

Stock Code: 7730

**Nano Electronics and Micro System Technologies, Inc.
2025 Annual General Shareholders' Meeting
Meeting Handbook**

Meeting Date and Time:

June 18, 2025 (Wednesday), 10:00 a.m.

Meeting Venue:

Company Conference Room

No. 100, Keji 5th Road, Annan District, Tainan City

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I. Meeting Procedure

Nano Electronics and Micro System Technologies, Inc.
Meeting Procedure for the 2025 Annual General Shareholders' Meeting

1. Call to Order (Report on Shares Represented)
2. Chairperson's Remarks
3. Reports
4. Matters for Ratification
5. Matters for Discussion
6. Extraordinary Motions
7. Adjournment

II. Meeting Agenda

Meeting Format: Physical (In-person) Meeting

Meeting Date and Time: June 18, 2025 (Wednesday), 10:00 a.m.

Meeting Venue: Company Conference Room, No. 100, Keji 5th Road, Annan District, Tainan City

1. **Call to Order** (Report on shares represented)
2. **Chairperson's Remarks**
3. **Reports:**
 - (1) 2024 Business Report
 - (2) Audit Committee's Review Report on the 2024 Financial Statements
 - (3) Report on the Distribution of 2024 Cash Dividends
 - (4) Report on the Distribution of 2024 Employees' and Directors' Remuneration
 - (5) Amendments to the "Code of Ethical Conduct for Directors and Managers" and Adoption of the "Ethical Corporate Management Best Practice Principles" and the "Procedures and Guidelines for Ethical Corporate Management"
4. **Matters for Ratification:**
 - (1) Adoption of the 2024 Business Report and Financial Statements
 - (2) Adoption of the 2024 Earnings Distribution Proposal
5. **Matters for Discussion:**
 - (1) Amendments to the Company's Articles of Incorporation
 - (2) Capital Increase through Earnings Capitalization and Issuance of New Shares
6. **Extraordinary Motions**
7. **Adjournment**

III. Reports

Proposal 1 (Proposed by the Board of Directors)

Subject: 2024 Business Report

Explanation:

(1) The 2024 Business Report of the Company is provided in Attachment 1 of the Meeting Handbook for your review.

Proposal 2 (Proposed by the Board of Directors)

Subject: Audit Committee's Review Report on the 2024 Financial Statements

Explanation:

(1) The Company's 2024 financial statements have been audited and certified by the CPA. Along with the business report and earnings distribution table, they have been reviewed by the Audit Committee, which has issued both an audit report and a review report. Please refer to Attachment 2 of the Meeting Handbook for details.

Proposal 3 (Proposed by the Board of Directors)

Subject: Report on the Distribution of 2024 Cash Dividends

Explanation:

(1) In accordance with Article 26 of the Company's Articles of Incorporation, the Board of Directors resolved on March 19, 2025, to distribute cash dividends totaling NT\$28,859,776. Please refer to Attachment 3 of the Meeting Handbook.

(2) The cash dividend will be distributed at NT\$1 per share, based on the number of shares held by shareholders listed in the shareholder register on the dividend record date. Any amount less than one New Taiwan Dollar arising from distribution will be rounded down and aggregated into the Company's other income.

(3) Should the number of outstanding shares change due to capital adjustments, thereby affecting the dividend rate, the Chairperson is authorized to handle any necessary adjustments.

(4) The Board of Directors has resolved to authorize the Chairperson to determine the dividend record date, payment date, and other related matters. For your review.

Proposal 4 (Proposed by the Board of Directors)

Subject: Report on the Distribution of 2024 Employees' and Directors' Remuneration

Explanation:

(1) In accordance with Article 25 of the Company's Articles of Incorporation, the Board of Directors resolved on March 19, 2025, to allocate NT\$9,781,948 as employees' remuneration and NT\$1,772,390 as directors' remuneration. All remuneration will be distributed in cash.

(2) There is no discrepancy between the estimated and actual distributed amounts. For your review.

Proposal 5 (Proposed by the Board of Directors)

Subject: Amendments to the “Code of Ethical Conduct for Directors and Managers” and Adoption of the “Ethical Corporate Management Best Practice Principles” and the “Procedures and Guidelines for Ethical Corporate Management”

Explanation:

(1) In response to regulatory amendments and operational needs, the Company proposes to revise certain provisions of the “Code of Ethical Conduct for Directors and Managers.” A comparison table and the full revised text are provided in Attachment 6 of the Meeting Handbook. Additionally, the “Ethical Corporate Management Best Practice Principles” and the “Procedures and Guidelines for Ethical Corporate Management” are newly adopted; please refer to Attachments 7 and 8.

(2) This proposal was approved by the Board of Directors on December 25, 2024. For your review.

IV. Matters for Ratification

Proposal 1 (Proposed by the Board of Directors)

Subject: Adoption of the 2024 Business Report and Financial Statements

Explanation:

(1) The Company’s 2024 financial statements have been audited and certified by the CPA and reviewed by the Audit Committee with no discrepancies found. Relevant documents, including the Business Report, Balance Sheet, Statement of Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flows, are provided in Attachments 1 and 4 of the Meeting Handbook. Your ratification is respectfully requested.

Resolution: [To be filled in after the meeting]

Proposal 2 (Proposed by the Board of Directors)

Subject: Adoption of the 2024 Earnings Distribution Proposal

Explanation:

(1) The 2024 earnings distribution proposal has been prepared in accordance with the Company’s Articles of Incorporation and was approved by the Board of Directors on March 19, 2025. Please refer to Attachment 3 of the Meeting Handbook. Your ratification is respectfully requested.

Resolution: [To be filled in after the meeting]

V. Matters for Discussion

Proposal 1 (Proposed by the Board of Directors)

Subject: Amendment to the Company's Articles of Incorporation

Explanation:

(1) In response to regulatory amendments and operational requirements, certain provisions of the Company's Articles of Incorporation are proposed to be amended. Please refer to Attachment 5 of the Meeting Handbook for the comparison table of the amendments.

(2) This proposal was approved by the Board of Directors on March 19, 2025, and is hereby submitted to the Annual General Shareholders' Meeting for discussion in accordance with the law.

(3) Your discussion is respectfully requested.

Resolution: [To be filled in after the meeting]

Proposal 2 (Proposed by the Board of Directors)

Subject: Capital Increase through Earnings Transfer and Issuance of New Shares

Explanation:

(1) It is proposed that a portion of the 2024 earnings in the amount of NT\$57,719,550 be allocated as stock dividends for a capital increase, and that 5,771,955 new common shares with a par value of NT\$10 per share be issued. Please refer to Attachment 3 of the Meeting Handbook.

(2) The stock dividends will be distributed to shareholders in proportion to their shareholdings as recorded on the issue record date. For every 1,000 shares held, 200 new shares will be distributed free of charge. Fractional shares resulting from the distribution may be combined by shareholders within five days from the book-closure date. Uncombined or remaining fractional shares will be paid in cash at par value, rounded down to the nearest dollar. The Chairperson is authorized to negotiate with specific parties for subscription of such shares at par value.

(3) The rights and obligations of the newly issued shares shall be the same as those of the existing common shares. Upon approval by the shareholders' meeting and subsequent regulatory approval, the Board of Directors is authorized to determine the issue record date, distribution date, and other related matters.

(4) In the event of changes in laws or adjustments in the Company's capital that affect the number of outstanding shares and result in a need to revise the allocation ratio or address other related matters, the Chairperson is fully authorized to take appropriate actions.

(5) This proposal was approved by the Board of Directors on March 19, 2025, and is hereby submitted to the Annual General Shareholders' Meeting for discussion in accordance with the law.

(6) Your discussion is respectfully requested.

Resolution: [To be filled in after the meeting]

VI. Extraordinary Motions

VII. Adjournment

2024 Business Report

一. 2024 Business Report

(1) Implementation of Business Plan

In 2024, the Company focused primarily on producing and selling plasma desmear and plasma etching equipment for the IC substrate field, and plasma cleaning and etching equipment for the semiconductor field, particularly advanced packaging applications.

The following is a summary of the Company's operating results for 2024:

Comparison of Operating Results

Unit: NT\$ thousands

Item	2023	2024	Difference	% Change
Operating Revenue	762,039	547,630	(214,409)	-28.14%
Operating Cost	470,536	332,690	(137,846)	-29.30%
Gross Profit	291,503	214,940	(76,563)	-26.26%
Operating Expenses	124,904	127,901	2,997	2.40%
Operating Income	166,599	87,039	(79,560)	-47.76%
Non-operating Income (Expense)	5,344	25,944	20,600	385.57%
Income Before Tax	171,943	112,983	(58,960)	-34.29%
Net Income After Tax	133,261	86,950	(46,311)	-34.75%
Comprehensive Income	133,215	87,085	(46,130)	-34.63%

(2) Budget Execution

In 2024, the Company only set internal budget targets and did not publicly disclose financial forecasts. Due to industry changes, the Company achieved net revenue of NT\$547,630 thousand and net income after tax of NT\$86,950 thousand. The original

budgeted revenue and profit were NT\$850,728 thousand and NT\$142,181 thousand, respectively. The revenue achievement rate was 64.37%, and the net profit achievement rate was only 61.15%, primarily due to a decline in equipment sales revenue.

(3) Financial and Profitability Analysis

Item	2023	2024
Debt to Asset Ratio	34.85%	31.37%
Long-Term Capital to Fixed Assets Ratio	335.93%	338.37%
Current Ratio	384.85%	430.15%
Quick Ratio	314.60%	390.46%
Return on Assets	12.09%	8.19%
Operating Income to Paid-in Capital	57.72%	30.16%
Pre-tax Profit to Paid-in Capital	59.58%	39.15%
Return on Equity	21.03%	11.89%
Basic EPS (NT\$)	\$5.00	\$3.01

(4) R&D Status

After years of effort, the Company has developed several high-performance plasma etching systems mainly used in the semiconductor, advanced packaging, and PCB industries. For 5G industry applications, the Company has also been actively developing various plasma solutions. In addition, we are investing in energy-saving and low-carbon technologies for new energy development.

二. 2025 Business Plan Overview

(1) Business Policy

1. Complete the listing application for Hui Sheng's shares.
2. Optimize and clarify production processes.
3. Strengthen HR training and establish specific KPIs for each department.

4. Plan and compile the ESG Sustainability Report.
5. Focus on developing advanced packaging and all-dry plasma solutions.

