meeting
2. Approval of the 2024 deficit compensation proposal	Approved by the shareholders' meeting
3. Amendment to the Articles of Incorporation	Approved by the shareholders' meeting and registration of amendment completed
4. Amendment to the "Procedures for Lending of Funds to Others"	Approved by the shareholders' meeting
5. Amendment to the "Procedures for Endorsements and Guarantees"	Approved by the shareholders' meeting
6. Approval of the waiver of preemptive subscription rights by existing shareholders in connection with the issuance of new shares for public underwriting prior to the Company's initial listing	Approved by the shareholders' meeting and completed public underwriting of new shares prior to listing

2. 2025 First Extraordinary Shareholders' Meeting

Major Resolutions	Implementation Status
1. By-election of an independent director	Independent Director Lin, Mei-Ling was elected through by-election and the change registration has been completed
2. Lifting of non-compete restrictions for newly appointed directors	Approved by the shareholders' meeting

3. Board of Directors Meetings in 2025 and up to the Date of Publication of the Annual Report

Date / Session	Major Resolutions
March 6, 2025 8th Meeting of the 2nd Term	1. Approval of the regular evaluation of the independence and suitability of CPAs 2. Approval of the appointment of CPAs for auditing financial statements 3. Approval of the 2024 Business Report and financial statements 4. Approval of the 2024 deficit compensation proposal 5. Approval of the 2024 distribution of employee compensation and directors' remuneration 6. Approval of amendments to the Company's "Articles of Incorporation" 7. Approval of the definition of "non-executive employees" 8. Approval of the Company's 2024 Statement of Internal Control System 9. Approval of issuing the "Statement of Internal Control System" in connection with the Company's application for listing on the Innovation Board 10. Approval of amendments to the Company's "Internal Control System –Labor and Wage Cycle" 11. Approval of amendments to the Company's "Corporate Governance Best Practice Principles" and adoption of the "Enhancement of Corporate Value Plan" 12. Approval of the Company's "Corporate Governance Self-Assessment Report" 13. Approval of the Company's application for listing on the Taiwan Innovation Board of the Taiwan Stock Exchange 14. Approval of the waiver of preemptive subscription rights by existing shareholders in connection with the issuance of new shares for public underwriting prior to the Company's initial listing 15. Approval of coordination with specific shareholders to provide issued shares for over-allotment in connection with the public underwriting prior to listing on the Innovation Board, and to place their shares under centralized custody for a specified period, with full authorization granted to the Chairman 16. Approval of financial forecasts for the second and third quarters of 2025 17. Approval of renewal of credit facilities with First Commercial Bank 18. Approval of matters related to convening the 2025 Annual General Meeting 19. Approval of salary adjustments for the Company's managers 20. Approval of bonuses for the Company's managers
May 7, 2025	1. Approval of the financial statements for the first quarter of 2025

Date / Session	Major Resolutions
9th Meeting of the 2nd Term	2. Approval of renewal of credit facilities with Bank SinoPac
June 26, 2025 10th Meeting of the 2nd Term	1. Approval of the by-election of an independent director and acceptance of shareholder nominations 2. Approval of the list of independent director candidates nominated by the Board 3. Approval of lifting non-compete restrictions for newly appointed directors 4. Approval of matters related to convening the Company's first extraordinary shareholders' meeting in 2025
August 5, 2025 11th Meeting of the 2nd Term	1. Approval of the financial statements for the second quarter of 2025 2. Approval of financial forecasts for the second and third quarters of 2025 3. Approval of issuing the "Statement of Internal Control System" in connection with the Company's application for listing on the Innovation Board 4. Approval of the Company's "Corporate Governance Self-Assessment Report"
August 11, 2025 12th Meeting of the 2nd Term	1. Approval of the appointment of the newly elected independent director as a member of the Remuneration Committee
November 5, 2025 13th Meeting of the 2nd Term	1. Approval of the issuance of new shares through cash capital increase prior to the Company's initial listing on the Innovation Board 2. Approval of the number of shares to be subscribed by managers in the cash capital increase 3. Approval of year-end bonuses for managers
November 14, 2025 14th Meeting of the 2nd Term	1. Approval of the financial statements for the third quarter of 2025 2. Approval of the Company's 2026 operating plan 3. Approval of the Company's 2026 internal audit plan 4. Approval of amendments to the definition of "non-executive employees" 5. Approval of renewal of credit facilities with Mega International Commercial Bank 6. Approval of entering into a "Securities Regulatory Compliance Advisory Agreement" with Hua Nan Securities Co., Ltd.
March 6, 2026 15th Meeting of the 2nd Term	1. Approval of the regular evaluation of the independence and suitability of CPAs 2. Approval of the appointment of CPAs for auditing financial statements 3. Approval of the 2025 Business Report and financial statements 4. Approval of the 2025 deficit compensation proposal 5. Approval of the 2025 distribution of employee compensation and directors' remuneration 6. Approval of amendments to the Company's "Procedures for Handling Material Inside Information and Prevention of Insider Trading" 7. Approval of the general principles of the Company's pre-approval policy for non-assurance services 8. Approval of the Company's 2025 Statement of Internal Control System 9. Approval of the issuance of restricted stock awards 10. Approval of the comprehensive re-election of directors, acceptance of shareholder nominations, and approval of the list of director (including independent director) candidates 11. Approval of lifting non-compete restrictions for newly appointed directors and their representatives 12. Approval of matters related to convening the Company's 2026 Annual General Meeting 13. Approval of renewal of credit facilities with First Commercial Bank 14. Approval of salary adjustments for the Company's managers

(11) In the most recent fiscal year and up to the date of publication of the annual report, the main content of any dissenting opinions expressed by directors regarding important Board resolutions, where such opinions are recorded or stated in writing: None.

4. Audit Fees:

(1) Disclosure of Audit and Non-Audit Fees Paid to the CPAs, Their Firms, and Affiliated Entities, and the Nature of Non-Audit Services

Unit: NT$ thousand

Accounting Firm	Name of CPA	Audit Period	Audit Fee	Non-audit Fee	Total	Remark
KPMG Taiwan	Tsai, Pei-Ju Lee, Feng-Hui	2025	1,430	1,784	3,214	Fees for tax certification, internal control audits, listing services, and other related services.

(2) Where a Change of CPA Firm Results in a Decrease in Audit Fees Compared to the Previous Year, the Audit Fees Before and After the Change and the Reasons Therefor Shall Be Disclosed: None.

(3) Where Audit Fees Decrease by More Than 10% Compared to the Previous Year, the Amount, Percentage, and Reasons for the Decrease Shall Be Disclosed: None.

5. Information on Change of CPAs: None.

6. Whether the Chairman, President, or Manager Responsible for Finance or Accounting Has Served at the CPA Firm or Its Affiliates Within the Past Year: None.

7. Changes in Shareholdings and Pledges of Shares by Directors, Managers, and Shareholders Holding More Than 10% of Shares in the Most Recent Fiscal Year and Up to the Date of Publication of the Annual Report:

(1) Changes in Shareholdings and Share Pledges

Title	Name	2025		January 1, 2026 to April 10, 2026	
		Increase (Decrease) in Number of Shares Held	Increase (Decrease) in Number of Shares Pledged	Increase (Decrease) in Number of Shares Held	Increase (Decrease) in Number of Shares Pledged
Directors and Shareholders Holding More Than 10%	Lotes Co., Ltd.	(10,000)	0	0	0
Chairman	Representative: Chu, Te-Hsiang	0	0	0	0
Director and President; Shareholder Holding More Than 10%	Gao, Miao-Bin	0	0	0	0
Director and Vice President; Shareholder Holding More Than 10%	Lu, Xiao-Di	0	0	0	0
Director	Yao, Te-Chang	0	0	0	0
Independent Director	Kao, Shu-Jung	0	0	0	0
Independent Director	Chu, Wen-Yi (Note)	0	0	0	0
Independent Director	Yeh, Chia-Chin	0	0	0	0
Independent Director	Lin, Mei-Ling (Note)	0	0	0	0
R&D Director	Chiang, Hsin-Che	24,000	0	5,000	0
Head of Finance and Accounting	Chen, Yueh-Ching	(7,000)	0	0	0

Note: Independent Director Chu, Wen-Yi resigned on June 9, 2025, and Independent Director Lin, Mei-Ling assumed office on August 11, 2025.

(2) Where the Counterparty to Share Transfers or Share Pledges Is a Related Party: None.

8. Information on Relationships Among the Top Ten Shareholders

As of March 29, 2026; Unit: Shares; %

Name	Shares Held		Shares Held by Spouse & Minors		Shares Held in the Name of Others		Name and Relationship Between Top Ten Shareholders		Remark
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Lotes Co., Ltd.	4,722,059	14.83%	-	-	-	-	-	-	
Lotes Co., Ltd.Representative: Chu, Te-Hsiang	-	-	-	-	-	-	Chu,Pei-Hsuan Chu,Yen-Ni Chu, Jing-Fu	First-degree relatives First-degree relatives First-degree relatives	
Gao, Miao-Bin	4,607,941	14.47%	4,600,000	14.45%	-	-	Lu, Xiao-Di	Spouses	
Lu, Xiao-Di	4,600,000	14.45%	4,607,941	14.47%	-	-	Gao, Miao-Bin	Spouses	
Ho,Chu-Gen	2,237,692	7.03%	-	-	-	-	Ho,Shuo-Chieh	Second-degree relatives	
Ho,Shuo-Chieh	2,206,190	6.93%	-	-	-	-	Ho,Chu-Gen	Second-degree relatives	
Chu,Yen-Ni	1,682,627	5.29%	-	-	-	-	Chu, Te-Hsiang Chu,Pei-Hsuan Chu, Jing-Fu	First-degree relatives Second-degree relatives Second-degree relatives	
Chu,Pei-Hsuan	1,674,128	5.26%	-	-	-	-	Chu, Te-Hsiang Chu,Yen-Ni Chu, Jing-Fu	First-degree relatives Second-degree relatives Second-degree relatives	
Chu, Jing-Fu	1,415,127	4.44%	-	-	-	-	Chu, Te-Hsiang Chu,Pei-Hsuan Chu,Yen-Ni	First-degree relatives Second-degree relatives Second-degree relatives	
ASMedia Technology Inc.	1,200,000	3.77%	-	-	-	-	-	-	
ASMedia Technology Inc. Representative: Xu, Shi-Chang	-	-	-	-	-	-	-	-	
Chen, Yong-Cheng	494,000	1.55%	-	-	-	-	-	-	

9. Combined Shareholding in the Same Investee by the Company, Its Directors, Managers, and Entities Directly or Indirectly Controlled by the Company: The Company has no investee enterprises.

III. Capital Raising Status

1. Capital and Shares

(1) Sources of Capital

Unit: Thousand Shares; NT$ Thousand

Year/Month	Issue Price	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Source of Capital	Contribution by Non-Cash Assets	Others
Jan. 2020	10	30,000	300,000	2,767	27,668	Initial paid-in capital at incorporation	—	Note 1
Jan. 2021	10	30,000	300,000	4,977	49,768	Cash capital increase of NT$22,100 thousand	—	Note 2
May 2021	10	30,000	300,000	17,660	176,600	Cash capital increase of NT$126,832 thousand	—	Note 3
Sep. 2021	10	30,000	300,000	28,853	288,529	Cash capital increase of NT$111,929 thousand	—	Note 4
Apr. 2022	70	50,000	500,000	30,068	300,679	Cash capital increase of NT$12,150 thousand	—	Note 5
Dec. 2025	35	50,000	500,000	31,837	318,369	Cash capital increase of NT$17,690 thousand	—	Note 6

Note 1: Approved by Letter Xin-Bei-Fu-Jing-Si-Zi No. 1098000290 dated January 2, 2020.
Note 2: Approved by Letter Xin-Bei-Fu-Jing-Si-Zi No. 1108012119 dated March 8, 2021.
Note 3: Approved by Letter Xin-Bei-Fu-Jing-Si-Zi No. 1108036685 dated June 2, 2021.
Note 4: Approved by Letter Xin-Bei-Fu-Jing-Si-Zi No. 1108069647 dated October 1, 2021.
Note 5: Approved by Letter Xin-Bei-Fu-Jing-Si-Zi No. 1118029488 dated April 28, 2022.
Note 6: Approved by Letter Xin-Bei-Fu-Jing-Si-Zi No. 1158000253 dated January 5, 2026.

