

Stock Code:

6962

ITH Corporation

2024

ANNUAL

REPORT

Printed On April 02,2025

- ▶ The Content of this annual report and the relevant information of the Company can be found on the following website
Taiwan Stock Exchange Market Observation Post System: <http://mops.twse.com.tw>
- ▶ Notice to readers: This is a translation of the 2024 annual report of ITH Corporation. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.



1. Name, position, contact number and email address of the spokesperson and acting spokesperson

Spokesperson

Name: Andy Chu

Job title: Sr. Director

Tel: (03)560-0099

Email address: IR@ITH.LTD

Acting spokesperson

Name: Sandra Chen

Job title: Chief Financial Officer

Tel: (03)560-0099

Email address: IR@ITH.LTD

2. Address and telephone number of headquarters, branch offices, and factories

(1) Company name:

ITH Corporation

Address of registration: PO Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands

Tel: (886)3-560-0099

Website address: <http://www.ilitekholding.com/>

(2) Subsidiaries and sub-subsidiaries

I. Republic of China

(I) ILI Technology Corp.

Address: 10F-1, No. 1, Taiyuan 2nd Street, Zhubei City, Hsinchu County

Tel: (886)3-560-0099

Website address: <https://www.ilitek.com.tw/>

Office

Address: No. 722, Ziqiang Rd, Yongkang District, Tainan City

Tel: (886)6-203-9307

Website address: <https://www.ilitek.com.tw/>

Office

Address: 10F-3, No.288 Station Building, Section 6, Civic Boulevard, Nangang District, Taipei City

Website address: <https://www.ilitek.com.tw/>

(II)W1 Technology Co., Ltd.

Address: 6F-5, No. 6, Taiyuan 1st Street, Zhubei City, Hsinchu
County

Tel: (886)3-527-6056

II. British Virgin Islands

(I)ILITEK Holding Inc.

Address: Portcullis Chambers, 4th Floor, Ellen Skelton Building,
3076 Sir Francis Drake Highway, Road Town, Tortola,
British Virgin Islands VG1110 (Registration Office)

Tel: (886)3-560-0099

III. Mainland China

(I) Granda Microelectronics (Xiamen) Ltd.

Address: 606-5, Qiangye Building, No. 98, Xiangxing Road, Torch
Hi-tech Zone (Xiang'an), Xiamen, Fujian Province

Tel: (86)592-6270660

(II) Howdi Microelectronics (Shenzhen) Co., Ltd.

Address: 21st Floor, Jinrun Building, No. 6019, Shennan Avenue,
Tian'an Community, Shatou Street, Futian District,
Shenzhen City, Guangdong Province

Tel: (86)755-82525621

(III) Hefei Howdi Microelectronics Co., Ltd.

Address: 1201-1204, Yuzhou Plaza, No. 1990, Xingbengbu Road,
Xinzhan District, Hefei City, Anhui Province

Tel: (86)551-62626239

3. Stock Transfer Agency

Name: SinoPac Securities, Register & Transfer Agency Department

Address: 3F, No. 17, Bo'ai Rd, Zhongzheng District, Taipei City

Website address: <https://www.sinotrade.com.tw>

Tel: (02) 2381-6288

4. CPAs of the latest annual financial report

Name of CPAs: Liu Chien-Yu, Cheng Ya-Hui

Name of CPA firm: PwC Taiwan

Address: 27F, No. 333, Section 1, Keelung Road, Xinyi District, Taipei City

Website address: <http://www.pwc.tw>

Tel: (02)2729-6666

5. Name of the exchange where the Company's securities are traded overseas and the method by which the Company's securities are inquired: None
6. Company website: <http://www.ilitekholding.com/>
7. List of Board of Directors

Job title	Name	Nationality	Major experience (education)
Chairman	Milehigh Investments Holding Limited	Hongkong	Master of Chemical Engineering, Stanford University Chairman of ILI Technology Corp. Chairman of MStar Semiconductor Co., Ltd. Marketing assistant of Taiwan Semiconductor Manufacturing Co., Ltd.
	Wayne Liang	Republic of China	Deputy general manager of Vanguard International Semiconductor Corporation Department head of Winbond Electronics Corp.
Director	Nelpus Investments Limited	British Virgin Islands	Department of Finance, University of San Francisco CFO, Magicapital Management Ltd.
	Justin Wang	Republic of China	CFO/Deputy Director of Finance, PPS International Group Senior Manager of Finance, Thermo Fisher Scientific Inc.
Director	ACIT Limited	British Virgin Islands	Master of Electrical Engineering, National Chung Hsing University Project Manager, Smartint Inc.
	Bruce Chen	Republic of China	Director, Elan Microelectronics Corp.
Director	Lydia Chen	Republic of China	Master of Accounting, Soochow University Deputy General Manager and Head of Finance and Accounting, VIA Technologies, Inc. Legal representative of HLJ Technology Co., Ltd. Manager of Audit Department, Deloitte Taiwan