(2) Business Strategy

1. Technological Leadership: Continue leading the development of various plasma technologies, especially for advanced packaging and evolving IC substrate processes.
2. Supply Chain & Cost Control: Review suppliers, material costs, and delivery schedules to respond to rapidly changing economic conditions.
3. Distributor Development: Identify strong agents in various fields and provide complete training to rapidly expand revenue sources.
4. Cross-industry Alliances: Build strategic partnerships to accelerate development of new applications and markets.
5. Focus on high-margin, high-value equipment applications, such as those used in advanced semiconductor packaging.

≡. Impact of External Competitive, Regulatory, and Economic Environments

The Company's industry is relatively less affected by domestic and international policy and legal changes. To address external competition, the Company continuously develops advanced plasma technologies to meet industry needs and enhance competitiveness. In response to fast-changing macroeconomic conditions, the Company reduces its reliance on revenue and profit by controlling costs and inventory, accelerating supply chain responsiveness, and developing new applications and equipment.

Chairman: Chun-Yi Sung

President: Chia-Yuan Hsu

Nano Electronics and Micro System Technologies, Inc.
Audit Committee Review Report

The Board of Directors has prepared the Company's 2024 Business Report, Financial Statements, and Earnings Distribution Proposal. These documents have been reviewed and audited by Mr. Lee Kuo-Jung, CPA at Deloitte & Touche, Taiwan. The Audit Committee has duly examined the aforementioned Business Report, Financial Statements, and Earnings Distribution Proposal in accordance with its duties, and found them to be in compliance with applicable laws and regulations, including the relevant provisions of the Company Act and the Securities and Exchange Act.

Accordingly, this report is hereby submitted for your review.

Respectfully submitted,
On behalf of the Audit Committee

Nano Electronics and Micro System Technologies, Inc.
Convener of the Audit Committee:
(Signature) **Yen, Meng-Feng**

March 19, 2025

Nano Electronics and Micro System Technologies, Inc.

Earnings Distribution Table

Unit: NT\$

Item	Subtotal	Total
Unappropriated retained earnings from previous year		235,480,711
Adjustment to retained earnings		(2,000)
Adjustment of cumulative profit/loss for the period		(7,928)
Net income after tax for the period		86,950,142
Legal reserve (appropriated)		(8,694,021)
Special reserve (reversed)		126,029
Earnings available for distribution		313,852,933

Distribution Items

Item	Amount
Cash dividends (NT\$1 per share)	28,859,776
Stock dividends (2 shares per 1,000 held)	57,719,550
Total distribution	86,579,326
Ending unappropriated earnings	227,273,607



國富浩華聯合會計師事務所
Crowe (TW) CPAs
80250高雄市苓雅區四維三路
6號27樓之1
27F-1., No.6, Siwei 3rd Rd.,
Lingya Dist.,Kaohsiung City
80250, Taiwan
Tel +886 7 3312133
Fax +886 7 3331710
www.crowe.tw

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Nano Electronics and Micro System Technologies, Inc.

Opinion

We have audited the accompanying consolidated balance sheets of Nano Electronics and Micro System Technologies, Inc. and its subsidiaries (the "Group") as of December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters of the Group's consolidated financial statements for the year ended December 31, 2024 are stated as follows:

Revenue recognition

Please refer to Note 4(18) to the consolidated financial statements for the accounting policy of revenue recognition, Note 5(1) A and Note 5(2) A for critical accounting judgements, estimates and key sources of assumption uncertainty of revenue recognition, and Note 6(17) for the description of revenue recognition.

Description of key audit matter:

The revenue serves as a primary indicator for investors and management to evaluate the operational performance the Group. Within the Group, product customization varies according to customer demands, leading to differences in orders or contract terms. The timing and amount of revenue recognition significantly impact financial reporting accuracy. Consequently, the revenue recognition is deemed a key audit matter.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included testing the Group's controls surrounding revenue recognition; inspecting customer orders and performing a test of revenue transactions which incurred within a certain period before or after the balance sheet date to evaluate the accuracy of revenue recognition periods.

Other Matters

We have also audited the standalone financial statements of Nano Electronics and Micro System Technologies, Inc. as of and for the years ended December 31, 2024 and 2023 on which we have issued an unqualified opinion with other matters paragraph.

Responsibilities of Management and Those Charged with Governance for the Consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (inclusive of the Audit Committee or supervisor) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in Our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably



be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Jen Yao Hsieh and Kuo Ming Lee.

Crowe (TW) CPAs
Kaohsiung, Taiwan (Republic of China)
March 19 , 2025

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail

**NANO ELECTRONICS AND MICRO SYSTEM TECHNOLOGIES, INC. AND
SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)**

Assets	Note	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
CURRENT ASSETS					
Cash and cash equivalents	6(1)	\$ 465,474	42	\$ 385,537	36
Financial assets at fair value through profit or loss - current	6(2)	5,445	1	5,026	-
Notes receivable, net	6(3)	195	-	47	-
Accounts receivable, net	6(4)	232,819	21	268,277	24
Other receivables		267	-	191	-
Inventories	6(5)	62,614	6	136,942	12
Prepayments	6(6)	10,616	1	10,242	1
Other financial assets - current	8	16,395	2	-	-
Total current assets		<u>793,825</u>	<u>73</u>	<u>830,919</u>	<u>73</u>
NONCURRENT ASSETS					
Property, plant and equipment	6(7) 8	266,746	24	265,100	25
Intangible assets	6(8)	2,036	-	2,474	-
Deferred income tax assets	6(23)	6,674	1	9,717	1
Refundable deposits		1,463	-	1,137	-
Other financial assets - noncurrent	8	16,395	2	15,353	1
Total noncurrent assets		<u>293,314</u>	<u>27</u>	<u>293,781</u>	<u>27</u>
TOTAL ASSETS		<u>\$ 1,087,139</u>	<u>100</u>	<u>\$ 1,100,043</u>	<u>100</u>
Liabilities and Equity					
CURRENT LIABILITIES					
Contract liabilities-current	6(17)	\$28,712	3	\$ 34,631	3
Accounts payable		71,895	6	65,070	6
Other payables	6(9)	53,563	5	65,646	6
Current income tax liability		8,749	1	28,697	3
Provisions - current	6(10)	4,007	-	4,420	-
Current portion of long-term loans	6(11)	17,622	2	11,034	1
Total current liabilities		<u>184,548</u>	<u>17</u>	<u>209,498</u>	<u>19</u>
NONCURRENT LIABILITIES					
Long-term loans	6(11)	144,306	13	161,397	15
Deferred income tax liabilities	6(23)	704	-	-	-
Long-term deferred revenue	6(11)	11,513	1	12,459	1
Net defined benefit liabilities - noncurrent	6(12)	16	-	-	-
Total noncurrent liabilities		<u>156,539</u>	<u>14</u>	<u>173,856</u>	<u>16</u>
TOTAL LIABILITIES		<u>\$ 341,087</u>	<u>31</u>	<u>\$ 383,354</u>	<u>35</u>

Assets	Note	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
EQUITY					
Equity attributable to owners of parent					
Share capital	6(13)				
Common stock		\$ 288,598	27	\$ 288,598	26
Capital surplus	6(14)	55,390	5	55,390	5
Retained earnings	6(16)				
Legal reserve		79,502	7	66,176	6
Special reserve		126	-	80	-
Unappropriated retained earnings		322,419	30	306,571	28
Other equity		17	-	(126)	-
Total equity attributable to owners of the parent		<u>746,052</u>	<u>69</u>	<u>716,689</u>	<u>65</u>
TOTAL EQUITY		<u>746,052</u>	<u>69</u>	<u>716,689</u>	<u>65</u>
TOTAL LIABILITIES AND EQUITY		<u>\$ 1,087,139</u>	<u>100</u>	<u>\$ 1,100,043</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.

**NANO ELECTRONICS AND MICRO SYSTEM TECHNOLOGIES, INC. AND
SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

Item	Note	Year Ended December 31			
		2024		2023	
		Amount	%	Amount	%
OPERATING REVENUE	6(17)	\$ 547,630	100	\$ 762,039	100
OPERATING COST	6(5) 12(6)	(332,690)	(61)	(470,536)	(62)
GROSS PROFIT (LOSS)		214,940	39	291,503	38
OPERATING EXPENSES					
Sales and marketing	12(6)	(40,868)	(7)	(37,613)	(5)
General and administrative		(65,218)	(12)	(62,764)	(7)
Research and development expense		(23,958)	(4)	(27,880)	(4)
Expected credit gains (losses)	6(4)	2,143	-	3,353	-
Total operating expenses		(127,901)	(23)	(124,904)	(16)
INCOME (LOSS) FROM OPERATIONS		87,039	16	166,599	22
NON-OPERATING INCOME AND EXPENSES					
Interest income	6(19)	4,112	1	2,837	-
Other income	6(20)	2,465	-	2,390	-
Other gains and losses	6(21)	22,667	5	3,313	1
Finance cost	6(22)	(3,300)	(1)	(3,196)	-
Total non-operating income and expenses		25,944	5	5,344	1
INCOME (LOSS) BEFORE INCOME TAX		112,983	21	171,943	23
INCOME TAX BENEFIT (EXPENSE)	6(23)	(26,033)	(5)	(38,682)	(5)
NET INCOME (LOSS)		86,950	16	133,261	18
OTHER COMPREHENSIVE INCOME (LOSS)	6(24)				
Items that will not be reclassified subsequently to profit or loss:					
Gains (losses) on remeasurements of defined benefit plans		(10)	-	-	-
Income tax relating to items that will not be reclassified to profit or loss(expense) benefit		2	-	-	-
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations		143	-	(46)	-
Total other comprehensive income (loss), net of income tax		135	-	(46)	-
TOTAL COMPREHENSIVE INCOME (LOSS)		\$ 87,085	16	\$ 133,215	18

Item	Note	Year Ended December 31			
		2024		2023	
		Amount	%	Amount	%
NET INCOME (LOSS) ATTRIBUTABLE TO:					
Shareholders of the parent		\$ 86,950	16	\$ 133,261	18
Non-controlling interests		-	-	-	-
		<u>\$ 86,950</u>	<u>16</u>	<u>\$ 133,261</u>	<u>18</u>
TOTAL COMPREHENSIVE INCOME (LOSS)					
ATTRIBUTABLE TO:					
Shareholders of the parent		\$ 87,085	16	\$ 133,215	18
Non-controlling interests		-	-	-	-
		<u>\$ 87,085</u>	<u>16</u>	<u>\$ 133,215</u>	<u>18</u>
EARNINGS (LOSS) PER SHARE					
Basic	6(25)	<u>\$ 3.01</u>		<u>\$ 5.00</u>	
Diluted	6(25)	<u>\$ 2.96</u>		<u>\$ 4.84</u>	

The accompanying notes are an integral part of the consolidated financial statements.