As of April 10, 2026; Unit: Shares

Type of Shares	Authorized Capital			Remark
	Outstanding Shares	Unissued Shares	Total	
Common Shares	31,836,941	18,163,059	50,000,000	Shares of a company listed on the Taiwan Innovation Board.

Where the Company adopts a shelf registration for issuance of new shares, the planned total issuance amount, issued amount, and remaining balance shall be disclosed: Not applicable.

(2) List of Major Shareholders

Names, number of shares held, and shareholding percentages of shareholders holding 5% or more of the Company's shares or ranking among the top ten shareholders.

As of March 29, 2026; Unit: Shares; %

Shares / Name of Major Shareholders	Shares Held	%
Lotes Co., Ltd.	4,722,059	14.83%
Gao, Miao-Bin	4,607,941	14.47%
Lu, Xiao-Di	4,600,000	14.45%
Ho,Chu-Gen	2,237,692	7.03%
Ho,Shuo-Chieh	2,206,190	6.93%
Chu,Yen-Ni	1,682,627	5.29%
Chu,Pei-Hsuan	1,674,128	5.26%
Chu, Jing-Fu	1,415,127	4.44%
ASMedia Technology Inc.	1,200,000	3.77%
Chen, Yong-Cheng	494,000	1.55%

(3) Dividend Policy and Implementation Status

1. Dividend Policy

According to the Company's Articles of Incorporation, if there is net income after tax in a fiscal year, the Company shall first offset accumulated losses (including adjustments to unappropriated earnings), then allocate 10% as legal reserve. However, when the legal reserve has reached the Company's total paid-in capital, this requirement shall not apply. If there is any remaining surplus, together with the beginning balance of unappropriated earnings (including adjustments thereto), the Board of Directors shall propose a profit distribution plan for approval by the shareholders' meeting.

The Company is currently in a growth stage. The dividend policy shall consider the Company's current and future development plans, investment environment, funding requirements, domestic and international competitive conditions, and capital budgeting. Each year, no less than 3% of distributable earnings shall be allocated as dividends to shareholders. Dividends may be distributed in cash or stock, with cash dividends accounting for no less than 10% of the total annual dividends. If the calculated dividend per share is less than NT$0.5, no distribution may be made.

2. Proposed Dividend Distribution for the Current Year

As the Company still has accumulated losses to be offset as of the end of 2025, no dividend distribution is proposed.

(4) Impact of Proposed Bonus Share Distribution at This Shareholders' Meeting on Operating Performance and Earnings Per Share: Not applicable.

(5) Employee and Director Compensation

1. Ratio or Range of Employee and Director Compensation as Provided in the Articles of Incorporation

According to the Company's Articles of Incorporation, if the Company generates profits in a fiscal year, no less than 3% shall be allocated as employee compensation (of which no less than 10% shall be allocated for salary adjustments or compensation distribution to non-executive employees), and no more than 3% shall be allocated as directors' remuneration. However, where the Company still has accumulated losses (including adjustments to unappropriated earnings), such losses shall first be offset before any allocation is made.

Employee compensation shall be distributed in the form of shares or cash as resolved by the Board of Directors, and the recipients may include employees of controlling or subordinate companies who meet certain criteria, which shall be determined by the Board. However, salary adjustments shall be limited to employees of the Company. The distribution of employee compensation and directors' remuneration shall be reported to the shareholders' meeting.

2. Basis for Estimating Employee and Director Compensation, Basis for Calculating Share-Based Compensation, and Accounting Treatment for Differences Between Estimated and Actual Amounts

The Company estimates employee and director compensation in accordance with its Articles of Incorporation. If there is any difference between the estimated amount and the actual amount approved by the Board of Directors, such difference shall be treated as a change in accounting estimates and recognized in the profit or loss of the year in which the resolution is made.

3. Distribution Approved by the Board of Directors

As of the end of 2025, the Company still has accumulated losses to be offset; therefore, no employee compensation or directors' remuneration was distributed.

4. Actual Distribution of Employee and Director Compensation in the Previous Year

As of the end of 2024, the Company still had accumulated losses to be offset; therefore, no employee compensation or directors' remuneration was distributed.

(6) Buyback of Common Stock: None.

2. Issuance of Corporate Bonds: None.

3. Preferred Shares: None.

4. Issuance of Global Depositary Receipt: None.

5. Status of Employee Stock Option Plan:

(1) Status of Outstanding Employee Stock Options and Their Impact on Shareholders' Equity

April 10, 2026

Type of Employee Stock Options	First Issuance of Employee Stock Options in 2023
Effective Registration Date and Total Units	November 2, 2023 / 500 units
Issuance Date	January 22, 2024
Units Issued	500 units
Units Available for Issuance	0 units
Percentage of Shares Subscribable Upon Exercise to Total Issued Shares	1.5705%
Option Period	January 22, 2024 – January 22, 2029
Method of Exercise	Issuance of new shares
Vesting Schedule	50% after 2 years 70% after 3 years 100% after 4 years
Shares Issued Upon Exercise	0 shares
Amount Received from Exercise	NT$0
Outstanding Options (Unexercised Shares)	500,000 shares
Exercise Price per Share	NT$10
Outstanding Options as a Percentage of Total Issued Shares	1.5705%
Impact on Shareholders' Equity	These stock options become exercisable after two years from the issuance date and may be exercised gradually during the option period. As a result, the dilution effect on existing shareholders' equity will occur progressively over time and is considered limited.

(2) Employee Restricted Stock Granted to Management Team and to Top Ten Employees up to the Date of Publication of the Annual Report

Unit: Thousand Shares; NT$ Thousand

	Title	Name	Number of Shares Granted	Percentage of Total Issued Shares	Exercised				Unexercised			
					Number of Shares Subscribed	Price	Amount	Percentage of Total Issued Shares	Number of Shares Subscribed	Price	Amount	Percentage of Total Issued Shares
Managerial Officers	Vice President of R&D	Chiang, Hsin-Che	120	0.38%	—	—	—	—	120	10	1,200	0.38%
	Chief Financial Officer	Chen, Yueh-Ching										
Employees	Chief Technology Officer	Cheng, Heng-Ju	318	1.00%	—	—	—	—	318	10	3,180	1.00%
	Engineer	Wu, Hui-Chin										
	Engineer	Hu, Chia-Chi										
	Engineer	Wang, Wen-Jie										
	Engineer	Lee, Che-Ying										
	Engineer	Yang, Wen-Sheng										
	Engineer	Yuan, Wan-Lun										
	Manager	Chang, Hsiao-An										
	Manager	Chen, Jung-Da										
	Supervisor	Hsiao, Wen-Kai										

6. Status of Employee Restricted Stock: None.

7. Status of New Share Issuance in Connection with Mergers and Acquisitions: None.

8. Status of Implementation of Capital Utilization Plans

(1) Disclosure of Analysis of Capital Utilization Plans for Previous Cash Capital Increases, Mergers and Acquisitions, Share Exchanges, or Issuance of Corporate Bonds

Among the Company’s previous cash capital increases, the one completed within the past three years is the 2025 cash capital increase. The relevant plan details, implementation status, and benefits are summarized as follows.

(2) Disclosure of the Current Plan for Cash Capital Increase, Issuance of Corporate Bonds, Employee Stock Options, or Restricted Shares

1. Source of Funds

(1) Total amount required for this plan: NT$61,915 thousand.

(2) Source of funds: Cash capital increase through issuance of 1,769 thousand common shares with a par value of NT$10 per share and an issue price of NT$35 per share, raising a total of NT$61,915 thousand.

(3) Project items and planned schedule for fund utilization

Unit: NT$ Thousand

Project Items	Implementation Status		Q4 2025	Q1 2026	Reasons for Progress Ahead of or Behind Schedule and Improvement Plans
Repayment of bank borrowings	Amount utilized	Planned	0	50,000	None.
		Actual	0	50,000	
	Execution progress (%)	Planned	0.00%	100.00%	
		Actual	0.00%	100.00%	
Working capital enhancement	Amount utilized	Planned	11,915	0	
		Actual	11,915	0	
	Execution progress (%)	Planned	100.00%	100.00%	
		Actual	100.00%	100.00%	

The Company raised NT$61,915 thousand through the 2025 cash capital increase for repayment of bank borrowings and working capital enhancement. As of March 31, 2026, the plan has been fully executed as scheduled, with no material abnormalities.

(3) Evaluation of Differences Between Planned and Actual Benefits

1. Planned Benefits

(1) Repayment of Bank Borrowings

Of the total funds raised, NT$50,000 thousand is allocated for repayment of bank borrowings, which is expected to reduce interest expenses and strengthen the Company's financial structure. Based on the applicable loan interest rates and repayment schedule, the interest rates for the short-term borrowings to be repaid range from 2.025% to 2.142%. It is estimated that starting from 2026, annual interest expenses of approximately NT$1,056 thousand can be saved, thereby reducing financial burden, improving financial structure, and lowering the debt ratio.

(2) Working Capital Enhancement

The remaining NT$11,915 thousand will be used to strengthen working capital. This is intended to support the Company's long-term development by increasing internal funding availability, enhancing financial stability, improving capital structure, and strengthening mid- to long-term competitiveness, thereby positively contributing to business growth and operational development.

2. Actual Benefits

The NT$61,915 thousand raised from the cash capital increase was utilized as planned, with NT$11,915 thousand used for working capital in Q4 2025, and the repayment of bank borrowings fully completed in Q1 2026. Overall, there are no material discrepancies between the planned and actual utilization of funds, and the execution is considered reasonable.

(4) Whether There Are Any Changes to the Plan

The Company's 2025 cash capital increase for issuance of new shares has been fully utilized as planned for repayment of bank borrowings and working capital enhancement. Therefore, no changes to the plan have been made.

IV. Operational Overview

1. Business Activities

(1) Business Scope

1. Main Business Activities

The Company's registered business items are as follows:
F118010 Wholesale of Information Software
F119010 Wholesale of Electronic Materials
F401010 International Trade
I301010 Information Software Services
I301020 Data Processing Services
I301030 Electronic Information Supply Services
I501010 Product Design
ZZ99999 Any business not prohibited or restricted by law, except those requiring special approval

2. Revenue Breakdown

Unit: NT$ Thousand; %

Year / Product Category	2024		2025	
	Net Revenue	%	Net Revenue	%
High-Speed Communication ICs	151,727	100.00	194,898	100.00
Total	151,727	100.00	194,898	100.00

3. Current Products (Services)

The Company is primarily engaged in the design, development, production, manufacturing, and sales of high-speed signal transmission interfaces and high-speed analog circuits. It focuses on the development of low-power and low-latency high-speed communication ICs, including linear signal equalizers and data center optical communication chips. The Company has completed the design and development of multiple product lines, including PCIe 5.0 / CXL 2.0 Linear Re-driver (JYS13004, JYS13016), PCIe 5.0 Linear Re-driver with integrated Mux/DeMux (JYS13008), USB4.0 V2 / DP2.1 / TBT5.0 Active Cable Re-driver (JYS13002), and USB4.0 V2 / DP2.1 Linear Re-driver with integrated AUX switch (JYS15002). These products are widely applied in high-end gaming PCs, AI PCs, AI servers, HPC servers, industrial computers, AR/VR high-speed active cables, and ultra-high-resolution graphics cards and displays.