Job title	Name	Nationality	Major experience (education)
Independent Director	Ted Lee	Republic of China	Bachelor of Business Administration, National Taiwan University Chairman, HLJ Technology Co., Ltd. Independent director, WinWay Technology Co., Ltd. Independent director, Posiflex Technology, Inc. Chairman, Chi Yi Electronics Co., Ltd. Legal representative of Liangjie Technology Co., Ltd. General manager, AzureWave Technologies, Inc. Deputy general manager, VIA Technologies, Inc.
Independent Director	Sam Chen	Republic of China	Department of Financial Management, Stern School of Business, New York University Supervisor, Shanglin Investment Co., Ltd. National Chengchi University Institute of Business and Entrepreneurship Class Chairman, Mercuries Life Insurance Co., Ltd.
Independent Director	Peter Teng	Republic of China Canada	Bachelor of Computer Science, University of Toronto Deputy General Manager, Alchip Technologies, Limited Engineer, ATI Technologies Inc.

8. Name, position, contact number and email address of the designated agent in Taiwan:

Name: Wayne Liang

Job title: Chairman

Tel: (03)560-0099

Email address: IR@ITH.LTD

Table of Contents

One. Shareholders' Report	1
Two. Company Overview	6
I. Company and group introduction	6
II. Group Structure	7
III. Risk Items	7
Three. Corporate Governance Report	8
I. Information on directors, general manager, Deputy General Managers, Associate V.P. , and heads of departments and branches	8
II. Remuneration to directors, supervisors, general managers, and deputy general managers in the most recent year	16
III. Corporate governance	22
IV. Information on CPA fees	59
V. Information on replacement of CPAs	59
VI. The Company's chairman, general manager, or manager responsible for financial or accounting affairs, who has worked for the firm to which the CPA belongs or its affiliated companies within the past year.....	59
VII. Transfer and pledge of shares in the most recent year and as of the publication date of this annual report by a director, managerial officer, or shareholder holding more than 10% of the shares	59
VIII. Information on whether the top ten shareholders in terms of shareholding ratio are related persons or spouses or relatives within the second degree of kinship	60
IX. The number of shares held by the Company, its directors, managers and enterprises directly or indirectly controlled by the Company in the same invested enterprise, and the calculation of the comprehensive shareholding ratio.....	61
Four. Fundraising	62
I. Capital and shares	62
II. Issuance of corporate bonds	66
III. Preferred shares.....	66
IV. Overseas depository receipts	66
V. Employee share options	66

VI. Issuance of new employee restricted shares	66
VII. Issuance of new shares for mergers and acquisitions or acceptance of shares of other companies.....	69
VIII. Execution of the plan for utilization of funds	69
Five. Overview of Business Operations	70
I. Description of the business.....	70
II. Market and production and sales overview.....	82
III. Number of employees in the last two years and up to the publication date of the annual report..	89
IV. Information on environmental protection expenditure	89
V. Labor-management relations.....	89
VI. Information security management	92
VII. Important contracts.....	94
Six. Review and analysis of financial status and financial performance and risk issues	95
I. Financial status	95
II. Financial performance.....	96
III. Cash flows.....	97
IV. The impact of major capital expenditures in the most recent year on financial operations.....	97
V. The policy on reinvestments in the most recent year, the main reason for profit or loss, improvement plans, and investment plans for the year ahead.....	98
VI. Risk items	98
VII. Other important matters.....	104
Seven. Special notes.....	105
I. Information on affiliated companies.....	105
II. Private placement of securities in the recent year up till the publication date of this annual report.....	108
III. Other required supplementary information.....	108
IV. Any event that has a significant impact on shareholders' equity or securities prices as defined in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act that occurred during the most recent year and up to the date of publication of the annual report.....	108

V. Description of the significant deviation from Taiwan’s regulations on protection of shareholders' rights and interests..... 108

Eight. Matters that have a significant impact on shareholders’ equity or securities prices 130

One. Shareholders' Report

Dear shareholders,

2024 is a milestone year for the Company. The Company was listed for trading on November 26, 2024, and officially became a listed company on the Taiwan Stock Exchange, which represented a key step for the Company on the road to sustainable development. Through the listing of shares, the Company is able to enhance the flexibility of capital utilization and the efficiency of financial planning, and take this opportunity to further improve the corporate governance structure, implement internal and external supervision systems, improve the transparency of information disclosure, improve the corporate supervision and management mechanism, and strengthen the trust relationship with the market and investors. In the future, the Company will continue to build on its core display and touch technologies, combine innovative momentum with market insights, expand into diversified application markets, and improve operational resilience. We will adhere to the mission of "Leading Innovation and Realizing our Vision" and strive to build a competitive and sustainable corporate structure to create long-term and stable value for our shareholders and stakeholders.