NANO ELECTRONICS AND MICRO SYSTEM TECHNOLOGIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In Thousands of New Taiwan Dollars)

	Equity Attributable to Shareholders of the Parent								
						Other			
						Exchange	Total Equity		
						Differences Arising	On Translating		Attributable To
					Unappropriated	Foreign	Owners Of The		
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Retained Earnings	Operations	Parent	Total Equity	Total Equity
BALANCE AT JANUARY 1, 2023	\$ 262,558	\$ 22,600	\$ 56,085	\$ -	\$ 209,737	\$ (80)	\$ 550,900	\$ 550,900	
Appropriations and distributions of prior years' earnings:									
Legal reserve	-	-	10,091	-	(10,091)	-	-	-	-
Special reserve	-	-	-	80	(80)	-	-	-	-
Cash dividends	-	-	-	-	(26,256)	-	(26,256)	(26,256)	(26,256)
Net income in 2023	-	-	-	-	133,261	-	133,261	133,261	133,261
Other comprehensive income (loss) in 2023, net of income tax	-	-	-	-	-	(46)	(46)	(46)	(46)
Total comprehensive income in 2023	-	-	-	-	133,261	(46)	133,215	133,215	133,215
Share-based payment transactions	26,040	32,790	-	-	-	-	58,830	58,830	58,830
BALANCE AT DECEMBER 31, 2023	288,598	55,390	66,176	80	306,571	(126)	716,689	716,689	716,689
Effects of retrospective application and retrospective restatement	-	-	-	-	(2)	-	(2)	(2)	(2)
Appropriations and distributions of prior years' earnings:									
Legal reserve	-	-	13,326	-	(13,326)	-	-	-	-
Special reserve	-	-	-	46	(46)	-	-	-	-
Cash dividends	-	-	-	-	(57,720)	-	(57,720)	(57,720)	(57,720)
Net income in 2024	-	-	-	-	89,950	-	89,950	89,950	89,950
Other comprehensive income (loss) in 2024, net of income tax	-	-	-	-	(8)	143	135	135	135
Total comprehensive income in 2024	-	-	-	-	86,942	143	87,085	87,085	87,085
BALANCE AT DECEMBER 31, 2024	\$ 288,598	\$ 55,390	\$ 79,502	\$ 126	\$ 322,419	\$ 17	\$ 746,052	\$ 746,052	\$ 746,052

The accompanying notes are an integral part of the consolidated financial statements.

**NANO ELECTRONICS AND MICRO SYSTEM TECHNOLOGIES, INC. AND
SUBSIDIARIES**
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

Item	Year Ended December 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	\$ 112,983	\$ 171,943
Adjustments for:		
Income and expenses having no effect on cash flows:		
Depreciation expense	13,020	12,245
Amortization expense	1,660	1,480
Expected credit losses (gains)	(2,143)	(3,353)
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	(419)	(236)
Interest expense	3,300	3,196
Interest income	(4,112)	(2,837)
Share-Based Benefit Compensation Cost	-	9,354
Loss (gain) on disposal and retirement of property, plant and Equipment	43	-
Others	(946)	(946)
Total income and expenses having no effect on cash flows	<u>10,403</u>	<u>18,903</u>
Changes in operating assets and liabilities:		
Net changes in operating assets:		
Decrease (increase) in notes receivable	(148)	(4)
Decrease (increase) in accounts receivable	37,601	9,451
Decrease (increase) in other receivables	(76)	811
Decrease (increase) in inventories	63,769	151,926
Decrease (increase) in prepayments	(374)	12,978
Total net changes in operating assets	<u>100,772</u>	<u>175,162</u>
Net changes in operating liabilities:		
Increase (decrease) in contract liabilities	(5,919)	(118,118)
Increase (decrease) in accounts payable	6,825	(68,188)
Increase (decrease) in other payables	(11,479)	(49)
Increase (decrease) in provisions	(413)	(758)
Increase (decrease) in net defined benefit liabilities	4	-
Total net changes in operating liabilities	<u>(10,982)</u>	<u>(187,133)</u>
Total changes in operating assets and liabilities	<u>89,790</u>	<u>(11,951)</u>
Total adjustments	<u>100,193</u>	<u>6,952</u>
Cash generated from (used in) operations	<u>213,176</u>	<u>178,895</u>
Interest received	4,112	2,837
Interest paid	(2,768)	(2,594)
Income tax refund (paid)	(42,232)	(44,507)
Net cash generated from (used in) operating activities	<u>172,288</u>	<u>134,631</u>

Item	Year Ended December 31	
	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(4,946)	(3,663)
Proceeds from disposal of property, plant and equipment	192	-
Increase in refundable deposits	(326)	-
Decrease in refundable deposits	-	63
Acquisition of intangible assets	(1,222)	(1,458)
Increase in other financial assets	(17,437)	
Decrease in other financial assets	-	2
Net cash generated from (used in) investing activities	<u>(23,739)</u>	<u>(5,056)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term loans	(11,035)	(5,833)
Cash dividend	(57,720)	(26,256)
Employee exercise stock options	-	49,476
Net cash generated from (used in) financing activities	<u>(68,755)</u>	<u>17,387</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	143	(46)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>79,937</u>	<u>146,916</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>385,537</u>	<u>238,621</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 465,474</u>	<u>\$ 385,537</u>

The accompanying notes are an integral part of the consolidated financial statements.

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Nano Electronics and Micro System Technologies, Inc.

Opinion

We have audited the accompanying standalone balance sheets of Nano Electronics and Micro System Technologies, Inc. (the "Company") as of December 31, 2024 and 2023, and the standalone statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the standalone financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits the accompanying standalone financial statements present fairly, in all material respects, the standalone financial position of the Company as of December 31, 2024 and 2023, and its standalone financial performance and its standalone cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and auditing standards of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the standalone Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters of the Company's standalone financial statements for the year ended December 31, 2024 are stated as follows:

Revenue recognition

Please refer to Note 4(18) to the standalone financial statements for the accounting policy of revenue recognition, Note 5(1) A and Note 5(2) A for critical accounting judgements, estimates and key sources of assumption uncertainty of revenue recognition, and Note 6(18) for the description of revenue recognition.

Description of key audit matter:

The revenue serves as a primary indicator for investors and management to evaluate the operational performance the Company. Within the Company, product customization varies according to customer demands, leading to differences in orders or contract terms. The timing and amount of revenue recognition significantly impact financial reporting accuracy. Consequently, the revenue recognition is deemed a key audit matter.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included testing the Company's controls surrounding revenue recognition; inspecting customer orders and performing a test of revenue transactions which incurred within a certain period before or after the balance sheet date to evaluate the accuracy of revenue recognition periods.

Responsibilities of Management and Those Charged with Governance for the Standalone financial statements

Management is responsible for the preparation and fair presentation of the standalone financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of standalone financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (inclusive of the Audit Committee or supervisor) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with the auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in Our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably



be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Jen Yao Hsieh and Kuo Ming Lee.

Crowe (TW) CPAs
Kaohsiung, Taiwan (Republic of China)
March 19, 2025

Notice to Readers

The accompanying standalone financial statements are intended only to present the standalone financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying standalone financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and standalone financial statements shall prevail.

NANO ELECTRONICS AND MICRO SYSTEM TECHNOLOGIES, INC.
STANDALONE BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

Assets	Note	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
CURRENT ASSETS					
Cash and cash equivalents	6(1)	\$ 458,858	41	\$ 383,553	35
Financial assets at fair value through profit or loss - current	6(2)	5,445	1	5,026	-
Notes receivable, net	6(3)	195	-	47	-
Accounts receivable, net	6(4)	232,470	22	268,552	25
Other receivables		267	-	-	-
Inventories	6(5)	57,610	5	134,253	12
Prepayments	6(6)	10,442	1	10,206	1
Other financial assets - current	8	16,395	2	-	-
Total current assets		<u>781,682</u>	<u>72</u>	<u>801,637</u>	<u>73</u>
NONCURRENT ASSETS					
Investments accounted for using equity method	6(7)	6,212	1	-	-
Property, plant and equipment	6(8)	266,698	24	265,071	24
Intangible assets	6(9)	2,036	-	2,474	-
Deferred income tax assets	6(24)	6,674	1	9,717	1
Refundable deposits		1,219	-	1,112	-
Other financial assets - noncurrent	8	16,395	2	15,353	2
Total noncurrent assets		<u>299,234</u>	<u>28</u>	<u>293,727</u>	<u>27</u>
TOTAL ASSETS		<u>\$ 1,080,916</u>	<u>100</u>	<u>\$ 1,095,364</u>	<u>100</u>
Liabilities and Equity					
CURRENT LIABILITIES					
Contract liabilities-current	6(18)	\$28,712	3	\$ 34,631	3
Accounts payable		71,895	7	65,024	6
Other payables	6(10)	47,389	4	60,418	6
Current income tax liability		8,700	1	28,639	3
Provisions - current	6(11)	4,007	-	4,420	-
Current portion of long-term loans	6(12)	17,622	2	11,034	1
Total current liabilities		<u>178,325</u>	<u>17</u>	<u>204,166</u>	<u>19</u>
NONCURRENT LIABILITIES					
Long-term loans	6(12)	144,306	13	161,397	15
Deferred income tax liabilities	6(24)	704	-	-	-
Long-term deferred revenue	6(12)	11,513	1	12,459	1
Net defined benefit liabilities - noncurrent	6(13)	16	-	-	-
Other non-current liabilities, others	6(7)	-	-	653	-
Total noncurrent liabilities		<u>156,539</u>	<u>14</u>	<u>174,509</u>	<u>16</u>
TOTAL LIABILITIES		<u>\$ 334,864</u>	<u>31</u>	<u>\$ 378,675</u>	<u>35</u>

Assets	Note	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
EQUITY					
Share capital	6(14)				
Common stock		\$ 288,598	27	\$ 288,598	26
Capital surplus	6(15)	55,390	5	55,390	5
Retained earnings	6(17)				
Legal reserve		79,502	7	66,176	6
Special reserve		126	-	80	-
Unappropriated retained earnings		322,419	30	306,571	28
Other equity		17	-	(126)	-
TOTAL EQUITY		<u>746,052</u>	<u>69</u>	<u>716,689</u>	<u>65</u>
TOTAL LIABILITIES AND EQUITY		<u>\$ 1,080,916</u>	<u>100</u>	<u>\$ 1,095,364</u>	<u>100</u>

The accompanying notes are an integral part of the standalone financial statements.