4. New Products (Services) Planned for Development

Product Category	Planned New Products	Description of Application
USB/DP	4-channel USB4.0 V.2, Display Port 2.1 Linear Re-driver	High-speed USB4.0 V2 / DP2.1 linear signal equalizer IC with transmission bandwidth up to 120 Gb/s, supporting high-resolution and high refresh rate applications such as 8K displays, 3D imaging, and VR/AR.
Coherent Interface	4-channel CXL3.0, UPI Linear Re-driver	High-speed CXL 3.0 linear signal equalizer IC with transmission rate up to 64 Gb/s and latency below 100 ps, facilitating the development of AI and HPC systems.
PCIe	4-channel Gaming/Desktop GEN6 Linear Re-driver with Mux/Demux integrated	High-speed PCIe 6.0 linear signal multiplexing IC designed to expand PCIe connectivity for high-end gaming PCs and desktop computers.
PCIe	16-channel Server/Data center GEN6 Re-driver	16-channel high-speed PCIe 6.0 linear signal equalizer IC with bandwidth up to 1024 Gb/s. Its strong signal equalization capability extends and simplifies high-speed PCB routing and interconnect design, supporting next-generation data center servers.
PCIe/Ethernet	4-channel and 16-channel Server/Data center PCIe 7.0 Re-driver	High-speed PCIe 7.0 re-driver IC with transmission rates up to 128 Gb/s. Enhanced signal equalization and retiming capabilities improve PCB routing and interconnect design, enabling next-generation data center servers, AI, and HPC systems.
PCIe	4-channel Server/Data center PCIe 6.0 Optical Linear Re-driver	High-speed PCIe 6.0 optical communication IC with transmission rates up to 64 Gb/s and transmission distance exceeding 10 meters, with latency below 100 ps, supporting next-generation data center servers, AI, and HPC systems.
Ethernet	4-channel Server/Data center 400Gb/s Optical Linear Re-driver	High-speed 400 Gb/s optical communication IC with transmission distance exceeding 10 meters and latency below 100 ps, enabling next-generation data center servers, AI, and HPC systems.
USB	4-channel USB4.0 V.2, Display Port 2.1 Optical Linear Re-driver	High-speed USB4.0 V2 / DP2.1 optical communication IC with bandwidth up to 120 Gb/s and transmission distance exceeding 10 meters, supporting high-resolution and high refresh rate applications such as 8K displays, 3D imaging, and VR/AR.

(2) Industry Overview

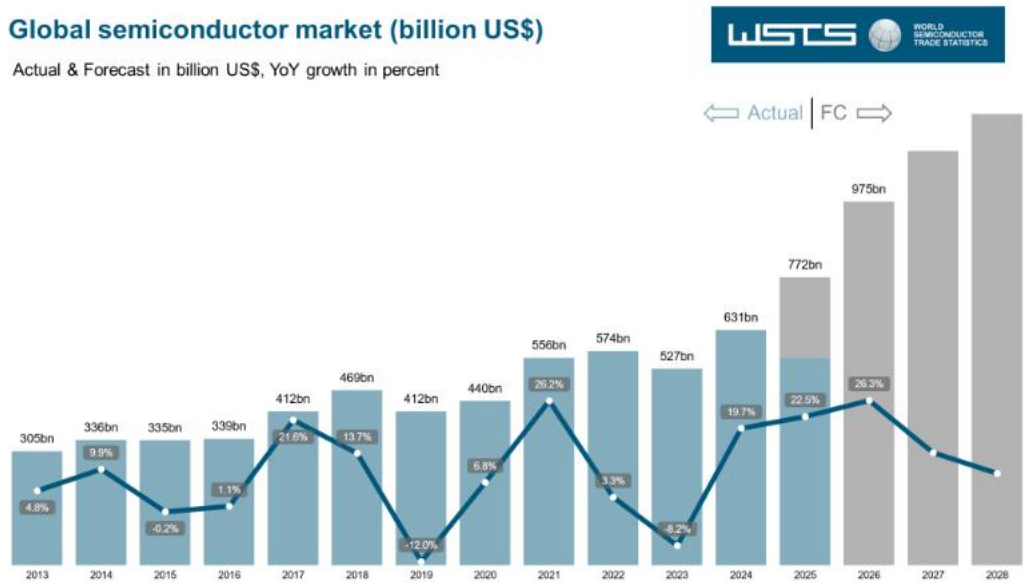
1. Current Status and Development of the Industry

According to forecasts released by the World Semiconductor Trade Statistics (WSTS), following a strong recovery in 2024, the global semiconductor market is expected to grow by 22.5% in 2025, reaching a market size of US$772.2 billion. In 2026, it is projected to grow further by 26.3%, approaching the US$1 trillion

milestone at approximately US$975.4 billion, although growth is expected to moderate in 2027 and 2028. The growth in 2025 is primarily driven by strong demand from AI applications and data center infrastructure, which has significantly boosted demand for logic and memory chips. Among these, logic chip revenue is expected to increase by 37.1% year-on-year, representing the highest growth among all categories, followed by memory chip revenue growth of 27.8%. Revenue from sensors, microprocessors, analog chips, and optoelectronic components is also expected to grow to varying degrees. However, due to weak demand in the automotive sector, revenue from discrete components is projected to decline slightly by 0.4%. Despite relatively moderate growth rates, sensors and analog chips are also expected to contribute positively. According to the 2025 industry outlook report by the Taiwan Institute of Economic Research, the semiconductor industry is expected to benefit from improving demand in end markets such as smartphones, consumer electronics, and servers. This recovery is anticipated to increase order volumes for Taiwanese semiconductor companies and further drive growth in the industry's operational performance.

Autumn 2025	Amounts in US$M			Year on Year Growth in %		
	2024	2025	2026	2024	2025	2026
Americas	195,123	**251,926**	**338,574**	45.2	29.1	34.4
Europe	51,250	**54,127**	**60,429**	-8.1	5.6	11.6
Japan	46,739	**44,835**	**50,164**	0.0	-4.1	11.9
Asia Pacific	337,437	**421,354**	**526,293**	16.4	24.9	24.9
Total World - $M	630,549	**772,243**	**975,460**	19.7	22.5	26.3
Discrete Semiconductors	31,026	**30,900**	**33,436**	-12.7	-0.4	8.2
Optoelectronics	41,095	**42,597**	**45,020**	-4.8	3.7	5.7
Sensors	18,923	**20,894**	**22,713**	-4.1	10.4	8.7
Integrated Circuits	539,505	**677,852**	**874,291**	25.9	25.6	29.0
Analog	79,588	85,552	91,988	-2.0	7.5	7.5
Micro	78,633	84,839	96,620	3.0	7.9	13.9
Logic	215,768	295,892	390,863	20.8	37.1	32.1
Memory	165,516	211,568	294,821	79.3	27.8	39.4
Total Products - $M	630,549	**772,243**	**975,460**	19.7	22.5	26.3

Sources: WSTS Forecast Summary (Dec. 2025)



Sources: WSTS global market semiconductor value (Dec. 2025)

Taiwan possesses strong clustering advantages in the IC design industry, coupled with extensive accumulated experience, resulting in steady growth in the number of IC design companies. The IC design sector has become a key pillar of growth within the semiconductor industry. According to estimates by the Industrial Technology Research Institute (ITRI), Taiwan's IC industry output value is expected to reach NT$6.5225 trillion (US$209.1 billion) in 2025, representing a year-on-year increase of 22.7%. Among this, the IC design sector is expected to generate NT$1.4245 trillion (US$45.7 billion), growing by 12.0% year-on-year. Across the three major sub-sectors—IC design, manufacturing, and packaging/testing—Taiwan's IC industry is expected to achieve double-digit growth in 2025, continuing to propel the industry into a new phase of development. In the IC design segment, the global semiconductor market is expected to maintain strong growth in 2025. The communications electronics sector remains the core application market, with growth rates of 16% in 2024 and 12% in 2025, and a projected growth rate of 6.8% in 2026. However, driven by generative AI, computing-related semiconductor chips are expected to experience the fastest growth, and by 2028, computing electronics is projected to become the largest application segment. Taiwan benefits from a complete and highly specialized semiconductor supply chain, spanning IC design service companies, IC design firms, dedicated foundries, manufacturing processes and testing equipment providers, packaging, and backend testing and sales companies. Many of these players have established strong international reputations, providing Taiwan's IC design companies with a competitive advantage over their global peers.

Looking ahead to the long-term development of the semiconductor industry, advancements in next-generation communication technologies and the integration of AI are expected to transform lifestyles and production models across various sectors. As semiconductors are the core enabling technology behind these innovations, demand for semiconductor components is expected to continue rising. In addition, the rapid development of the digital economy and the increasing adoption of smart applications across industries are accelerating the digital transformation of the physical world. This trend is driving increased adoption of embedded systems and industrial control technologies, thereby boosting semiconductor demand across industrial, automotive, and consumer electronics sectors, and supporting continued expansion of the global semiconductor market.

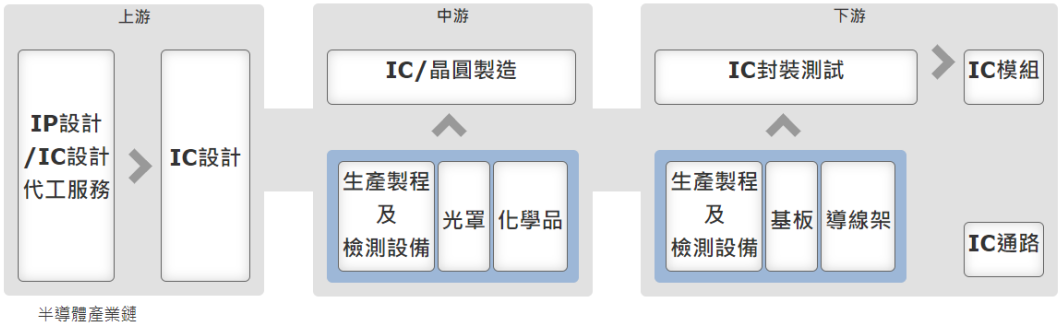
Taiwan IC Industry Output Value (2022–2026e)

Unit: NT$100 million	2022	2022 Growth %	2023	2023 Growth %	2024	2024 Growth %	2025	2025 Growth %	2026 (e)	2026 (e) Growth %
Total IC Industry	48,370	18.5%	43,428	-10.2%	53,151	22.4%	65,225	22.7%	77,150	18.3%
IC Design	12,320	1.4%	10,965	-11.0%	12,721	16.0%	14,245	12.0%	15,214	6.8%
IC Manufacturing	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 & Others	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 Output	14,676	-2.3%	12,666	-13.7%	14,478	14.3%	16,421	13.4%	18,236	11.1%
Global Semiconductor Market (US$100 million / Growth %)	5,741	3.3%	5,269	-8.2%	6,305	19.7%	7,917	25.6%	9,999	26.3%

Sources: Sources: TSIA 2025 Q4 & Full-Year Report; ITRI Industry, Science and Technology International Strategy Center (Feb. 2026)

2. Industry Supply Chain Relationships (Upstream, Midstream, and Downstream)

The Company is a fabless IC design company without its own wafer fabrication facilities. The upstream, midstream, and downstream segments of Taiwan's IC industry can generally be categorized as follows: upstream IC design companies, midstream wafer fabrication foundries, and downstream IC packaging and testing companies. The Company operates in the upstream segment, focusing primarily on IC design and product sales. Key production processes prior to the completion of final products—including mask fabrication, wafer manufacturing, chip packaging, and testing—are outsourced. The relationships among the upstream, midstream, and downstream segments of the industry are illustrated below.