2024 Operating Results

I. Operating Performance

In 2024, the ITH Corporation (hereafter referred to as "ITH") reported a consolidated operating revenue of NT\$22.462 billion for the whole year, an increase of 0.3% over the NT\$22.398 billion from the previous year. Gross profit in 2024 also amounted to NT\$6.024 billion, an increase of 32% over the NT\$4.548 billion from the previous year. Profit after tax was NT\$2.249 billion, an increase of 104% over the NT\$1.102 billion from the previous year. Earnings per share was NT\$5.61, an increase of 60% over the NT\$3.50 from the previous year.

II. Financial Position and Profitability

The overall financial structure of ITH was robust at the end of 2024 with the ratio of long-term capital to property, plant & equipment being 2499%, the current ratio being 238%, the quick ratio being 183%, the return on asset being 8.5%, the return on equity being 12.8%, the profit margin being 10%, and the debt-to-asset ratio being 28%.

III. Research and Development Status

The Company's core technologies lie in display and touch, forming the foundation for the development of corresponding product lines including smartphones, tablets, IT devices, wearables, consumer industrial control applications, and large-format touch panel solutions.

In 2024, the Company developed innovative products across seven product domains: a notebook timing controller with embedded driver IC (TED), a notebook TCON timing controller IC, OLED display driver ICs for smartphones, OLED display driver ICs for notebooks, OLED touch ICs, automotive touch and display driver integration (TDDI) ICs, and tablet display and touch integration ICs with active stylus support. Product design was oriented toward lower power consumption, stronger noise immunity, higher signal-to-noise ratio, cost

competitiveness, and ultra-narrow bezel solutions. These advancements not only created greater value for customers but also enhanced the end-user experience.

Of particular note, the Company's automotive TDDI not only complies with ISO 26262 development processes and ASIL B standards, but also represents the industry's first integration of an Ambient Light Sensor (ALS) into the panel. By enabling the driver IC to interpret ambient light intensity, the solution reduces the number of system components required by customers, offering cost advantages and providing greater mechanical design flexibility. This innovation delivers unique added value to customers and further strengthens the Company's technological leadership.

IV. Summary of the Business Plan for 2025

1. Business Policy

- (1) Prioritize meeting customer needs as the foremost mission, and continue to co-develop products with customers that possess competitive advantages.
- (2) Deepen collaboration with existing customers while expanding cooperation in new product lines; concurrently, leverage the current product portfolio to establish partnerships with new customers.
- (3) Strengthen inventory control and pursue lean operations by cultivating market trend awareness and enhancing risk management capabilities.
- (4) Enhance local talent development and operational team deployment, while introducing digital tools to improve communication efficiency among employees.

2. Forecasted Sales Volume and the Basis Thereof

According to Omdia, the Company's market share in smartphone AMOLED DDI increased from 1.8% in the first quarter of 2023 to 6.6% in the first quarter of 2024, demonstrating the strong growth potential of this product line. The Company continues to work closely with panel manufacturers and smartphone brand customers on the development of mid- to high-end products, focusing on power efficiency and display performance enhancements. These efforts aim to provide end users with extended device usage time and improved eye comfort. The Company remains committed to pursuing further growth in this segment in the coming year. ◦

In the notebook display DDI segment, the Company reached a 16.9% market share in the first quarter of 2024. Driven by rising demand for commercial and mid- to high-end notebooks, along with the gradual maturity of the TCON product line deployment in 2025, the Company expects this segment to continue providing sustainable growth momentum.

The Company maintains close cooperation with panel manufacturing customers and observes that the Chinese government's phased subsidies for consumer goods, home appliances, and electric vehicles have had a positive effect on market demand in China. Nevertheless, the global economy remains influenced by geopolitical factors, and tariff uncertainties may disrupt supply chain stability and weaken consumer confidence. The Company will continue to monitor global market dynamics and work hand in hand with customers and supply chain partners to

create long-term value for shareholders.

3. Important Production and Sales Policies

Given the uncontrollable uncertainties in the external environment, tariffs, and supply chains, the Company will continue to implement a diversified supply chain policy to enhance operational resilience and ensure stable product production and delivery to customers.

In addition, the Company has formulated sales strategies aimed at achieving stable development under uncertainty, with a focus on the following areas:

(1) Mobile Intelligent Device :

As OLED panels gradually replace LCD FHD in the market, the Company is not only developing mid- to high-end smartphone products but also introducing OLED RAMLess DDIs to strengthen its market position. For LCD smartphone display applications, the Company emphasizes cost reduction and multifunctional integration as key development directions. Through collaboration with panel manufacturers, the Company is also developing TDDIs with integrated sensors to explore niche markets and expand into applications beyond smartphones. In addition to serving traditional tablet customers, the expansion strategies of smartphone brands into broader ecosystems are driving increased demand for tablets. Leveraging its expertise in high refresh rates, high resolution, high reporting rates, and active stylus technology, the Company is launching high-end tablet TDDIs with 2.8K resolution and above, which are expected to achieve promising results in large tablets designed for both entertainment and productivity.