NANO ELECTRONICS AND MICRO SYSTEM TECHNOLOGIES, INC.
STANDALONE STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Item	Note	Year Ended December 31			
		2024		2023	
		Amount	%	Amount	%
OPERATING REVENUE	6(18)	\$ 546,155	100	\$ 762,120	100
OPERATING COST	6(5) 12(6)	(336,907)	(62)	(469,860)	(61)
GROSS PROFIT (LOSS)		209,248	38	292,260	39
OPERATING EXPENSES					
Sales and marketing	12(6)	(40,548)	(7)	(37,508)	(5)
General and administrative		(60,793)	(11)	(58,352)	(7)
Research and development expense		(23,958)	(4)	(27,880)	(4)
Expected credit gains (losses)	6(4)	2,141	-	3,259	-
Total operating expenses		(123,158)	(22)	(120,481)	(16)
INCOME (LOSS) FROM OPERATIONS		86,090	16	171,779	23
NON-OPERATING INCOME AND EXPENSES					
Interest income	6(20)	4,106	1	2,835	-
Other income	6(21)	2,452	-	2,377	-
Other gains and losses	6(22)	22,348	5	3,384	-
Finance cost	6(23)	(3,300)	(1)	(3,196)	-
Share of profits or (losses) of subsidiaries, associates, and joint ventures accounted for using the equity method	6(7)	1,142	-	(5,316)	-
Total non-operating income and expenses		26,748	5	84	-
INCOME (LOSS) BEFORE INCOME TAX		112,838	21	171,863	23
INCOME TAX BENEFIT (EXPENSE)	6(24)	(25,888)	(5)	(38,602)	(5)
NET INCOME (LOSS)		86,950	16	133,261	18
OTHER COMPREHENSIVE INCOME (LOSS)	6(25)				
Items that will not be reclassified subsequently to profit or loss:					
Gains (losses) on remeasurements of defined benefit plans		(10)	-	-	-
Income tax relating to items that will not be reclassified to profit or loss(expense) benefit		2	-	-	-
Items that may be reclassified subsequently to profit or loss:					
Share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for using equity method		143	-	(46)	-
Total other comprehensive income (loss), net of income tax		135	-	(46)	-
TOTAL COMPREHENSIVE INCOME (LOSS)		\$ 87,085	16	\$ 133,215	18
EARNINGS (LOSSES) PER SHARE					
Basic	6(26)	\$ 3.01		\$ 5.00	
Diluted	6(26)	\$ 2.96		\$ 4.84	

The accompanying notes are an integral part of the standalone financial statements.

NANO ELECTRONICS AND MICRO SYSTEM TECHNOLOGIES, INC.

STANDALONE STATEMENTS OF CHANGES IN EQUITY

(In Thousands of New Taiwan Dollars)

	Retained Earnings				Unappropriated Retained Earnings	Other	Total Equity
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve		Exchange Differences Arising On Translating Foreign Operations	
BALANCE AT JANUARY 1, 2023	\$ 262,558	\$ 22,600	\$ 56,685	\$ -	\$ 209,737	\$ (80)	\$ 550,900
Appropriations and distributions of prior years' earnings:							
Legal reserve	-	-	10,091	-	(10,091)	-	-
Special reserve	-	-	-	80	(80)	-	-
Cash dividends	-	-	-	-	(26,256)	-	(26,256)
Net income in 2023	-	-	-	-	133,261	-	133,261
Other comprehensive income (loss) in 2023, net of income tax	-	-	-	-	-	(46)	(46)
Total comprehensive income in 2023	-	-	-	-	133,261	(46)	133,215
Share-based payment transactions	26,040	32,790	-	-	-	-	58,830
BALANCE AT DECEMBER 31, 2023	288,598	55,390	66,176	80	306,571	(126)	716,689
Effects of retrospective application and retrospective restatement	-	-	-	-	(2)	-	(2)
Appropriations and distributions of prior years' earnings:							
Legal reserve	-	-	13,326	-	(13,326)	-	-
Special reserve	-	-	-	46	(46)	-	-
Cash dividends	-	-	-	-	(57,720)	-	(57,720)
Net income in 2024	-	-	-	-	89,950	-	86,950
Other comprehensive income (loss) in 2024, net of income tax	-	-	-	-	(8)	143	135
Total comprehensive income in 2024	-	-	-	-	86,942	143	87,085
BALANCE AT DECEMBER 31, 2024	\$ 288,598	\$ 55,390	\$ 79,502	\$ 126	\$ 322,419	\$ 17	\$ 746,052

The accompanying notes are an integral part of the standalone financial statements.

NANO ELECTRONICS AND MICRO SYSTEM TECHNOLOGIES, INC.
STANDALONE STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

Item	Year Ended December 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	\$ 112,838	\$ 171,863
Adjustments for:		
Income and expenses having no effect on cash flows:		
Depreciation expense	12,997	12,244
Amortization expense	1,660	1,480
Expected credit losses (gains)	(2,141)	(3,259)
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	(419)	(236)
Interest expense	3,300	3,196
Interest income	(4,106)	(2,835)
Share-Based Benefit Compensation Cost	-	9,354
Share of profit (loss) of subsidiaries, associates, and joint ventures accounted for using the equity method	(1,142)	5,316
Loss (gain) on disposal and retirement of property, plant and Equipment	45	-
Others	(946)	(946)
Total income and expenses having no effect on cash flows	9,248	24,314
Changes in operating assets and liabilities:		
Net changes in operating assets:		
Decrease (increase) in notes receivable	(148)	(4)
Decrease (increase) in accounts receivable	38,223	7,202
Decrease (increase) in other receivables	(267)	1,000
Decrease (increase) in inventories	66,084	152,371
Decrease (increase) in prepayments	(236)	12,900
Total net changes in operating assets	103,656	173,469
Net changes in operating liabilities:		
Increase (decrease) in contract liabilities	(5,919)	(118,118)
Increase (decrease) in accounts payable	6,871	(68,250)
Increase (decrease) in other payables	(12,425)	(5,170)
Increase (decrease) in provisions	(413)	(758)
Increase (decrease) in net defined benefit liabilities	4	-
Total net changes in operating liabilities	(11,882)	(192,296)

Item	Year Ended December 31	
	2024	2023
Total changes in operating assets and liabilities	91,774	(18,827)
Total adjustments	101,022	5,487
Cash generated from (used in) operations	213,860	177,350
Interest received	4,106	2,835
Interest paid	(2,768)	(2,594)
Income tax refund (paid)	(42,078)	(44,449)
Net cash generated from (used in) operating activities	173,120	133,142
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investments accounted for using the equity method	\$ (5,580)	\$ -
Acquisition of property, plant and equipment	(4,904)	(3,640)
Proceeds from disposal of property, plant and equipment	190	-
Increase in refundable deposits	(107)	(118)
Acquisition of intangible assets	(1,222)	(1,458)
Increase in other financial assets	(17,437)	-
Decrease in other financial assets	-	2
Net cash generated from (used in) investing activities	(29,060)	(5,214)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term loans	(11,035)	(5,833)
Cash dividend	(57,720)	(26,256)
Employee exercise stock options	-	49,476
Net cash generated from (used in) financing activities	(68,755)	17,387
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	75,305	145,315
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	385,553	238,238
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 458,858	\$ 383,553

The accompanying notes are an integral part of the standalone financial statements.

Nano Electronics and Micro System Technologies, Inc.
 Comparison Table of Amended Articles of Incorporation

Article	Before Amendment	After Amendment
Article 22-1	None.	To meet business operational needs, the Board of Directors may establish various functional committees. The organizational rules of such committees shall be prescribed by the Board of Directors in accordance with relevant laws and regulations.
Article 25	<p>In the event that the Company has profits in a given year, remuneration shall be allocated to directors and employees according to the following percentages:</p> <p>(1) Directors' remuneration: Not more than 6%; independent directors shall not participate in the distribution.</p> <p>(2) Employees' remuneration: 2% to 10%. However, if the Company has accumulated losses, the losses shall first be covered. The distribution plan for directors' and employees' remuneration shall be approved by the Board of Directors and reported to the Shareholders' Meeting.</p>	<p>In the event that the Company has profits in a given year, remuneration shall be allocated to directors and employees according to the following percentages:</p> <p>(1) Directors' remuneration: Not more than 6%; independent directors shall not participate in the distribution.</p> <p>(2) Employees' remuneration: 2% to 10%, of which no less than 45% shall be allocated to grassroots employees. However, if the Company has accumulated losses, the losses shall first be covered. The distribution plan for directors' and employees' remuneration shall be</p>

	<p>The employee remuneration mentioned in the preceding paragraph may be distributed in cash or stock as resolved by the Board of Directors. The recipients may include employees of subsidiaries or affiliated companies who meet specific criteria.</p>	<p>approved by the Board of Directors and reported to the Shareholders' Meeting. The employee remuneration mentioned in the preceding paragraph may be distributed in cash or stock as resolved by the Board of Directors. The recipients may include employees of subsidiaries or affiliated companies who meet specific criteria.</p>
Article 31	<p>These Articles of Incorporation were established on May 27, 2002.</p> <p>First amendment: August 10, 2002</p> <p>Second amendment: January 27, 2003</p> <p>Third amendment: June 26, 2006</p> <p>Fourth amendment: August 1, 2011</p> <p>Fifth amendment: June 26, 2012</p> <p>Sixth amendment: November 27, 2012</p> <p>Seventh amendment: May 25, 2015</p> <p>Eighth amendment: June 6, 2016</p> <p>Ninth amendment: May 31, 2017</p> <p>Tenth amendment: April 22, 2019</p> <p>Eleventh amendment: May 30, 2023</p> <p>Twelfth amendment: June 19, 2024</p>	<p>These Articles of Incorporation were established on May 27, 2002.</p> <p>First amendment: August 10, 2002</p> <p>Second amendment: January 27, 2003</p> <p>Third amendment: June 26, 2006</p> <p>Fourth amendment: August 1, 2011</p> <p>Fifth amendment: June 26, 2012</p> <p>Sixth amendment: November 27, 2012</p> <p>Seventh amendment: May 25, 2015</p> <p>Eighth amendment: June 6, 2016</p> <p>Ninth amendment: May 31, 2017</p> <p>Tenth amendment: April 22, 2019</p> <p>Eleventh amendment: May 30, 2023</p> <p>Twelfth amendment: June 28, 2024</p> <p>Thirteenth amendment: June 18, 2025</p>