Sources: Industry Chain Information Platform

3. Product Development Trends

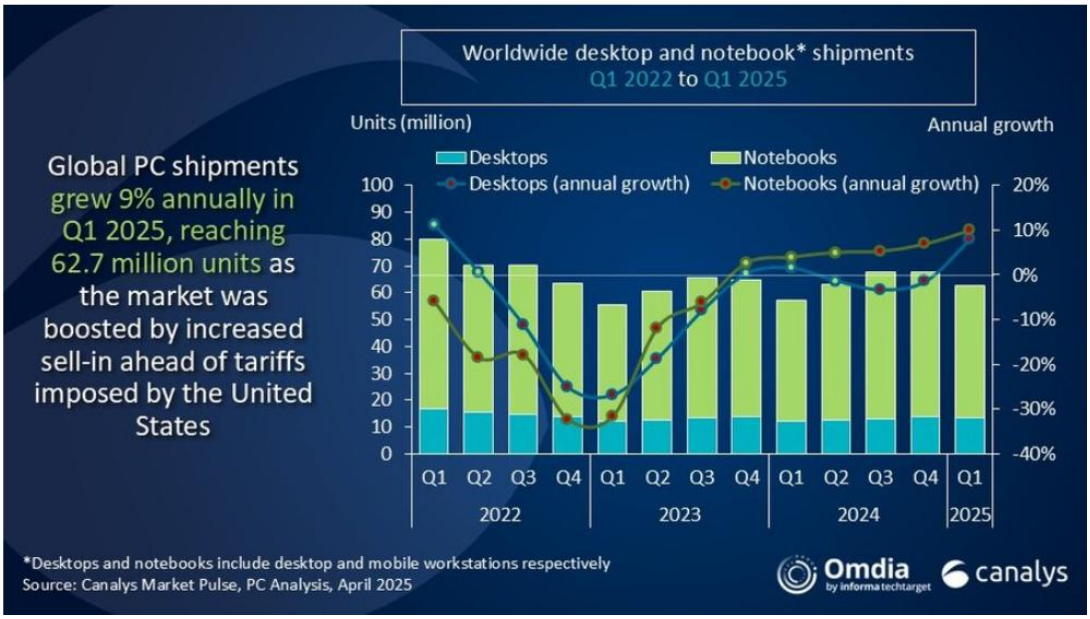
A. Personal Computers (PCs)

Personal computers are considered fast-moving consumer electronic products, and Taiwan primarily plays a role in assembly and manufacturing within the PC industry. According to IT research and consulting firm Gartner, global PC shipments reached 59 million units in the first quarter of 2025, representing a 4.8% increase compared to the same period in 2024. In the United States, PC shipments reached 16 million units in Q1 2025, reflecting a 12.6% increase.

According to International Data Corporation (IDC) on January 9, 2025, global PC shipments in the fourth quarter of 2024 totaled 68.9 million units, representing a year-on-year increase of 1.8%. Full-year shipments reached 262.7 million units, a slight increase of 1% compared to 2023. Although the outlook for AI PCs has been affected by macroeconomic pressures and growth momentum may be delayed, IDC's Worldwide Device Tracker Group Vice President noted that "concerns about the macroeconomic environment appear to have overshadowed some of the progress and excitement surrounding AI PCs. However, IDC believes that even if the market turning point comes later, AI capabilities in devices will still have a positive impact on the industry."

According to data released in April 2025 by research firm Canalys, total shipments of desktops, notebooks, and workstations in Q1 2025 increased by 9.4% to 62.7 million units. Desktop shipments alone grew by 8% to 13.3 million units. The increase in shipments during the quarter was driven in part by OEM

manufacturers accelerating shipments to the United States in anticipation of potential tariff issues.



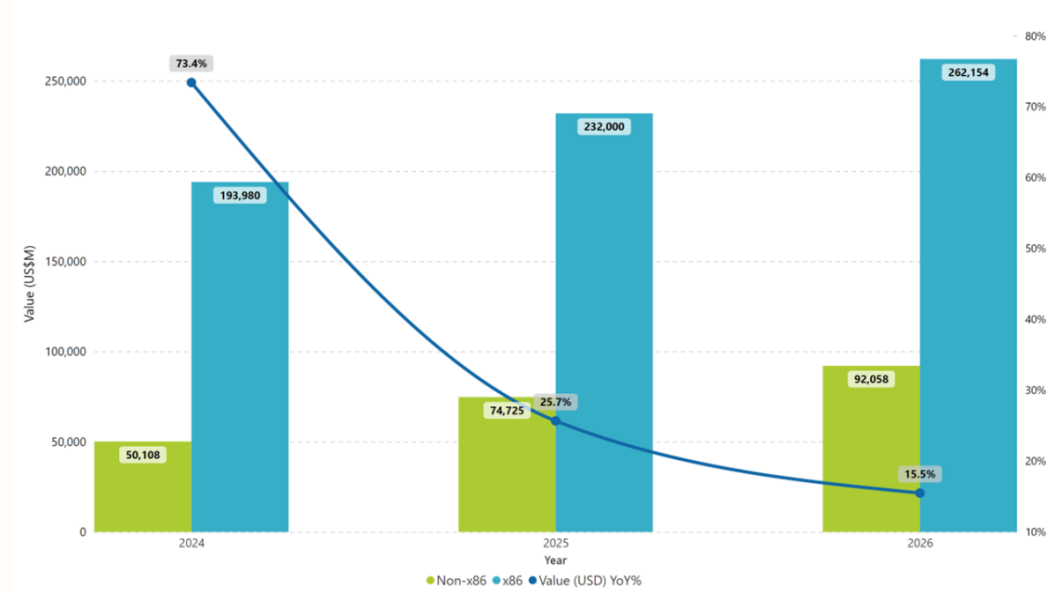
Sources: Canalys Worldwide PC Shipments (Apr. 2025)

B. Servers / Data Centers

A server is a computer system specifically designed to provide services, resources, or data to other computers or devices, typically through a network. Internally, it delivers services via an intranet, while externally it provides services through the internet. Since servers must handle requests from a large number of users simultaneously, their operation involves users sending service requests over a network, which the server receives and responds to accordingly. For example, servers providing terminal connection services are known as terminal servers; those providing file access services are file servers; and those providing web browsing services are web servers. Different types of services give rise to various server applications with distinct functions. In other words, a server is a specialized enterprise-grade computer, distinct from the personal computers commonly used by individuals. Users can connect to servers through mobile devices or personal computers to obtain additional information and services. Compared with standalone personal computers or mobile devices, the functionality and services available through server connections are significantly more extensive. Servers are critical to modern IT infrastructure and are typically installed in data centers or server rooms to ensure stable operation and high availability.

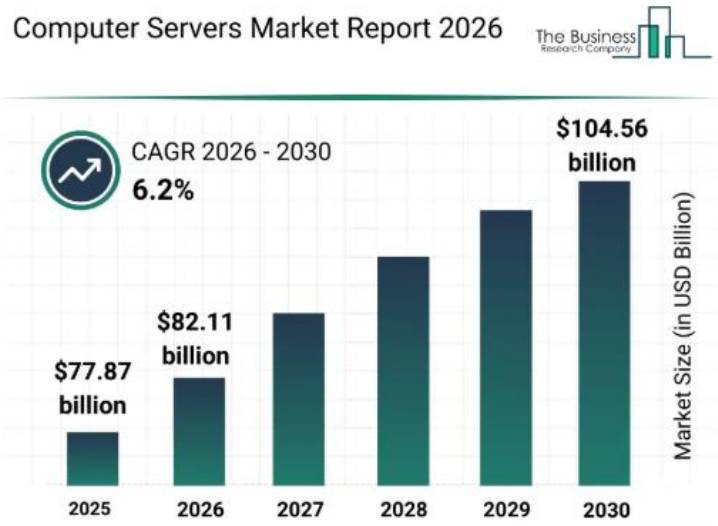
With the advent of the era of massive data, the trend toward service integration has driven servers toward task-oriented architectures, including cloud computing, storage, and virtualization platforms. As these applications require strong computing power and large-scale data storage, servers have become indispensable in cloud technologies. In the global wave of digital transformation, enterprise demand continues to drive the growth of cloud services and data analytics. In this transformation, servers play a crucial role as stable data intermediaries. According to Servers Market Insights released in April 2025 by International Data Corporation

(IDC), global server market spending grew by 89.0% in the fourth quarter of 2024, driven by the large-scale deployment of GPU servers. The compound annual growth rate (CAGR) for the period from 2025 to 2029 is projected to be 16.3%. Notably, the impact of DeepSeek on the market has moderated, as the actual infrastructure requirements have proven to be greater than initially estimated. AI applications have evolved from simple chatbots to reasoning-capable models and further to autonomous AI agents (Agentic AI), which require multiple times the current processing capacity. Therefore, even if more efficient models reduce resource consumption in the future, the existing infrastructure still cannot fully meet the demands of emerging applications, and the overall market is expected to maintain strong double-digit growth.



Sources: IDC Servers Market Insights (Apr. 2025)

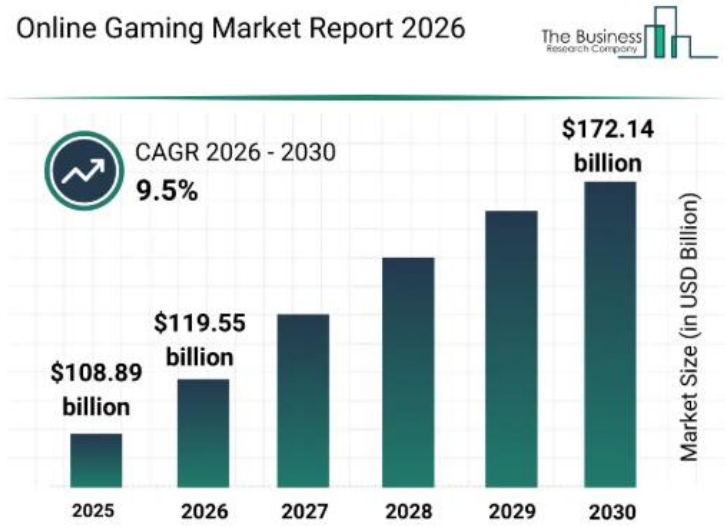
According to a market report released in January 2026 by The Business Research Company, the global computer server market has experienced strong growth in recent years and is projected to expand from US$77.87 billion in 2025 to US$82.11 billion in 2026, representing a CAGR of 5.5%. The report further estimates that the market will reach US$104.56 billion by 2030, with a CAGR of 6.2%. Growth during the forecast period is expected to be driven by the expansion of cloud services, increasing AI workload processing, the growth of edge computing, rising demand for cybersecurity infrastructure, and the development of green data centers. Key trends include cloud-native server deployment, virtualized server environments, energy-efficient data centers, high-density server architectures, and the adoption of edge servers.



Sources: The Business Research Company (Jan. 2026)

C. E-Sports Market

According to a global gaming market report released in January 2026 by The Business Research Company, the gaming market has experienced rapid expansion in recent years. The market is projected to grow from US$108.89 billion in 2025 to US$119.55 billion in 2026, representing a compound annual growth rate (CAGR) of 9.8%. The report further forecasts that the market will continue to grow at a strong pace in the coming years, reaching US$172.14 billion by 2030, with a CAGR of 9.5%. Growth during the forecast period is expected to be driven by the development of VR/AR gaming, the widespread adoption of cloud gaming, the application of artificial intelligence in game optimization, the rise of e-sports and competitive gaming, in-game analytics, and innovations in monetization models. Key trends include cloud-based multiplayer gaming, immersive VR/AR experiences, mobile gaming platforms, social and competitive gaming features, and advanced in-game analytics and monetization tools.



Sources: The Business Research Company (Jan. 2026)

The rapid development of the e-sports industry has driven demand for high-performance hardware. E-sports has evolved from a form of entertainment into a

global industry with significant commercial potential. Professional e-sports players, game streamers, and a large base of amateur players all demand high-performance equipment to enhance their gaming experience.

4. Competitive Position of Products

The Company focuses on the development of high-speed signal transmission IC technologies. Although it has been established for a relatively short period, the Company has successfully progressed from initial design and development to mass production through precise market insight. It is the first company in Taiwan to launch active connector Re-drivers supporting USB4.0/DP2.1, and also the first in Taiwan to successfully introduce PCIe Gen5 Re-drivers into the Intel Z690 Alder Lake platform. The Company's strong technological capabilities, agile responsiveness, and comprehensive service quality are widely recognized. At the same time, the Company will continue to emphasize low power consumption, low energy usage, low latency, and compact form factor as key product features. These characteristics help simplify system design and enhance design flexibility. By doing so, the Company aims to continuously fill market gaps and introduce niche products that meet evolving market demands.

(3) Technology and R&D Overview

1. R&D Expenses Invested in the Most Recent Year and up to the Date of the Annual Report Publication

Unit: NT$ thousand; %

Item \ Year	2025	March 31, 2026
R&D Expenses (A)	55,931	Note

Note: As of the date of publication of this annual report, the financial figures for the first quarter of 2026 are not yet available.

2. Technologies or Products Successfully Developed in the Most Recent Year and up to the Date of the Annual Report Publication

Year	Successfully Developed Technologies or Products
2020	● JYS13002, USB 4.0 DisplayPort 2.0 Cable Re-driver
2021	● JYS13004, PCIe 5.0 Re-driver and CXL Cable ● JYS13008, PCIe 5.0 Re-driver+Mux/DeMux
2022	● JYS13016PP Series, PCIe 5.0 X16 Linear Re-driver
2023	● JYS13004PE Series, DisplayPort 2.1 Linear Re-driver ● JYS13008MF Series, PCIe 5.0 Re-driver+Mux/DeMux
2024	● JYS15002CE Series, USB4 v.2/DisplayPort 2.1 Linear Re-driver with AUX switch integrated ● JYS1702PG Series, PCIe 6.0/CXL 3.0 Linear Re-driver ● JYS1702O Series, PCIe 6.0/USB4 v.2 Linear Optical Engine with EQ boosting
2025	● JYS1702MJ Series, PCIe 6.0 Linear Re-driver+Mux/DeMux
As of report publication date in 2026	● JYS1902PH Series, PCIe 7.0/128Gb/s Linear Re-driver

(4) Short-Term and Long-Term Business Development Plans

To respond to industry development and overall economic trends, the Company formulates short-term and long-term plans to define its future operational direction and enhance competitiveness. A summary of these plans is as follows:

1. Short-Term Business Development Plans

The Company has carefully evaluated market conditions and the competitive environment and formulated a series of forward-looking and competitive short-term strategies aimed at accelerating corporate growth, expanding market share, and achieving long-term stable development.

(1) Maintain effective communication with customers by continuously collecting feedback and suggestions, gaining in-depth understanding of customer needs and expectations, and implementing ongoing improvements and optimizations to build strong trust relationships and enhance customer satisfaction.

(2) Actively participate in associations, industry seminars, and online events, and establish partnerships within the industry to expand business networks and identify potential customers.

(3) Develop employee training and development programs, including skills training, communication skills, and leadership development, to enhance employees' professional capabilities and overall competencies.

(4) Actively participate in discussions within international standards organizations and continuously develop next-generation products to maintain a leading market position.

2. Long-Term Business Development Plans

(1) Expand sales channels and explore new regional markets.

(2) Continuously conduct market research and analysis, and develop highly competitive new products and innovative applications to meet diverse market demands.

(3) Closely monitor and align with government environmental policies and global sustainable development trends to achieve sustainable operations.

(4) Organize technical forums or seminars periodically to establish industry leadership and reputation, thereby enhancing brand awareness and increasing market share and influence.

2. Market and Production/Sales Overview

(1) Market Analysis

1. Sales Regions of Major Products (Services)

Unit: NT$ thousand; %

Year / Sales Region	2025	
	Amount	%
Taiwan	184,074	95
China	8,226	4
Others	2,598	1
Total	194,898	100

2. Market Share

The Company focuses on the research, design, manufacturing, and sales of high-speed transmission IC chips. In 2025, the Company's net operating revenue amounted to approximately NT$195 million. According to statistics from the Industrial Technology Research Institute (ITRI), the total output value of Taiwan's IC design industry in 2025 was approximately NT$1,424.5 billion. The Company's net operating revenue accounted for approximately 0.01% of the domestic IC design industry output value in 2025. Despite its relatively short history, the Company has successfully developed products from scratch and gained customer recognition. As the Company continues to invest in R&D and expand its product portfolio, revenue contribution is expected to increase once products complete customer validation and enter mass production, indicating significant growth potential going forward.

3. Future Market Supply and Demand and Growth Potential

With the evolution of high-speed transmission technologies, signal attenuation and noise issues have increasingly challenged system compatibility. As a result, high-speed interface ICs such as Re-drivers and Re-timers, positioned between CPUs and terminal devices, have become indispensable. Although in the short term, global economic growth faces headwinds from factors such as the U.S.-China trade tensions, the prolonged Russia-Ukraine conflict, and inflation—placing pressure on consumer markets—over the medium to long term, the market is expected to return to a normal cycle. Moreover, as data transmission standards continue to advance and diversified applications expand, demand for signal repeaters is expected to grow steadily, supporting positive long-term growth prospects. In recent years, the emergence of the USB Type-C interface—supporting multiple protocols such as USB, DisplayPort (DP), HDMI, and USB Power Delivery (PD)—has enabled a single interface to handle data, video, and power transmission. This has led to its widespread adoption as a primary interface in many electronic devices, including USB peripherals, smartphones, and tablets. In addition to strengthening technical collaboration with foundries and packaging/testing service providers to ensure production capacity and chip quality, the Company will continue to maintain technological leadership and expand into niche markets with strong sales potential.

4. Competitive Advantages

(1) Professional R&D Team

The Company's core R&D team includes four members with experience from globally renowned semiconductor manufacturers. In addition, the President has more than 20 years of practical experience in analog IC design at leading semiconductor companies. The Company actively tracks new product developments from major CPU vendors and collaborates with peripheral application developers. It has also established its own advanced high-speed signal analysis laboratory and continues to invest in proprietary analytical capabilities and R&D talent to enhance product quality and development efficiency.

(2) Broad Applications of High-Speed Signal Compensation ICs

The Company focuses on high-speed interface ICs applied mainly in USB, DP, and PCIe technologies. As transmission protocol speeds continue to increase in the era of data explosion, electronic devices are constantly evolving toward higher data transmission speeds to handle massive data volumes. End applications include personal computers, servers, data centers, and integrated audio-video active cables. With ongoing specification upgrades and volume expansion, the market potential is expected to grow further.

(3) Strong and Close Cross-Industry Collaboration

On the production side, the Company leverages Taiwan's specialized semiconductor supply chain by forming long-term partnerships with downstream packaging and testing providers. This collaboration allows packaging constraints and advantages to be considered during the design phase, reducing modification costs and development time while enabling flexible packaging solutions that enhance product performance and reliability. On the application side, the Company collaborates with partners across various industries through complementary product integration, forming joint development models for new applications. These collaborations are expected to generate mutually beneficial outcomes in both technology and strategy.

(4) Positive Outlook for High-Speed Transmission IC Industry

High-speed transmission IC design is a type of ASIC design. Driven by the explosion of data and the rapid development of AI, the volume of data requiring transmission continues to increase significantly. This has led to rising requirements for higher transmission specifications and faster iteration cycles, further driving demand for high-speed transmission ICs and strengthening demand for related and integrated applications.

5. Favorable and Unfavorable Factors for Future Development and Countermeasures

(1) Favorable Factors

A. Experienced R&D Team

Driven by the growth of consumer electronics, 5G, automotive electronics, and innovative smart applications, the semiconductor industry is moving toward higher integration and miniaturization. While maintaining product functionality and power efficiency, precise control over product size and component integration has become a major challenge for IC design companies. Therefore, R&D capability has become a key competitive advantage in this industry. The Company's chip development technology is entirely derived from its R&D team led by the President, who previously held IC design leadership positions at Intel Corporation and possesses over 20 years of experience in analog IC design. Since its establishment, the Company has obtained 9 invention patents in the United States, 11 in Taiwan, and 2 in China, with an additional 9 patents currently under application, demonstrating the technological strengths of its R&D team.

B. Rapid Growth of High-Performance Computing Supply Chain

The surge in AI applications, increasing penetration of 5G wireless communication, and continuous improvements in network speed have driven explosive growth in global data volumes. Demand for cloud computing, cloud storage, e-sports, digital media, and e-commerce livestreaming continues to expand. Meanwhile, applications such as artificial intelligence (AI), big data analytics, high-performance computing (HPC), cloud computing, networking, embedded databases, virtualization interfaces, and cybersecurity are also growing rapidly. According to the Industrial Technology Research Institute (ITRI), the global edge computing hardware market reached US$30.212 billion in 2023 and is expected to grow to US$61.67 billion by 2028, representing a compound annual growth rate (CAGR) of 15.3%. Under the trend of high-performance computing, demand for high-speed data transmission has become increasingly critical. As transmission speeds increase, signal attenuation becomes more severe, making it a key industry challenge to address PCIe signal insertion loss and extend transmission distances.

C. Strong Cross-Industry Collaboration

On the production side, the Company leverages advanced international process technologies and Taiwan's specialized semiconductor supply chain to establish long-term partnerships with downstream packaging and testing providers through joint technical development. This approach allows packaging constraints and advantages to be considered during the design stage, ensuring that chip designs better meet packaging requirements, reducing

subsequent modification costs and time, and enabling flexible development of packaging solutions tailored to product needs, thereby enhancing product performance and reliability. On the application side, the Company collaborates with enterprises across various industries by integrating complementary products and establishing joint development models for new applications. These collaborations are expected to create mutually beneficial outcomes in both technology and strategy.

(2) Unfavorable Factors and Countermeasures

A. Risk of Shortage of Professional Talent

Analog IC design involves real-world phenomena such as images, sound, and temperature, which cannot rely on standardized design tools. Mastery of analog IC design typically requires long-term experience, and it may take more than ten years for design engineers to develop advanced expertise. The design of high-frequency chips is even more challenging, with low fault tolerance and high trial-and-error costs. Talent cultivation relies heavily on practical experience, making training both time-consuming and costly. In addition, the semiconductor industry has been elevated to a strategic priority across many countries in recent years, intensifying global competition for talent. According to the Ministry of Economic Affairs' survey on IC design industry talent demand for 2023–2025, analog IC positions rank among the top three most in-demand roles, with over 80% of companies reporting talent shortages.

Countermeasures:

To attract and retain technical talent, the Company implements a people-oriented management approach. In addition to providing a comfortable working environment, an open and supportive corporate culture, clear career advancement paths, and competitive benefits, the Company adopts incentive and compensation mechanisms, including capital increases for employee share subscriptions and employee stock option plans, allowing employees to share in corporate growth. Furthermore, the Company offers diverse training programs to cultivate multi-skilled talent, establishes comprehensive communication channels, continuously enhances employee welfare systems, and strengthens employee engagement and organizational commitment.

B. Risk of Market Entry by Competitors

The IC design industry is highly competitive, with numerous market participants. In particular, Chinese IC design companies have actively expanded in recent years, which may exert downward pressure on product pricing. Additionally, global leading companies are pursuing mergers and acquisitions to strengthen their competitiveness. Under such circumstances,

positioning the Company and its products effectively among strong competitors will be a key long-term challenge.