AM-018 Comparison Table for Code of Ethical Conduct for Directors and Managers

Article	Amended Version	Original Version	Reason for Amendment
Article 1	<p>In order to guide the ethical conduct of the Company’s directors and managers (including the General Manager and equivalents, Deputy General Managers and equivalents, Assistant General Managers and equivalents, Heads of Finance and Accounting Departments, and other personnel authorized to manage company affairs and sign on its behalf), and to help stakeholders better understand the Company’s ethical standards, this Code is hereby established.</p>	<p>To guide the ethical conduct of the Company's directors, this Code is established in accordance with Article 6 of the 'Regulations Governing the Establishment of Internal Control Systems by Public Companies.'</p>	<p>To improve corporate governance by including ethical standards for managerial personnel.</p>
Article 2	<p>Directors and managers shall handle company affairs objectively and efficiently, and shall not use their positions to obtain improper benefits for themselves or their spouse, parents, children, or relatives within the second degree of kinship. In the event that the Company engages in</p>	<p>Directors shall handle company affairs objectively and efficiently, and shall not use their positions to obtain improper benefits for themselves or their spouse, parents, children, or relatives within the second degree of kinship. In the event that the Company engages in lending, guarantees,</p>	

	<p>lending, guarantees, major asset transactions, or business dealings with enterprises related to the aforementioned individuals, any potential conflicts of interest must be avoided. The relevant directors or managers shall proactively disclose any potential conflicts of interest with the Company.</p>	<p>major asset transactions, or business dealings with enterprises related to the aforementioned individuals, any potential conflicts of interest must be avoided. The relevant directors shall proactively disclose any potential conflicts of interest with the Company.</p>	
Article 3	<p>Directors and managers shall avoid the following conduct:</p> <ol style="list-style-type: none"> 1. Using Company assets, information, or their position to seek personal gain. 2. Competing with the Company. <p>When the Company encounters a business opportunity, directors and managers shall act with the same level of care as managing their own affairs, and promote the lawful interests of the Company.</p>	<p>Directors shall avoid the following conduct:</p> <ol style="list-style-type: none"> 3. Using Company assets, information, or their position to seek personal gain. 4. Competing with the Company. <p>When the Company encounters a business opportunity, directors shall act with the same level of care as managing their own affairs, and promote the lawful interests of the Company.</p>	
Article 4	<p>Directors and managers shall maintain the confidentiality of information relating to the Company or its customers, except</p>	<p>Directors shall maintain the confidentiality of information relating to the Company or its customers, except when disclosure is</p>	

	<p>when disclosure is authorized or legally required. This obligation shall continue after resignation. Confidential information includes all unpublished information that could be used by competitors or that may harm the Company or its customers if disclosed.</p>	<p>authorized or legally required. This obligation shall continue after resignation. Confidential information includes all unpublished information that could be used by competitors or that may harm the Company or its customers if disclosed.</p>	
Article 5	<p>Directors and managers shall treat customers, competitors, and employees fairly, and shall not gain improper benefits through manipulation, concealment, abuse of confidential information, misrepresentation of material facts, or any other unfair business practices.</p>	<p>Directors shall treat customers, competitors, and employees fairly, and shall not gain improper benefits through manipulation, concealment, abuse of confidential information, misrepresentation of material facts, or any other unfair business practices.</p>	
Article 6	<p>Directors and managers shall exercise the same duty of care as managing their own affairs to protect the Company's assets, ensuring they are used efficiently and lawfully in the course of business and</p>	<p>Directors shall exercise the same duty of care as managing their own affairs to protect the Company's assets, ensuring they are used efficiently and lawfully in the course of business and preventing theft,</p>	

	preventing theft, negligence, or waste that could directly impact the Company's profitability.	negligence, or waste that could directly impact the Company's profitability.	
Article 7	<p>Directors and managers shall exercise the same duty of care as managing their own affairs, and shall comply with the Securities and Exchange Act, Company Act, and other relevant laws and regulations.</p> <p>The Board of Directors shall recognize operational risks, supervise performance, and bear ultimate responsibility for establishing and maintaining an appropriate and effective internal control system.</p> <p>If directors or managers become aware of any situation that may cause material harm to the Company, they shall take appropriate and prompt action, notify the Audit Committee, report to the Board, and ensure proper reporting to</p>	<p>Directors shall exercise the same duty of care as managing their own affairs, and shall comply with the Securities and Exchange Act, Company Act, and other relevant laws and regulations.</p> <p>The Board of Directors shall recognize operational risks, supervise performance, and bear ultimate responsibility for establishing and maintaining an appropriate and effective internal control system.</p> <p>If directors become aware of any situation that may cause material harm to the Company, they shall take appropriate and prompt action, notify the Audit Committee, report to the Board, and ensure proper reporting to the competent authorities.</p>	

	the competent authorities.		
Article 9	In the event that directors or managers negligently violate this Code, the Company shall handle the matter appropriately in accordance with relevant laws and internal regulations, and based on their degree of responsibility. Prior to any disciplinary action against such directors or managers, the Company shall provide them an opportunity to explain or appeal.	In the event that directors negligently violate this Code, the Company shall handle the matter appropriately in accordance with relevant laws and internal regulations, and based on their degree of responsibility. Prior to any disciplinary action against such directors, the Company shall provide them an opportunity to explain or appeal.	
Article 10	If directors or managers require an exemption from complying with this Code, the matter shall be approved by resolution of the Board of Directors and recorded in the meeting minutes, including the date of approval, applicable period, reason, and the provisions of this Code being exempted. Measures shall be taken to prevent arbitrary or questionable exemptions and to	If directors require an exemption from complying with this Code, the matter shall be approved by resolution of the Board of Directors and recorded in the meeting minutes, including the date of approval, applicable period, reason, and the provisions of this Code being exempted. Measures shall be taken to prevent arbitrary or questionable exemptions and to	

	ensure proper oversight.	ensure proper oversight.	
Article 11	This Code shall take effect upon the approval of the Audit Committee and resolution of the Board of Directors, and shall be submitted to the shareholders' meeting. The same procedure applies to any amendments.	This Code shall take effect upon approval of the Board of Directors. The same procedure applies to any amendments.	In accordance with the Audit Committee Charter, amendments to internal control systems must be approved by the Audit Committee.

Code of Ethical Conduct for Directors and Managers

Article 1 – Purpose

This Code is established to guide the ethical conduct of the Company’s directors and managers (including the General Manager and equivalents, Deputy General Managers and equivalents, Assistant General Managers and equivalents, Heads of Finance and Accounting Departments, and other personnel authorized to manage company affairs and sign on its behalf), and to help stakeholders better understand the Company’s ethical standards.

Article 2

Directors and managers shall handle company affairs objectively and efficiently, and shall not use their positions to obtain improper benefits for themselves or their spouse, parents, children, or relatives within the second degree of kinship.

In the event that the Company engages in lending, guarantees, major asset transactions, or business dealings with enterprises related to the aforementioned individuals, any potential conflicts of interest must be avoided. The relevant directors or managers shall proactively disclose any potential conflicts of interest with the Company.

Article 3

Directors and managers shall avoid the following conduct:

1. Using Company assets, information, or their position to seek personal gain.
2. Competing with the Company.

When the Company encounters a business opportunity, directors and managers shall act with the same level of care as managing their own affairs and promote the lawful interests of the Company.

Article 4

Directors and managers shall maintain the confidentiality of information relating to the Company or its customers, except when disclosure is authorized or legally required. This obligation shall continue after resignation.

Confidential information includes all unpublished information that could be used by competitors or that may harm the Company or its customers if disclosed.

Article 5

Directors and managers shall treat customers, competitors, and employees fairly, and shall not gain improper benefits through manipulation, concealment, abuse of confidential information, misrepresentation of material facts, or any other unfair business practices.

Article 6

Directors and managers shall exercise the same duty of care as managing their own affairs to protect the Company’s assets, ensuring they are used efficiently and lawfully in the course of

business and preventing theft, negligence, or waste that could directly impact the Company's profitability.

Article 7

Directors and managers shall exercise the same duty of care as managing their own affairs, and shall comply with the Securities and Exchange Act, Company Act, and other relevant laws and regulations.

The Board of Directors shall recognize operational risks, supervise performance, and bear ultimate responsibility for establishing and maintaining an appropriate and effective internal control system.

If directors or managers become aware of any situation that may cause material harm to the Company, they shall promptly and properly address it, report it to the Audit Committee and the Board of Directors, and supervise the Company's reporting to competent authorities.

Article 8

The Company shall promote ethical values and encourage employees to report to the Audit Committee or the Audit Office any suspected legal, regulatory, or ethical violations by directors.

To support whistleblowing, the Company shall establish a reporting mechanism and inform employees that it will make every effort to protect the whistleblower from retaliation.

Article 9

In the event that directors or managers negligently violate this Code, the Company shall handle the matter appropriately in accordance with relevant laws and internal regulations, and based on their degree of responsibility.

Prior to any disciplinary action, the Company shall provide the individuals involved with an opportunity to explain or appeal.

Article 10

If directors or managers require an exemption from complying with this Code, the matter shall be approved by resolution of the Board of Directors and recorded in the meeting minutes, including the date of approval, applicable period, reason, and the provisions of this Code being exempted. Measures shall be taken to prevent arbitrary or questionable exemptions and to ensure proper oversight.

Article 11

This Code shall take effect upon the approval of the Audit Committee and resolution of the Board of Directors, and shall be submitted to the shareholders' meeting. The same procedure applies to any amendments.

Integrity Operation Guidelines

Article 1 – Purpose

To establish a corporate culture of integrity and sound development, and to provide a framework for sound business practices, the Company hereby enacts these Guidelines. These Guidelines apply to subsidiaries, foundations to which the Company directly or indirectly contributes more than 50% of funds, and other group enterprises and organizations over which the Company exercises substantial control (hereinafter referred to as 'Group Enterprises and Organizations').

Article 2

Directors, managers, employees, or persons with substantial control of the Company (hereinafter referred to as 'Persons of Substantial Control') shall not, in the course of conducting business, directly or indirectly provide, promise, request, or accept any improper benefits, or engage in any conduct that violates integrity, is unlawful, or breaches fiduciary duties, in order to obtain or maintain benefits (hereinafter referred to as 'Unethical Conduct').

The counterparties to the above conduct include public officials, political candidates, political parties or party officials, as well as any public or private enterprises or organizations and their directors, supervisors, managers, employees, persons with substantial control, or other stakeholders.