Countermeasures:

The Company adopts a comprehensive and systematic project management approach, leveraging the extensive experience of its R&D team to optimize hardware and firmware development timelines and ensure timely market entry of products. At the same time, the Company closely monitors market trends and anticipates future product evolution, while seeking collaboration with partners across different industries. By integrating upstream and downstream technologies and creating synergistic value, the Company aims to provide customers with comprehensive and diversified solutions.

C. Risk of Rapid Product Obsolescence

Technological innovation cycles in the technology industry are short and highly competitive. As application fields evolve rapidly, product life cycles continue to shorten. Companies are often compelled to compress R&D timelines and accelerate product launches. Failure to respond quickly to market demands and establish competitive advantages may allow competitors to seize market opportunities, leading to a "winner-takes-all" scenario and shifts in market share.

Countermeasures:

In addition to developing new products based on customer-specific requirements, the Company collaborates with connector manufacturers across industries to jointly develop new products, thereby enhancing market competitiveness. Leveraging the experience and solid technical foundation of its core R&D team, along with keen market insight, the Company actively invests in developing products that meet market demands. Notably, in its second year of establishment, the Company successfully launched a PCIe Gen 5.0 high-frequency signal conditioning chip that passed the PCIe Gen 5.0 compliance test at the PCI-SIG Developers Conference. The product is compatible with platforms from major global computer design and manufacturing companies, ensuring both technical feasibility and compliance with industry specifications.

(2) Key Applications and Production Process of Major Products

1. Key Applications of Major Products

Major Product	Key Application
JYS13008MF	Signal-enhancing multiplexer IC enabling gaming motherboards and AI PCs to support high-speed PCIe 5.0
JYS13004PE	Linear signal equalizer IC enabling servers, workstations, and industrial computer motherboards to upgrade and support high-

Major Product	Key Application
	speed PCIe 5.0
JYS13002UE	Signal enhancement IC for USB4.0/DP2.1, extending cable transmission length to over 2 meters
JYS13016PP	Signal enhancement IC supporting 16 lanes simultaneously, enabling server motherboards to upgrade to high-speed PCIe 5.0
JYS15002CE	Linear signal equalizer IC enabling gaming consoles and laptops to support high-speed USB4 v2 / DP2.1 interfaces

2. Production Process

The Company operates under an IC design business model, focusing on circuit design, software/firmware integration, and customized function development. Manufacturing and backend processing are outsourced, and finished products are then sold to customers. The Company does not operate its own fabrication facilities. The production process is illustrated in the diagram below:



(3) Supply Status of Major Raw Materials

As an IC design company, the Company operates within the semiconductor industry value chain, maintaining stable capacity supply and close technical collaboration with dedicated wafer foundries. This cooperation enables better control over product costs, yield rates, and delivery schedules. To avoid the additional costs associated with mask re-fabrication and trial production, IC design companies typically establish long-term partnerships with specific foundries rather than frequently switching suppliers. This is a characteristic feature of the semiconductor design industry. The Company maintains strong and stable partnerships with its long-term suppliers to ensure continuous supply and consistent product quality.

Major Raw Material	Supplier	Supply Status
Wafer	Company A	Stable

(4) Major Customers and Suppliers Accounting for 10% or More of Total Purchases (Sales) in Any of the Most Recent Two Years

1. Names of suppliers accounting for 10% or more of total purchases in any of the most recent two years, along with their purchase amounts and percentages, and explanations of changes:

Unit: NT$ thousand; %

No.	2024				2025			
	Name	Amount	As % of Total Net Procurement	Relation to the Company	Name	Amount	As % of Total Net Procurement	Relation to the Company
1	Company A	15,151	100.00	None	Company A	81,447	100.00	None
	Others	—	—	—	Others	—	—	—
	Net Procurement	15,151	100.00	—	Net Procurement	81,447	100.00	—

Analysis of Changes:

In 2025, purchase volumes increased significantly due to higher sales volume, which led to increased production output and the need to ensure sufficient inventory of raw materials.

2. Names of customers accounting for 10% or more of total sales in any of the most recent two years, along with their sales amounts and percentages, and explanations of changes:

Unit: NT$ thousand; %

No.	2024				2025			
	Name	Amount	As % of Total Net Sales	Relation to the Company	Name	Amount	As % of Total Net Sales	Relation to the Company
1	Customer B	65,270	43.02	None	Customer B	93,293	47.87	None
2	Customer C	15,695	10.34	None	Customer C	1,948	1.00	None
3	Customer D	60,899	40.14	None	Customer D	85,697	43.97	None
	Others	9,863	6.50	—	Others	13,960	7.16	—
	Net Sales	151,727	100.00	—	Net Sales	194,898	100.00	—

Analysis of Changes:

In 2025, sales increased due to higher demand for consumer products in the first half of the year, which drove customers to expand production, thereby increasing the Company's sales revenue.

3. Employee Information for the Most Recent Two Years

Unit: Persons; Years; %

Year		2024	2025	Q1 2026
Number of Employees	Managers	4	4	4
	Direct Personnel	—	—	—
	Indirect Personnel	20	23	22
	Total	24	27	26
Average Age		43.89	45.30	46.20
Average Years of Service		1.67	2.84	3.09
Educational Background Distribution (%)	Ph.D.	4.17	3.70	3.85
	Master's	62.50	55.56	53.84
	Bachelor's	29.16	37.04	38.46
	High School	4.17	3.70	3.85
	Below High School	—	—	—

4. Environmental Protection Expenditures

For the most recent year and up to the date of publication of the annual report, any losses incurred due to environmental pollution (including compensation and violations identified through environmental inspections, specifying the date of penalty, reference number, violated regulations, details of violations, and penalty content), as well as estimated amounts for current and future potential occurrences and corresponding countermeasures, shall be disclosed. If such amounts cannot be reasonably estimated, the reasons should be explained: None.

5. Labor Relations

(1) Employee Welfare Measures, Training, Education, Retirement System, and Labor-Management Relations

1. Employee Welfare Measures and Implementation Status

In addition to the following benefits, the Company also grants performance bonuses based on operating results.

Welfare Item	Implementation Status
Leave and Attendance Benefits	Flexible working hours within a 30-minute range are provided to help employees balance work, life, and family responsibilities.
Snack Bar	A snack bar is available to provide convenient refreshments and beverages, enhancing employee productivity and vitality while promoting social interaction.
Gathering Activities	The Company organizes gatherings from time to time to motivate employees and strengthen teamwork, allowing employees to relax and build closer relationships outside of work.
Education and Training Subsidies	In addition to providing internal training and onboarding programs, the Company offers opportunities for external training. Upon approval, the Company subsidizes related training expenses to enhance overall employee quality.
Year-End Bonus	In addition to a structured year-end bonus system, additional holiday bonuses may be granted depending on operating performance.
Employee Compensation	In accordance with the Company Act and the Company's Articles of Incorporation, when the Company is profitable, a certain percentage shall be allocated as employee compensation (including salary adjustments for non-executive employees), to be distributed in accordance with relevant policies.
Employee Share Subscription in Capital Increase	To attract and retain professional talent and enhance employee commitment and sense of belonging, the Company reserves a portion of newly issued shares for employee subscription in accordance with Article 267 of the Company Act and relevant internal regulations, allowing employees to share in future business achievements.
Health Care	Regular employee health check-ups are conducted to safeguard employees' physical and mental well-being.
Other Measures	Birthday vouchers are provided to employees. Salary adjustments are conducted annually based on performance evaluations, with equal treatment regardless of gender.

2. Employee Education, Training, and Implementation Status

To enhance human resource quality and strengthen core competitiveness, the Company provides both internal and external training programs based on employee needs. These programs aim to improve professional skills, deepen understanding of industry requirements, and unlock employee potential, ensuring the right talent is placed in the right role. This contributes to improved service quality, management performance, and a mutually beneficial environment for both employees and the Company.

The Company's training programs include the following:

(1) Orientation Training for New Employees: Communicates the Company's values and philosophy, fosters proper work ethics and discipline, and enhances awareness of workplace safety, information security, and intellectual property protection.
(2) Environmental, Safety, and Health Training: Ensures workplace safety awareness and disaster prevention capabilities, while enhancing environmental protection awareness and compliance with relevant regulations.
(3) Professional Development Programs: Provides training courses tailored to the professional requirements of various positions to enhance employees' expertise.

Summary of Training Outcomes for the Most Recent Year:

Training Category	Total Participants	Total Hours	Total Cost (NT$)
Orientation Training	7	52.5	28,900
Professional Training	54	539.5	
Other Training	48	48.0	
Total	109	640.0	

3. Retirement System and Implementation

The Company complies with the "Labor Standards Act" and adopts the pension system under the "Labor Pension Act." The Company contributes monthly to employees' pension accounts at a rate of no less than 6% in accordance with the "Labor Pension Act," based on the graded monthly contribution salary table approved by the Executive Yuan. Such contributions are deposited into each employee's individual pension account established with the Bureau of Labor Insurance.

4. Labor-Management Agreements and Protection of Employee Rights

In accordance with the "Regulations for Implementing Labor-Management Meetings," the Company invites employee representatives to present employee opinions on various matters. Issues of concern are fully discussed between labor and management representatives during quarterly labor-management meetings. Employees are encouraged to communicate their opinions openly and transparently with relevant personnel at any time. The Company recognizes the importance of comprehensive employee satisfaction surveys for organizational development. Annual employee satisfaction surveys are conducted, and the feedback is incorporated into management decisions and employee care initiatives to continuously improve the working environment and corporate culture.

5. Working Environment and Personal Safety Protection Measures

The Company is committed to providing a safe working environment and

implementing comprehensive occupational safety measures to safeguard employees' physical and mental well-being.

(1) Access Control System

To ensure workplace safety and protect employees, the Company's office is equipped with surveillance systems and access control facilities to strictly manage personnel entry and exit.

A. Workplace safety and protection measures
B. Regular cleaning of the office environment by designated personnel
C. Fire drills conducted semi-annually in the building
D. Maintenance of air conditioning and ventilation systems every two years
E. Periodic replacement of water dispenser filters
F. First-aid kits placed at designated locations for emergency use
G. Soft lighting design in office areas to reduce eye strain
H. Smoking is strictly prohibited throughout the office premises

(2) Occupational Safety and Health Regulations

To protect employee safety and health and implement occupational safety management, the Company has established "Occupational Safety and Health Work Rules."

(3) Certification Status

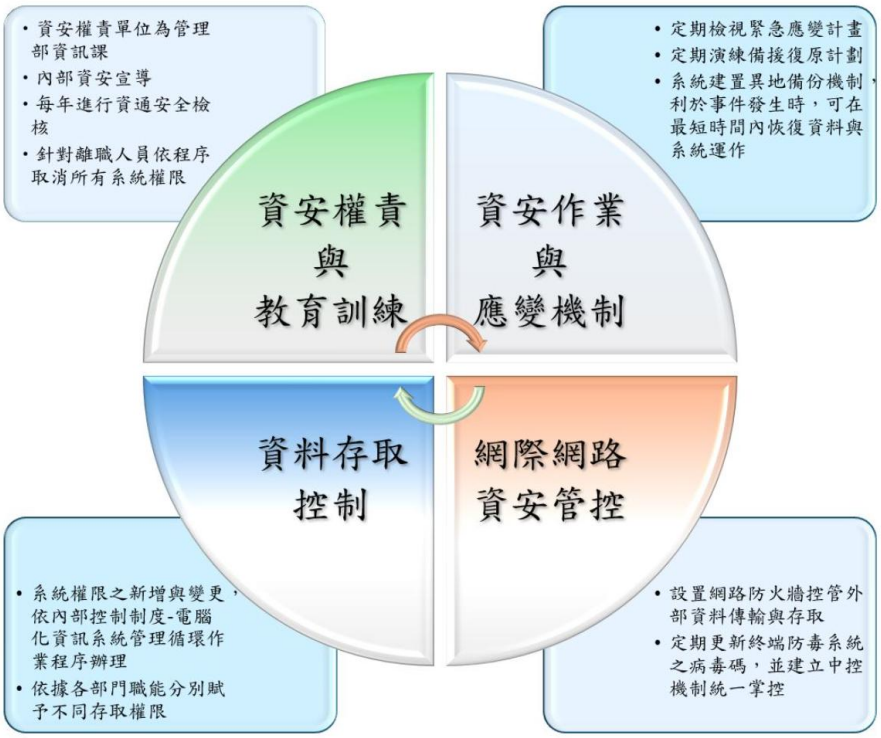
The Company has continuously maintained certification under the ISO 14001 Environmental Management System (valid through December 2028).

(2) For the most recent year and up to the date of publication of the annual report, any losses incurred due to labor disputes (including violations identified in labor inspections, specifying penalty date, reference number, violated regulations, details of violations, and penalty content), as well as estimated amounts for current and future potential occurrences and corresponding countermeasures, shall be disclosed. If such amounts cannot be reasonably estimated, the reasons should be explained: None.

6. Information Security Management

(1) Information Security Risk Management Framework, Policy, Specific Management Programs, and Resources Invested in Information Security Management

資訊安全風險管理架構



To strengthen information security management, ensure the confidentiality, integrity, and availability of its information assets, provide a stable information environment for the Company's operations, and comply with relevant laws and regulations while preventing intentional or accidental internal and external threats, the Company has established the "Information Security Management Policy."

Information Security Policy

1. Purpose

   To enhance information security management and ensure the confidentiality, integrity, and availability of the Company's information assets, this policy is established.

2. Information Security Objectives

   To ensure the accuracy, availability, integrity, and confidentiality of the Company's information and communication operations; to prevent threats from internal and external information security incidents; and to enable rapid response and recovery to normal operations within the shortest possible time in the event of an incident, thereby minimizing potential damages.

3. Information Security Management Measures

   (1) In accordance with the Personal Data Protection Act, strict access controls are implemented for systems storing personal data.

   (2) All personal computers and servers are required to be password-protected, installed with antivirus software, and updated regularly with the latest virus definitions.

(3) Compliance with intellectual property regulations is required, and the use of unauthorized software is strictly prohibited.
(4) Important data must be backed up, and the validity of backup data must be verified regularly.
(5) Disaster recovery and backup plans are established to enable rapid restoration of system operations in the event of information security incidents.
(6) Information security awareness programs are conducted periodically to enhance employees' knowledge of information security and relevant regulations.

4. Review and Amendment

This policy is implemented upon approval by the President and shall follow the same procedure for any amendments.

Specific Management Programs

To mitigate risks and ensure that any incidents can be resolved promptly while maintaining normal operations, the Company's information security management focuses on the following aspects:

System and Equipment Management and Maintenance	External Risk Prevention	Incident Response and Recovery Planning
•Inventory and risk assessment of information and communication system assets •Regular updates of antivirus software •Periodic vulnerability scanning •Periodic penetration testing •Regular management of system access rights and privileged accounts	•Implementation of firewall controls to regulate external access and prevent unauthorized intrusion •Periodic phishing and social engineering simulation exercises to prevent access to suspicious emails •Secure remote access (e.g., VPN) with appropriate protection measures, logging, and periodic review	•Offsite backup mechanisms for core business information systems •Establishment of disaster recovery plans •Implementation of information security incident reporting, response mechanisms, and operating procedures

Resources Invested in Information Security Management in 2025

1. The Information Technology Section is responsible for information security, with one information security supervisor and one information security staff member assigned.
2. Completion of system inventory and risk assessment.
3. Vulnerability scanning and penetration testing conducted for core business systems.
4. Execution of social engineering simulation exercises.
5. Completion of disaster recovery and backup plans.
6. Participation of information security personnel in external training programs.
7. Regular reporting of information security implementation status to management.
8. No material information security incidents occurred, including violations, customer data breaches, or penalties.

(2) For the most recent year and up to the date of publication of the annual report, any losses incurred due to major information security incidents, their potential impact, and corresponding countermeasures shall be disclosed. If such amounts cannot be reasonably estimated, the reasons should be explained:

The Company has not incurred any losses due to major information security incidents during the most recent year and up to the date of publication of the annual report.

7. Material Contracts

Nature of Contract	Counterparty	Contract Term	Main Content	Restrictive Covenants
Bank Loan Agreement	Mega International Commercial Bank	November 11, 2025 – November 10, 2026	Credit facility	None
Bank Loan Agreement	First Commercial Bank	June 12, 2025 – June 12, 2026	Credit facility	None
Bank Loan Agreement	SinoPac Commercial Bank	June 19, 2025 – June 30, 2026	Credit facility	None

V. Review and Analysis of Financial Position and Financial Performance, and Risk Matters

1. Financial Position

The principal reasons for and impact of significant changes in assets, liabilities, and equity over the most recent two years, and, where the impact is material, the Company's future response plans:

Unit: NT$ thousand

Item \ Year	2025	2024	Difference	
			Amount	%
Current Assets	249,893	173,154	76,739	44.32
Property, Plant and Equipment	124,560	124,864	(304)	(0.24)
Intangible Assets	3,105	2,169	936	43.15
Other Assets	22	22	0	—
Total Assets	377,580	300,209	77,371	25.77
Current Liabilities	89,409	82,521	6,888	8.35
Non-current Liabilities	—	—	—	—
Total Liabilities	89,409	82,521	6,888	8.35
Share Capital	318,369	300,679	17,690	5.88
Capital Surplus	42,915	815	42,100	5,165.64
Retained Earnings	(73,113)	(83,806)	(10,693)	(12.76)
Other Equity	—	—	—	—
Total Equity	288,171	217,688	70,483	32.38

1. Explanation of Significant Changes (changes exceeding 20% period-over-period and NT$10 million):
(1) Increase in current assets and total assets: primarily due to the cash capital increase completed during the current period.
(2) Increase in capital surplus: primarily due to the cash capital increase completed during the current period.
(3) Decrease in retained earnings (accumulated losses): mainly attributable to operating profits generated during the current period.
(4) Increase in total equity: mainly due to the cash capital increase and operating profits during the current period.
2. Future Response Plans for Material Impacts: No significant impact on the Company's financial position; therefore, not applicable.

2. Financial Performance

The principal reasons for significant changes in operating revenue, operating income, and profit before tax over the most recent two years, expected sales volume and its basis, potential impact on the Company's future financial and operating conditions, and response plans:

Unit: NT$ thousand

Item \ Year	2025	2024	Difference	
			Amount	%
Net Operating Revenue	194,898	151,727	43,171	28.45
Operating Costs	82,875	52,292	30,583	58.49
Gross Profit	112,023	99,435	12,588	12.66
Operating Expenses	96,057	87,584	8,473	9.67
Operating Income	15,966	11,851	4,115	34.72
Non-operating Income and Expenses	(5,273)	11,007	(16,280)	(147.91)
Profit Before Tax	10,693	22,858	(12,165)	(53.22)
Income Tax Expense	0	0		
Net Income	10,693	22,858	(12,165)	(53.22)
Other Comprehensive Income (Loss)	—	—	—	—
Total Comprehensive Income (Loss)	10,693	22,858	(12,165)	(53.22)

1. Explanation of Significant Changes (changes exceeding 20% period-over-period and NT$10 million):

(1) Increase in operating revenue, operating costs, and gross profit: attributable to increased sales of consumer products during the year.

(2) Decrease in non-operating income and expenses: mainly due to significant foreign exchange losses arising from the rapid appreciation of the New Taiwan Dollar.

(3) Decrease in profit before tax, net income, and total comprehensive income: primarily due to significant foreign exchange losses caused by the rapid appreciation of the New Taiwan Dollar.

2. Expected Sales Volume and Basis, and Potential Impact:

The expected annual sales volume is determined based on the Company's business strategies, departmental operating targets, and overall industry outlook. It is not expected to have a significant impact on the Company's future financial and operating conditions.

3. Response Plans for Potential Impact: Not applicable.

3. Cash Flows

(1) Analysis of Changes in Cash Flows for the Most Recent Year

Unit: NT$ thousand

Item \ Year	Cash Inflows (Outflows)		Increase (Decrease)	
	2025	2024	Amount	%
Operating Activities	(30,397)	67,205	(97,602)	(145.23)
Investing Activities	(13,367)	(48,145)	(34,778)	(72.24)
Financing Activities	58,915	10,000	48,915	489.15

Analysis of Changes:

1. Increase in net cash outflows from operating activities: due to increases in accounts receivable and inventories.
2. Decrease in net cash outflows from investing activities: due to office acquisition in the prior year.
3. Increase in net cash inflows from financing activities: due to the cash capital increase.

(2) Plan for Addressing Liquidity Shortfalls

The Company has commenced mass production and sales. Although working capital requirements have increased, cash inflows from sales remain sufficient. Therefore, there is no liquidity shortage.

(3) Cash Flow Projection for Next Yea

Unit: NT$ thousand

Beginning Cash Balance (1)	Estimated Net Cash Flows from Operating Activities (2)	Estimated Cash Flows from Investing Activities (3)	Estimated Cash Flows from Financing Activities (4)	Ending Cash Balance (1)+(2)+(3)+(4)	Measures to Address Potential Cash Shortfalls	
					Investment Plans	Financial Management Plans
138,321	61,592	(16,091)	(50,000)	133,822	—	—

A. Analysis of Cash Flow Changes for the Current Year:

1. Operating activities: mainly due to operating profits and a decrease in inventories.
2. Investing activities: mainly due to the acquisition of R&D software and equipment.
3. Financing activities: mainly due to repayment of bank borrowings.

B. Measures to Address Potential Cash Shortfalls: Not applicable.

4. Recent Years Major Capital Expenditures and Impact on Financial and Business: None.

5. Investment Policy in Recent Years, Main Reasons for Profit or Loss, Improvement Plans, and Investment Plans for the Coming Year:

(1) Investment Policy

The Company will continue to focus on the growth of its core business. Any future investments will primarily be in businesses related to its core operations.

(2) Main Reasons for Investment Profit or Loss and Improvement Plans in Recent Years: None.

(3) Investment Plans for the Coming Year: None.

6. Risk Matters for the Most Recent Year and up to the Date of Publication of the Annual Report:

(1) Impact of Interest Rate, Exchange Rate Fluctuations, and Inflation on Profit or Loss, and Future Countermeasures

1. Impact of Interest Rate Fluctuations and Countermeasures

For 2025, the Company recorded interest income of NT$2,865 thousand and interest expense of NT$1,056 thousand, both representing a relatively low proportion of net operating revenue and profit or loss. Accordingly, future interest rate fluctuations are not expected to have a material adverse impact on the Company's revenue or profitability.

The Company's exposure to interest rate risk mainly arises from bank deposits and short-term borrowings. However, fluctuations in market interest rates are not expected to have a significant impact on future cash flows.

Sensitivity analysis is determined based on interest rate exposure of financial instruments at the reporting date. For floating-rate liabilities, the analysis assumes that the outstanding balance at the reporting date remains outstanding throughout the year. The Company uses a ±1% change in interest rates for internal reporting to key management personnel, representing management's assessment of a reasonably possible range of fluctuation.

As of December 31, 2025, the Company held floating-rate financial assets of NT$85,833 thousand and financial liabilities of NT$50,000 thousand. Assuming all other variables remain constant, a 1% increase or decrease in interest rates would result in an increase of NT$358 thousand in profit before tax for 2025.

2. Impact of Exchange Rate Fluctuations and Countermeasures

In 2025, the Company recorded foreign exchange losses of NT$7,267 thousand. Although the proportion relative to net operating revenue is low, its proportion relative to profit or loss is significant. As the Company's sales are primarily denominated in U.S. dollars, fluctuations in the exchange rate between the New Taiwan Dollar and the U.S. dollar have an impact on profitability.