Article 3

The term 'benefits' in these Guidelines refers to anything of value, including cash, gifts, commissions, positions, services, preferential treatment, or kickbacks, in any form or under any name. However, occasional gifts or entertainment of nominal value consistent with accepted social etiquette and not affecting specific rights or obligations are not included.

Article 4

The Company shall comply with the Company Act, Securities and Exchange Act, Business Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, the Act on Recusal of Public Servants Due to Conflicts of Interest, regulations for listed and OTC companies, and other relevant commercial laws as the basis for implementing integrity operations.

Article 5

The Company shall adopt an integrity-based management philosophy rooted in honesty, transparency, and responsibility. Integrity policies shall be approved by the Board of Directors, accompanied by sound corporate governance and risk control mechanisms to foster sustainable business development.

Article 6

The integrity policy established by the Company shall clearly and thoroughly set out operational approaches and programs to prevent unethical conduct (hereinafter referred to as 'Prevention Programs'), including procedures, codes of conduct, and training.

The Prevention Programs shall comply with applicable laws and regulations in the jurisdictions where the Company and its Group Enterprises and Organizations operate.

During formulation, the Company shall communicate with employees, labor unions, key business partners, or other stakeholders.

Article 7

The Company shall regularly analyze and assess risks of unethical conduct within its business scope, and establish Prevention Programs that include the following preventive measures:

1. Offering or accepting bribes.
2. Providing illegal political donations.
3. Improper charitable donations or sponsorships.
4. Offering or accepting unreasonable gifts, entertainment, or other improper benefits.
5. Infringement of trade secrets, trademarks, patents, copyrights, or other intellectual property rights.
6. Engaging in unfair competition.
7. Activities during product and service development, procurement, manufacturing, offering, or sale that directly or indirectly harm the interests, health, or safety of consumers or other stakeholders.

Article 8

The Company and its Group Enterprises and Organizations shall explicitly disclose the integrity policy in internal regulations, external communications, and on the corporate website, including commitments from the Board and management to implement such policy through both internal management and external business activities.

Article 9

The Company shall conduct business activities based on the principle of fairness and transparency.

Before engaging in transactions, the Company shall assess the legality and ethical practices of its agents, suppliers, customers, and other business partners, and avoid doing business with those involved in unethical conduct.

Contracts with such partners should include terms requiring adherence to the integrity policy and allowing contract termination in the event of unethical conduct.

Article 10

In conducting business, the Company and its directors, managers, employees, and Persons of Substantial Control shall not directly or indirectly offer, promise, request, or accept any form of improper benefit to or from customers, agents, contractors, suppliers, public officials, or other stakeholders.

Article 11

Donations to political parties or individuals engaged in political activities by the Company, its directors, managers, employees, or Persons of Substantial Control must comply with the Political Donations Act and internal procedures, and shall not be made for the purpose of securing commercial interests or advantages.

Article 12

Charitable donations or sponsorships by the Company, its directors, managers, employees, or Persons of Substantial Control shall comply with relevant laws and internal procedures and shall not serve as disguised forms of bribery.

Article 13

The Company, its directors, managers, employees, and Persons of Substantial Control shall not directly or indirectly offer or accept unreasonable gifts, entertainment, or other improper benefits to establish business relationships or influence business transactions.

Article 14

The Company, its directors, managers, employees, and Persons of Substantial Control shall comply with intellectual property laws, internal procedures, and contractual obligations. Without authorization, they shall not use, disclose, dispose of, damage, or otherwise infringe upon intellectual property rights.

Article 15

The Company shall conduct its business in accordance with fair trade laws and shall not engage in price fixing, bid rigging, production or quota restrictions, or allocation of customers, suppliers, markets, or product types.

Article 16

In the research, procurement, manufacturing, offering, or sale of products and services, the Company, its directors, managers, employees, and Persons of Substantial Control shall follow relevant laws and international standards to ensure information transparency and safety, establish and disclose policies to protect the rights of consumers and stakeholders, and implement such policies in operations.

If a product or service is found to pose risks to consumer or stakeholder health or safety, the Company shall, in principle, recall the product or suspend the service.

Article 17

Directors, managers, employees, and Persons of Substantial Control shall act as prudent administrators, urging the Company to prevent unethical conduct and continuously review and improve implementation effectiveness.

The Company shall assign the General Manager's Office as the responsible unit for managing integrity operations, allocate sufficient resources and competent personnel, and oversee policy formulation and enforcement. The Audit Office shall assist the Board and management in reviewing and assessing the effectiveness of preventive measures. The responsibilities include:

1. Assisting in integrating ethics into corporate strategies and establishing relevant anti-corruption measures in line with regulations.
2. Periodically assessing unethical conduct risks and developing Prevention Programs, including SOPs and conduct guidelines.
3. Planning internal organization and oversight mechanisms for high-risk business activities.
4. Promoting and coordinating training on integrity policies.
5. Planning whistleblower systems and ensuring effectiveness.

Article 18

In business execution, the Company's directors, managers, employees, and Persons of Substantial Control shall comply with laws and the Prevention Programs.

Article 19

The Company shall establish a conflict of interest policy to identify, monitor, and manage risks of unethical conduct arising from conflicts. Appropriate channels shall be provided for directors, managers, and participants in Board meetings to disclose potential conflicts of interest.

When a director, manager, or other attendee of the Board has a conflict of interest related to an agenda item, they shall explain its nature and importance and shall recuse themselves from discussion and voting when the conflict may harm Company interests. They may not act as proxies for other directors. Directors shall self-regulate and avoid improper mutual support.

No director, manager, employee, or Person of Substantial Control shall use their position or influence to gain improper benefits for themselves or others.

Article 20

For business activities with higher risk of unethical conduct, the Company shall establish effective accounting and internal control systems, avoid off-the-book accounts or hidden accounts, and review such systems regularly to ensure continued effectiveness.

The Audit Office shall conduct periodic compliance checks and report to the Board.

Article 21

In accordance with Article 6, the Company shall formulate SOPs and conduct guidelines specifying precautions for directors, managers, employees, and Persons of Substantial Control. The guidelines shall cover at minimum:

1. Criteria for determining improper benefits.
2. Procedures for handling legal political donations.
3. Procedures and standards for proper charitable donations or sponsorships.
4. Conflict of interest avoidance policies and reporting procedures.

5. Confidentiality rules for confidential or sensitive business information.
6. Rules for dealing with unethical suppliers, customers, and partners.
7. Procedures for reporting violations of the Guidelines.
8. Disciplinary actions for violations.

Article 22

The Company shall regularly conduct internal awareness training to emphasize the importance of integrity to directors, employees, and appointees, and may integrate the integrity policy into performance evaluations and HR policies with a clear and effective reward and discipline system.

Article 23

The Company shall implement a concrete whistleblower system that includes at minimum:

1. Establishing and publishing internal and/or external reporting channels (email/phone).
2. Assigning dedicated personnel or units to handle reports; reports involving directors or executives shall be escalated to independent directors.
3. Defining SOPs for report investigation and appropriate corrective actions; report to authorities or judiciary if necessary.
4. Documenting and preserving report processing records.
5. Protecting reporter identity and content; allowing anonymous reports.
6. Measures to protect whistleblowers from retaliation.
7. Reward mechanisms for whistleblowers.

If serious violations or significant Company damage are suspected, the assigned unit shall immediately notify independent directors in writing.

Article 24

The Company shall establish and publish a disciplinary and appeal system for violations of the Guidelines. Information including violator's title, name, date, violation details, and actions taken shall be disclosed on the internal website.

Article 25

The Company shall disclose the content of these Guidelines on its website, in its annual report, and on the Market Observation Post System (MOPS).

Article 26

The Company shall monitor developments in integrity-related regulations domestically and internationally, and encourage directors, managers, and employees to offer suggestions to improve the Company's integrity policies and their effectiveness.

Article 27

These Guidelines shall be implemented upon approval by at least half of all Audit Committee members and resolution of the Board of Directors, and shall be submitted to the shareholders' meeting. The same applies to amendments.

If the Audit Committee fails to approve, the Board may implement the Guidelines with approval by two-thirds of all directors. The Board meeting minutes shall state the Audit Committee's resolution.

Procedures and Guidelines for Ethical Corporate Management

Article 1

The Company adheres to the principles of fairness, honesty, integrity, and transparency in conducting its business operations. To implement its integrity policy and actively prevent unethical conduct, these Procedures and Guidelines are established in accordance with Article 6 and Article 21 of the Company's Integrity Operation Principles. They define the standards of conduct to be observed by Company personnel while performing their duties.

These Procedures and Guidelines apply to the Company's subsidiaries, foundations receiving over 50% funding directly or indirectly, and other entities or legal persons under substantial control (hereinafter referred to as 'Group Enterprises and Organizations').

Article 2

The term 'Company personnel' as used in these Procedures and Guidelines refers to directors, supervisors, managers, employees, and individuals with substantial control within the Company and its Group Enterprises and Organizations.

Any provision, promise, request, or receipt of improper benefits through a third party is presumed to be the act of Company personnel.

Article 3

The term 'unethical conduct' refers to acts committed by Company personnel during business operations to gain or maintain benefits by providing, accepting, promising, or requesting improper benefits directly or indirectly, or engaging in behavior that violates integrity, is unlawful, or breaches fiduciary duty.

Counterparties include public officials, political candidates, political parties or their members, and any public or private entity, including its directors, supervisors, managers, employees, individuals with substantial control, or other stakeholders.

Article 4

The term 'benefits' refers to anything of value, in any form or name, including but not limited to money, gifts, presents, commissions, positions, services, preferential treatment, rebates, facilitation payments, entertainment, hospitality, and other valuable items.

Article 5

The Company designates the General Manager's Office as the responsible unit with adequate resources and competent personnel to revise, implement, interpret, advise on, register, and monitor these Procedures. Its responsibilities include:

1. Incorporating ethics and moral values into corporate strategy and enacting anti-corruption measures.
2. Periodically assessing unethical conduct risks and drafting preventive programs including SOPs and conduct guidelines.
3. Designing internal organization and checks-and-balances mechanisms for high-risk operations.

4. Promoting and coordinating ethical policy training.
5. Planning an effective whistleblower system.
6. Documenting and preserving policies, declarations, commitments, and implementation results.

The Audit Office shall assist the board and management in evaluating and reporting the effectiveness of integrity measures.

Article 6

Company personnel may not offer, accept, promise, or request benefits as defined in Article 4 unless the following conditions are met and appropriate procedures are followed:

1. Conducted in accordance with local etiquette or custom during business visits or communications.
2. Normal social activities for business purposes or relationship building.
3. Pre-arranged invitations to business activities with clear cost and participation arrangements.
4. Participation in public traditional or cultural events.
5. Awards or consolation extended by supervisors.
6. Gifts of acceptable social value from non-relatives or casual acquaintances.
7. Gifts received on personal or family occasions within reasonable norms.
8. Other cases in compliance with Company policy.

Article 7

When Company personnel are directly or indirectly offered or promised any benefit as defined in Article 4, and such offer does not fall under the exceptions listed in the previous article, the following procedures shall apply:

- (1) If the provider or promisor has no business-related interest with the personnel, the recipient shall report to their immediate supervisor within three (3) days from the date of receipt, and notify the Company's responsible unit if necessary.
- (2) If the provider or promisor has a business-related interest with the personnel, the benefit shall be returned or refused, and the personnel shall report to their immediate supervisor and notify the Company's responsible unit. If the benefit cannot be returned, it shall be submitted to the responsible unit within three (3) days from the date of receipt.

The term 'business-related interest' refers to any of the following:

- (1) A party that has business dealings, supervisory or subordinate relationships, or receives financial subsidies or awards from the Company.

(2) A party that is seeking, undergoing, or has signed procurement, sales, or other contractual relationships with the Company.

(3) A party that may be favorably or adversely affected by decisions, implementation, or non-implementation of the Company's business.

(4) The responsible unit of the Company shall, based on the nature and value of the benefit mentioned in Paragraph 1, propose appropriate measures such as returning, accepting with payment, turning over to the Company, donating to a charitable organization, or other proper actions. Such measures shall be implemented upon approval by the Chairperson.

Article 8

The Company shall promote ethical awareness and encourage employees who reasonably believe that a director has violated relevant laws, regulations, or the Code of Ethical Conduct to report such behavior to the Audit Committee or the Internal Audit Office.

To encourage reporting, the Company shall establish a whistleblower system and clearly communicate that whistleblowers will be protected from retaliation.

Article 9

If a director or managerial officer is found to have negligently violated these Guidelines, the Company shall take appropriate disciplinary action based on applicable laws, internal rules, and the level of responsibility.

Before any disciplinary action is finalized, the person concerned shall be given an opportunity to explain or file an appeal.

Article 10

The Company shall handle charitable donations or sponsorships in accordance with the following provisions and may proceed only after approval by the General Manager. Donations made to related parties or significant donations to non-related parties shall be submitted to the Board of Directors for discussion or ratification in accordance with Article 12, Paragraph 1, Subparagraph 8 of the Board Meeting Rules. The Audit Office shall audit such donations or sponsorships and prepare an audit report:

1. Donations shall comply with the laws and regulations of the location where the Company operates.
2. Decision-making shall be documented in writing.
3. Charitable donations shall be made to legitimate charitable organizations and shall not serve as disguised bribery.
4. The benefits received from sponsorships must be specific and reasonable. Donations shall not be made to counterparties of the Company's business dealings or to persons having a conflict of interest with Company personnel.

5. After donations or sponsorships are made, the Company shall confirm that the use of funds is consistent with the donation's intended purpose.

Article 11

These Guidelines shall take effect upon the approval of the Audit Committee and subsequent resolution by the Board of Directors, and shall be submitted to the shareholders' meeting. Amendments shall follow the same process.

If more than one-half of the Audit Committee members do not approve, the Guidelines may still be adopted with approval by at least two-thirds of all directors, and the Audit Committee's resolution shall be included in the Board meeting minutes.

Article 12

The Company shall establish and implement operational procedures for the management, protection, and confidentiality of its trade secrets, trademarks, patents, and copyrights, and shall periodically review their effectiveness.

Personnel shall not disclose the Company's intellectual property to unauthorized individuals, nor inquire about or collect information unrelated to their duties.

Article 13

Company personnel shall comply with the Securities and Exchange Act and shall not use non-public information for insider trading or disclose such information to others to prevent unlawful securities transactions.

Any external party involved in mergers, acquisitions, strategic alliances, or significant agreements must sign a confidentiality agreement prohibiting the disclosure or misuse of sensitive Company information without prior consent.

Article 14

The Company shall disclose its integrity policy in internal regulations, annual reports, company websites, and other promotional materials.

It shall also declare its commitment to ethical conduct during public events such as product launches or investor conferences.

Article 15

During business transactions, Company personnel shall explain the Company's integrity policies to trading partners and clearly refuse to directly or indirectly offer, promise, demand, or accept any form of improper benefits.

Article 16

Company personnel shall avoid conducting business with agents, suppliers, customers, or partners known to engage in unethical conduct.

If a partner is found to be unethical, the Company shall immediately cease transactions and list them as disqualified business partners.

Article 17

When entering contracts, the Company shall include integrity compliance clauses, including:

- (1) Parties must promptly report violations of anti-bribery or improper benefits clauses, provide details, and cooperate with investigations.
- (2) If a party engages in unethical conduct, the other party may unconditionally terminate the contract.
- (3) Payment terms must be clear, reasonable, and compliant with tax laws.

Article 18

Upon discovering or receiving a report of unethical behavior by Company personnel, the Company shall investigate immediately.

If a violation is confirmed, appropriate measures shall be taken, including legal action if necessary. Relevant departments shall review and improve internal controls to prevent recurrence.

The responsible unit shall report the incident and corrective actions to the Board of Directors.

Article 19

If any individual engages in unethical conduct toward the Company, and the conduct is illegal, the Company shall report the matter to the judiciary. If the party is a public official, the case shall also be reported to government anti-corruption agencies.

Article 20

The Company shall conduct at least one internal training annually to raise awareness of ethical conduct among directors, employees, and appointees.

Integrity practices shall be included in performance evaluations and HR policies, with clear and effective reward and disciplinary measures.

For serious violations, employees shall be dismissed in accordance with applicable laws and internal regulations.

Information about violators, including name, title, date, conduct, and handling, shall be disclosed on the Company's internal website.

Article 21

These Procedures and Guidelines shall take effect after Board approval and shall be submitted to the shareholders' meeting. Amendments shall follow the same process.

When submitted to the Board, independent directors' opinions shall be fully considered. Any dissenting or reserved opinions shall be recorded in the Board meeting minutes. If an independent director cannot attend in person, a written opinion shall be submitted in advance, unless a valid reason exists.

Articles of Incorporation of Nano Electronics and Micro System Technologies, Inc.

Chapter 1 General Provisions

Article 1: The Company is organized in accordance with the Company Act as a company limited by shares, and is named “Nano Electronics and Micro System Technologies, Inc.”

Article 2: The scope of business operations of the Company shall be as follows:

01. F119010 Wholesale of Electronic Materials
02. F113010 Wholesale of Machinery
03. F113020 Wholesale of Electrical Appliances
04. F401010 International Trade
05. CA04010 Surface Treatment
06. CA03010 Heat Treatment
07. CC01990 Other Electrical Machinery and Electronics Manufacturing
08. F107010 Wholesale of Paints and Coatings
09. F113030 Wholesale of Precision Instruments
10. F113100 Wholesale of Pollution Control Equipment
11. F113990 Wholesale of Other Machinery and Equipment
12. ZZ99999 All businesses not prohibited or restricted by law, except those requiring special approvals.

Article 2-1: The Company’s investments are not subject to the restriction under Article 13 of the Company Act regarding the total amount of investment not exceeding 40% of the paid-in capital.

Article 3: The Company is located in Tainan City and may establish branch offices domestically or internationally as resolved by the Board of Directors.

Article 4: Public announcements of the Company shall be made in accordance with Article 28 of the Company Act.

Chapter 2 Capital Stock

Article 5: The total capital of the Company shall be NT\$600,000,000, divided into 60,000,000 shares at a par value of NT\$10 each, and may be issued in installments as authorized by the Board of Directors. Of these, 5,000,000 shares are reserved for issuing stock option certificates,

preferred shares with warrants, or corporate bonds with warrants, and may be issued in installments as authorized by the Board of Directors.

Article 5-1: The issuance of employee stock option certificates, transfer of treasury shares to employees, subscription by employees for new shares, and issuance of restricted employee shares may be offered to employees of subsidiaries or affiliates meeting certain conditions, as determined by the Board of Directors.

Article 6: The Company's shares shall be registered and signed or stamped by a director representing the Company and certified by a competent bank. The Company may issue shares without printing share certificates, but such shares must be registered with a centralized securities depository.

Article 7: Changes to shareholder information shall be handled in accordance with Article 165 of the Company Act.

Article 8: The Company's stock affairs shall be processed in accordance with the 'Regulations Governing the Administration of Shareholder Services of Public Companies' unless otherwise stipulated by law or securities regulations.

Chapter 3 Shareholders' Meetings

Article 9: Shareholders' meetings are categorized as regular or extraordinary meetings. Regular meetings shall be convened at least once a year within six months after the end of each fiscal year and called by the Board of Directors. Extraordinary meetings may be convened as necessary in accordance with laws. The Company's shareholders' meetings may be held by video conferencing or other methods announced by the central competent authority.

Article 10: A shareholder who is unable to attend a shareholders' meeting may appoint a proxy by executing a proxy form stating the scope of authorization. Such delegation shall comply with Article 177 of the Company Act and relevant regulations set by the competent authority.

Article 11: The Chairman shall preside over shareholders' meetings. If the Chairman is absent, a director designated by the Chairman shall act as the chair. If not designated, the attending directors shall elect one from among themselves to act as the chair. If the meeting is convened by a person other than the Board of Directors, the convener shall act as the chair.

Article 12: Unless otherwise provided by law, each shareholder is entitled to one vote per share.

Article 13: Resolutions of shareholders' meetings shall, unless otherwise provided by law, be adopted by a majority vote of shareholders present who represent a majority of the total issued shares. During the Company's Emerging Stock or listed period, shareholders may exercise voting rights electronically. Shareholders exercising voting rights electronically shall be deemed present. Matters related thereto shall be handled in accordance with applicable regulations.

Article 14: The resolutions of shareholders' meetings shall be recorded in the minutes signed or sealed by the chair and processed in accordance with Article 183 of the Company Act.

Article 14-1: Public issuance of shares shall not be revoked without a resolution of the shareholders' meeting. This provision shall not be changed during the period when the Company is listed or on the Emerging Stock market.