The Company's receipts are mainly denominated in New Taiwan Dollars and U.S. dollars, and payments for raw materials are also primarily in these currencies. Accordingly, the Company adopts a partial natural hedging strategy. The finance and accounting department maintains close relationships with financial institutions and continuously monitors exchange rate movements to stay informed of global currency trends and respond promptly to fluctuations.

The Company's foreign exchange risk primarily arises from foreign currency-denominated cash and cash equivalents, accounts receivable, accounts payable, and refund liabilities, which may generate exchange gains or losses upon translation. As of December 31, 2025, assuming a 1% appreciation or depreciation of the New Taiwan Dollar against the foreign currencies held by the Company, with all other variables remaining constant, profit before tax for 2025 would increase or decrease by NT$834 thousand.

3. Impact of Inflation and Countermeasures

The Company's revenue and profitability have not been materially affected by inflation. The Company will continue to enhance its R&D capabilities and technical expertise, improve service quality to customers, closely monitor changes in the economic environment, and maintain good relationships with suppliers and customers. It will also closely track fluctuations in procurement costs to mitigate risks arising from inflation.

(2) Policies on High-Risk/Highly Leveraged Investments, Lending of Funds to Others, Endorsements and Guarantees, and Derivatives Trading; Main Reasons for Profit or Loss; and Future Countermeasures

The Company focuses on its core business operations and adopts a prudent and conservative financial policy. During the most recent year, the Company did not engage in high-risk or highly leveraged investments, lending of funds to others, endorsements and guarantees, or derivatives trading. In addition, the Company has established the "Procedures for Lending of Funds to Others," "Procedures for Endorsements and Guarantees," and "Procedures for Acquisition or Disposal of Assets" as the basis for compliance when conducting such activities.

(3) Future R&D Plans and Expected R&D Expenditures

1. Future R&D Plans

The Company specializes in high-speed communication chip design, including re-drivers and optical communication chips for data centers. It will continue to invest in the development of technologies with higher transmission speeds, greater precision, and lower power consumption, and will adjust its development direction in response to operating conditions and market demand. In addition to existing linear signal equalizer products, the Company will continue to develop optical communication chip products for PCIe 6.0/7.0, USB4 v.2/DP 2.1, InfiniBand, and Ethernet applications. This approach ensures both a strong competitive advantage and the flexibility to respond to market changes.

2. Expected R&D Expenditures

The Company invested NT$55,931 thousand in R&D in 2025, representing nearly 30% of its operating revenue. The Company places strong emphasis on research and development and will continue to allocate R&D expenditures for research activities, equipment procurement, and the training of high-quality R&D personnel. R&D budgets will be allocated in stages based on product development progress and adjusted according to results, with the aim of expanding operational scale and enhancing competitiveness.

(4) Impact of Domestic and International Policy and Regulatory Changes on Financial and Business Operations and Countermeasures

The Company conducts its daily operations in compliance with relevant domestic and international laws and regulations. It continuously monitors policy trends and regulatory developments, gathers relevant information, and provides it to management as a reference for decision-making, enabling timely adjustments to operational strategies. During the most recent year and up to the date of publication of the annual report, the Company has not been materially affected by any significant changes in domestic or international policies or laws.

(5) Impact of Technological Changes (Including Information Security Risks) and Industry Developments on Financial and Business Operations and Countermeasures

The Company closely monitors technological advancements and industry developments, maintains awareness of market trends and application environments, and adjusts its technology development strategies accordingly. It also strengthens cybersecurity protection measures related to networks and computer systems to actively expand future application markets and mitigate the impact of technological and industry changes. The Company will continue to upgrade and enhance its cybersecurity protection measures and equipment to ensure the security of its financial and business operations. In accordance with its information security policies, the Company implements firewall monitoring, regularly updates antivirus software and conducts scheduled scans, and maintains database backup mechanisms to ensure

reliable information security. During the most recent year and up to the date of publication of the annual report, the Company has not experienced any material impact on its financial or business operations due to technological changes (including information security risks) or industry developments.

(6) Impact of Changes in Corporate Image on Crisis Management and Countermeasures

Since its establishment, the Company has adhered to the principles of integrity, innovation, and sustainable development, striving for business growth while creating greater shareholder value. To achieve its corporate vision, the Company complies with relevant laws and regulations, actively strengthens internal management, and enhances management quality and performance. In 2022, the Company introduced ISO 9001:2015 Quality Management System and ISO 14001:2015 Environmental Management System to fulfill corporate social responsibility and enhance stakeholders' trust. During the most recent year and up to the date of publication of the annual report, the Company has not experienced any operational crises arising from changes in its corporate image.

(7) Expected Benefits, Potential Risks, and Countermeasures for Mergers and Acquisitions

The Company has no plans to conduct mergers or acquisitions during the most recent year and up to the date of publication of the annual report. Should any such activities arise in the future, they will be conducted in accordance with the Company's "Procedures for Acquisition or Disposal of Assets" and relevant laws and regulations. The Company will adopt a prudent approach in evaluating benefits and managing risks to safeguard corporate interests and shareholders' rights.

(8) Expected Benefits, Potential Risks, and Countermeasures for Plant Expansion

The Company is a professional IC design company operating under a fabless model. As of the date of publication of the annual report, there are no plans for plant expansion.

(9) Risks Arising from Concentration of Purchases or Sales and Countermeasures

1. Risks from Concentration of Purchases and Countermeasures

During the most recent year and the latest period, purchases from the Company's largest supplier accounted for more than 50% of total net purchases, indicating a concentration risk. This is primarily due to the characteristics of the semiconductor industry value chain, where IC design companies maintain stable capacity supply and technical collaboration with specific wafer foundries to achieve better control over product cost, yield, and delivery schedules. To avoid additional costs associated with mask redesign and trial production, IC design companies typically establish long-term partnerships with specific foundries and do not switch suppliers easily. However, if the foundry partner experiences insufficient capacity, the Company may face risks of supply shortages or delivery delays. To address these risks, the Company has adopted the following measures:

(1) Flexible Production Planning

The Company formulates flexible production plans and dynamically adjusts chip production conditions, enabling rapid rescheduling in response to supply chain disruptions.

(2) Diversification of Production Sites

The Company has allocated part of its wafer production to a secondary facility of its supplier to diversify supply interruption risks. In response to the growing demand in the high-speed transmission market, the supplier also plans to expand a

third facility for the process used by the Company within one year.

(3) Identification and Evaluation of Secondary Suppliers

The Company is actively evaluating secondary suppliers and has initiated related product introduction and design processes. Given the specialized process requirements for high-frequency signal compensation chips, the Company is also conducting technical validation and feasibility analysis on foundries with relevant technical capabilities and willingness to collaborate, to ensure product quality from secondary sources.

(4) Quality Control Mechanism

All wafers supplied must meet yield and quality standards, requiring suppliers to maintain strict control over their production quality.

2. Risks Arising from Concentration of Sales and Countermeasures

During the most recent year and the latest period, the Company's total sales to its major customers accounted for more than 80% of its net sales, indicating a concentration risk. As the electronics industry is generally technology- and capital-intensive, the global industry structure has increasingly favored large players. The Company's major customers are leading global suppliers of motherboards and graphics cards. With the growing demand for higher transmission speeds in the gaming market, customers continue to launch new computer models with upgraded specifications and incorporate PCIe/CXL Linear Re-driver ICs into their product designs. Due to the Company's early adoption of advanced technologies—such as active multiplexer architecture and flip-chip chip-scale packaging (FCCSP)—along with competitive pricing and performance, these customers have continued to place orders with the Company in recent years, resulting in sales concentration. The Company has adopted the following countermeasures to address operational risks:

(1) Market and Policy Change Risks

Changes in international policies, such as tariffs, may lead customers to adjust their global production and procurement strategies, including changes in shipping regions and manufacturing locations. Such adjustments may affect the Company's shipment volumes and cooperation models. The Company will respond accordingly by aligning its strategies with customers' policy changes.

(2) Price Competition and Substitution Risks

In the semiconductor components sector, products without strong patent protection or technological barriers are susceptible to price competition and substitution. This is particularly evident in gaming-related applications, where customer loyalty to suppliers is relatively low, and homogeneous products often lead to price wars, compressing profit margins. Such competitive dynamics increase substitution risk, as customers may choose alternative brands or suppliers based on cost considerations. To mitigate these risks, the Company focuses on enhancing product differentiation and strengthening its patent portfolio, increasing technological content, and developing proprietary technologies or specialized specifications. These efforts raise switching costs for customers. The Company also establishes long-term partnerships with customers by providing stable supply, technical support, and joint development services, thereby improving customer retention.

(3) Industry Concentration and Cyclical Risks

Although the gaming industry continues to grow, it remains subject to overall economic cycles. During economic downturns or reduced consumer spending, demand for gaming-related products may decline, leading to order volatility and revenue instability. In addition, the gaming market is influenced by multiple factors

such as technological advancements (e.g., new graphics cards), gaming trends, and policy changes (e.g., tariffs and international events), which may cause rapid short-term demand fluctuations and increase operational uncertainty. The Company's sales concentration is considered a transitional phenomenon. As a relatively young company, leveraging high market share customers in the gaming industry has enabled rapid revenue growth and reduced losses. Certification and adoption by major customers have also enhanced the Company's product reputation and user confidence. These customers are major global suppliers of consumer electronics products, and their strong demand for high-speed signal transmission interface chips produced by the Company reflects prevailing market supply and demand conditions.

To mitigate sales concentration risk, the Company not only strengthens long-term partnerships with existing customers—through stable supply, technical support, and joint development—but also continues to focus on the re-driver market while diversifying its customer base. The Company is actively developing new application markets, including high-speed active cables, industrial computers, and AI edge computing, to reduce reliance on major gaming customers and diversify revenue sources.

(10) Impact, Risks, and Countermeasures Relating to Significant Transfers or Changes in Shareholdings by Directors or Major Shareholders (Holding More Than 10%)

During the most recent year and up to the date of publication of the annual report, there have been no significant transfers or changes in shareholdings by directors or major shareholders holding more than 10% that have materially affected the Company's operations.

(11) Impact, Risks, and Countermeasures Relating to Changes in Management Control

During the most recent year and up to the date of publication of the annual report, there has been no change in control of the Company.

(12) Litigation and Non-litigation Matters

1. For any material litigation, non-litigation, or administrative disputes that have been finally adjudicated or are pending, and that may have a material impact on shareholders' equity or the price of the Company's securities, the Company shall disclose the facts in dispute, the amount in controversy, the date of commencement of the litigation, the principal parties involved, and the status of the case as of the date of publication of the annual report: None.

2. For any material litigation, non-litigation, or administrative disputes involving the Company's directors, President, de facto responsible person, shareholders holding more than 10% of shares, or subsidiaries, that have been finally adjudicated or are pending, and that may have a material impact on shareholders' equity or the price of the Company's securities, the Company shall disclose the facts in dispute, the amount in controversy, the date of commencement of the litigation, the principal parties involved, and the status of the case as of the date of publication of the annual report: None.

(13) Other Significant Risks and Countermeasures: None.

7. Other Important Matters: None.

VI. Special Notes

1. Information on Affiliated Enterprises for the Most Recent Year: None.
2. Private Placement Securities for the Most Recent Year and as of the Date of this Annual Report: None.
3. Other Necessary Supplement: None.
4. Any Events for the Most Recent Year and as of the Date of this Annual Report that Had Material Impacts on Shareholders' Interests or Securities Prices as Stated in Paragraph 3 Subparagraph 2 of Article 36 of Securities and Exchange Act: None

LeRain Technology Co., Ltd.

Chairman: Chu, Te-Hsiang