Chapter 4 Directors and the Audit Committee

Article 15: The Company shall have five to nine directors elected from a list of candidates at the shareholders' meeting using a candidate nomination system. Directors shall serve a three-year term and may be re-elected. The composition of directors shall not be of a single gender. At least three directors shall be independent directors, accounting for no less than one-third of the Board. Matters regarding qualifications, shareholdings, and independence of independent directors shall comply with securities regulations. The Company shall establish an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. The Audit Committee shall consist of all independent directors. Its structure and responsibilities shall be governed by separate audit committee regulations.

Article 16: When directors' terms expire and no re-election has been held, they shall continue to perform their duties until new directors are elected and assume office. The competent authority may set a deadline for the Company to conduct a re-election; failure to do so shall result in the directors' dismissal at the expiration of the deadline.

Article 17: The Board of Directors shall elect a Chairman by the attendance of at least two-thirds of the directors and approval of a majority of the attending directors. The Chairman shall represent the Company and execute resolutions of the Board and shareholders' meetings. The Company may purchase liability insurance for directors during their term against legal liabilities incurred while performing their duties.

Article 18: The Board shall meet at least once per quarter. Notices for Board meetings shall comply with Article 204 of the Company Act and may be sent in writing, by fax, or email. Vacancies on the Board shall be filled by election, and the term shall be the remainder of the original term.

Article 19: Unless otherwise provided by the Company Act, meetings of the Board of Directors shall be convened by the Chairman and presided over by the Chairman. In the event the Chairman is unable to perform duties, the proxy shall be appointed in accordance with Article 208 of the Company Act.

Article 20: A resolution of the Board of Directors shall, unless otherwise stipulated by the Company Act, require the attendance of a majority of directors and the approval of a majority of attending directors. A director unable to attend may delegate another director to attend on their behalf in writing, specifying the scope of authority, and such delegation shall be limited to one proxy per director. Directors attending by video conference shall be deemed present.

Article 21: Minutes of the Board of Directors' meetings shall be signed or sealed by the chair and distributed to all directors within 20 days after the meeting. The minutes shall include key points and resolutions, and shall be kept together with attendance records and proxies.

Article 22: The remuneration of the Company's Directors shall be determined by the Board of Directors with reference to the level of participation and contribution of each Director to the operations of the Company, as well as with reference to the standards of the industry. The Company may also pay reasonable transportation expenses or other allowances.

Chapter 5 Managerial Officers

Article 23: The Company may appoint managerial officers as necessary. Their appointment and remuneration shall be decided by a majority of directors at a Board meeting attended by a majority of directors.

Chapter 6 Financial Reports

Article 24: At the end of each fiscal year, the Board of Directors shall prepare the following documents and submit them to the shareholders' regular meeting for approval:

- (1) Business Report
- (2) Financial Statements
- (3) Earnings Distribution or Loss Compensation Proposal

Article 25: If the Company has earnings in a fiscal year, it shall allocate remuneration to directors and employees as follows:

- (1) Directors' remuneration: no more than 6%, excluding independent directors.
- (2) Employees' remuneration: 2% to 10%.

If the Company has accumulated losses, these shall be covered first. The allocation shall be resolved by the Board and reported to the shareholders' meeting. Employee remuneration may be paid in cash or shares to employees of subsidiaries meeting certain criteria.

Article 26: After paying all taxes and covering prior years' losses, the Company shall allocate 10% of remaining earnings to the legal reserve unless it has reached the paid-in capital. A special reserve may also be allocated per laws. The remainder may be distributed together with undistributed earnings upon a Board proposal. If earnings are to be distributed as shares, it shall require shareholders' meeting approval.

Cash dividends or distributions from reserves may be approved by the Board with attendance of two-thirds and approval of a majority of attending directors, and reported to the shareholders' meeting.

Dividend policy shall align with the Company's current and future development plans, investment environment, funding needs, and shareholder interests. No dividends shall be distributed if distributable earnings are less than 5% of paid-in capital. Dividends may be distributed in cash or shares, with cash dividends not less than 10% of the total dividends. In the case of significant investments or development plans, all dividends may be distributed as shares.

Chapter 7 Supplementary Provisions

Article 27: The Company may provide external guarantees when necessary for business.

Article 28: Deleted.

Article 29: Matters not provided herein shall be handled in accordance with the Company Act and other applicable laws.

Article 30: Deleted.

Article 31: This Articles of Incorporation was established on May 27, 2002, and subsequently amended on:

1st amendment: August 10, 2002

2nd amendment: January 27, 2003

3rd amendment: June 26, 2006

4th amendment: August 1, 2011

5th amendment: June 26, 2012

6th amendment: November 27, 2012

7th amendment: May 25, 2015

8th amendment: June 6, 2016

9th amendment: May 31, 2017

10th amendment: April 22, 2019

11th amendment: May 30, 2023

12th amendment: June 28, 2024

Nano Electronics and Micro System Technologies, Inc.
Chairman: Sung- Chun Yi

Rules of Procedure for Shareholders' Meetings

Article 1 - Purpose

These Rules are established to promote sound corporate governance at shareholders' meetings, enhance the supervisory functions, and strengthen managerial effectiveness.

Article 2 - Basis

The proceedings of shareholders' meetings shall be conducted in accordance with these Rules. Any matters not provided for herein shall be governed by applicable laws and regulations.

Article 3 - Venue and Time

Shareholders' meetings shall be held at the Company's location or a place convenient for shareholders and appropriate for holding shareholders' meetings. Meetings shall not commence earlier than 9:00 a.m. or later than 3:00 p.m.

Article 4 - Sign-in

The Company shall provide a sign-in book for attending shareholders to sign or require the submission of sign-in cards in lieu of signing. The number of shares represented by attending shareholders shall be calculated based on the sign-in book or submitted sign-in cards, plus those represented by written or electronic votes.

Article 5 - Representation

If a shareholder is a government agency or a legal entity, it may appoint more than one representative to attend the shareholders' meeting. If a legal entity appoints a proxy to attend the meeting, it may appoint only one person to represent it.

Article 6 - Attendees

The Company may appoint its retained attorneys, certified public accountants, or related personnel to attend the shareholders' meeting.

Article 7 - Audio/Video Record

The entire process of the shareholders' meeting, including shareholder registration, meeting proceedings, voting, and ballot counting, shall be recorded continuously via audio and video. The recordings shall be retained for at least one year.

Article 8 - Chairperson

If the shareholders' meeting is convened by the Board of Directors, the Chairperson of the Board shall preside. If the Chairperson is on leave or otherwise unable to perform duties, the provisions of Article 208 of the Company Act shall apply. If the meeting is convened by a party other than the Board of Directors, that party shall preside.

Article 9 - Quorum and Commencement

At the scheduled meeting time, the Chairperson shall call the meeting to order and announce the number of shares present and without voting rights. If less than half of the total issued shares are represented, the Chairperson may postpone the meeting up to two times, for a total delay not

exceeding one hour. If the quorum is still not met but more than one-third of issued shares are represented, a tentative resolution may be made per Article 175, Paragraph 1 of the Company Act. If the number of shares reaches a majority before the meeting ends, the Chairperson may submit the tentative resolution again for resolution per Article 174.

Article 10 - Agenda and Process

If the meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board. All proposals (including amendments or motions) shall be voted on individually. The meeting shall follow the set agenda, and any changes require a resolution by the shareholders' meeting. The same applies to meetings convened by other convening parties. Before all discussion and motions are complete, the Chairperson shall not adjourn the meeting without resolution. If the Chairperson announces adjournment in violation of the Rules, shareholders may elect one among themselves by a majority vote to resume the meeting at the original or another venue.

Article 11 - Speaking Order

Shareholders wishing to speak shall complete a request form with the subject, account number (or certificate number), and name. The Chairperson shall determine the order of speaking. Submitting a speaking form without speaking is considered as not speaking. The content of the actual speech prevails over that written in the form. Without the Chairperson's permission, each shareholder may not speak more than twice on the same motion, and each speech shall not exceed five minutes. The Chairperson may stop speeches violating the time limit or off-topic remarks. No shareholder shall interrupt others' speech without consent from the Chairperson and the speaking shareholder. When a legal entity shareholder assigns multiple representatives, only one may speak on the same motion. The Chairperson or designated personnel may respond after the shareholder's speech.

Article 12 - Discussion and Voting

The Chairperson shall allow adequate explanation and discussion for each proposal. When deemed appropriate, the Chairperson may announce the end of discussion and submit the proposal for voting, allowing adequate time for voting.

Article 13 - Resolution

Unless otherwise provided by the Company Act or the Articles of Incorporation, a proposal shall pass with the approval of more than half of the voting rights represented by attending shareholders. If a motion has both an amendment and a substitute version, the Chairperson shall determine the order of voting. If one version is adopted, the others shall be deemed rejected without further voting.

Article 14 - Ballot Counting

Ballot counting and monitoring personnel shall be appointed by the Chairperson. However, the monitor must be a shareholder. The result shall be announced on-site and recorded.

Article 15 - Adjournment

During the meeting, the Chairperson may announce a recess. In case of force majeure, the Chairperson may temporarily suspend the meeting and announce the time to resume or resolve to resume the meeting within five days without additional notice or announcement.

Article 16 - Order

Shareholders shall comply with the meeting rules, obey decisions, and maintain order. Meeting staff shall wear identification badges or armbands. The Chairperson may instruct security or marshals to maintain order. Marshals shall wear armbands or identification with the word 'Marshal'.

Article 17 - Amendments

These Rules shall be implemented upon approval by the shareholders' meeting, and any amendments shall follow the same procedure.

Board of Directors Shareholding Details

Nano Electronics and Micro System Technologies, Inc.

Suspension of Share Transfer Start Date: April 20, 2025

Title	Name (Chinese / English)	Number of Shares
Chairman	SUNG, CHUN-YI	3,215,973
Director	KIGIANT TECHNOLOGY INC.(Rep. CHIANG, SHAO-CHIEH)	4,362,756
Director	TSENG, KUN-TSAN	2,099,235
Director	HSU, CHIA-YUAN	1,246,650
Independent Director	YEN, MENG-FENG	0
Independent Director	HO, CHIH-WEN	0
Independent Director	HUANG, HUI-LIN	0
Total Board Shareholding		10,924,614

1. Total number of issued shares of the Company: 28,859,776 shares.
2. In accordance with Article 26, Paragraph 2 of the Securities and Exchange Act, the minimum number of shares required to be held by all directors is: 3,463,173 shares.
3. The total shareholding of all directors meets the statutory requirement.
4. As the Company has established an Audit Committee, the requirement for supervisors to hold a minimum percentage of shares is not applicable.