(2) IT System Device :

In addition to deepening its presence in the gaming notebook market, the Company is developing notebook OLED DDIs to meet the rising demand for high-end AI notebooks and the ramp-up of large-generation IT panel production lines. These products have completed validation with major panel customers and are expected to enter mass production in 2025. Together with existing high-end, high-refresh-rate LCD products, the Company will provide customers with a more comprehensive product portfolio. For notebook touch products, the Company has received certification from the world's top five notebook brands, with mass production beginning in 2024. The Company's TCON products have also completed validation with panel customers and entered mass production in medical applications. Looking ahead to 2025, with the integration of the TCON team and the acquisition of technical licensing and products from MediaTek, the Company is well positioned to provide more complete notebook solutions. The synergies across notebook DDIs, TCONs, and touch products are expected to further increase market share.

(3) Industrial Control and Automotive Device :

The growth trend in smart cockpits and electric vehicles remains robust. The Company has taken the industry lead in launching high value-added automotive TDDIs that integrate

ambient light sensors (ALS) and temperature sensors (TS), enhancing user experience across different in-vehicle environments. The Company will continue to advance products such as Bridge/TCON, LCD DDIs, and OLED DDIs, broadening product coverage to increase market share in automotive displays and driving new long-term revenue and profit growth momentum.

The Company has also long focused on touch applications for industrial and niche products, including industrial PCs, HMI, ATMs, POS, medical equipment, marine, smart home, and interactive whiteboards (IWB) for digital conferencing and education. Looking to 2025, the mass production of highly integrated single-chip solutions will further expand opportunities in high-end video conferencing systems, smart educational blackboards, and learning devices with integrated active stylus functionality.

V. Environmental, Sustainability, and Corporate Governance

ITH is committed to sound corporate governance and balanced development in ESG. Technological innovation is employed by the R&D team to realize the goal of green corporate sustainability through chip designs with better performance and energy-efficiency. For the environmental aspect, we commissioned an EMS system in 2024 that uses data analysis to track our energy usage in order to improve our energy efficiency and reduce carbon emissions. The Task Force on Climate-related Financial Disclosures (TCFD) framework will be introduced in 2025 as well to help stakeholders understand how ITH is preventing and mitigating all the risks and opportunities associated with climate change. At the same time, ITH will expand our influence in the community through improvements to quality of education and community health, as well as support for institutions helping disabled children and the disadvantaged so that the UN Sustainable Development Goals (SDGs) can be gradually realized. ITH will continue to embrace the spirit of innovation and sustainability to promote low-carbon transition at the organizational level and rigorous management of operating risks. We will continue to strengthen our communication and partnership with all stakeholders, and amplify the impact of our ESG initiatives in order to create more positive interactions and developments for businesses, society, and the environment.

VI. Future Prospects

Many challenges await the semiconductor industry under the influence of external competition, the legal environment, and the overall business environment, including growing geopolitical risks, greater competition, tariff issues, and general economic disturbances. Developments in AI technology have also brought with them new opportunities in high-performance computing, smart applications, and innovative products. A robust business strategy is followed by ITH. Internally, we focus on the refinement of core technologies, cultivation of R&D talent, and the building of more competitive products and services; externally, we actively invest in key technologies to expand the scope and depth of product applications. We also built comprehensive and resilient supply chain networks so that we can respond to changes in the global market and customer requirements in an agile manner, and work with our

upstream/downstream partners to maintain growth in a very competitive market. ITH is also a greater supporter of sustainable development. We practice green design and low-carbon operations, fulfill our social responsibility, and strengthen corporate governance to enhance our business resilience. We aim to achieve stability through change, and progress through stability. We seek to co-create and share our operating results with all stakeholders, while also creating persistent, long-term returns and value for our shareholders. We thank all shareholders for your longstanding support and encouragement, and wish everyone the best of health and success in all endeavors.

Chairman: Wayne Liang

President: Bruce Chen

Two. Company Overview

I. Company and group introduction

1. Date of establishment and group profile

The Company was established on January 10, 2019, and engaged in investment holding. On July 6, 2021, the Company was renamed to ITH Corporation (hereinafter referred to as the Company or the Group). The business scope of the Company is in display driver IC design, mainly providing design, research and development, sales and technical services of display driver IC, which is an important component of the panel, widely used in smartphones, tablet PCs, notebooks, desktops, in-vehicle displays and wearable electronic products. The registration countries and the main functions of the Group's subsidiaries are as follows:

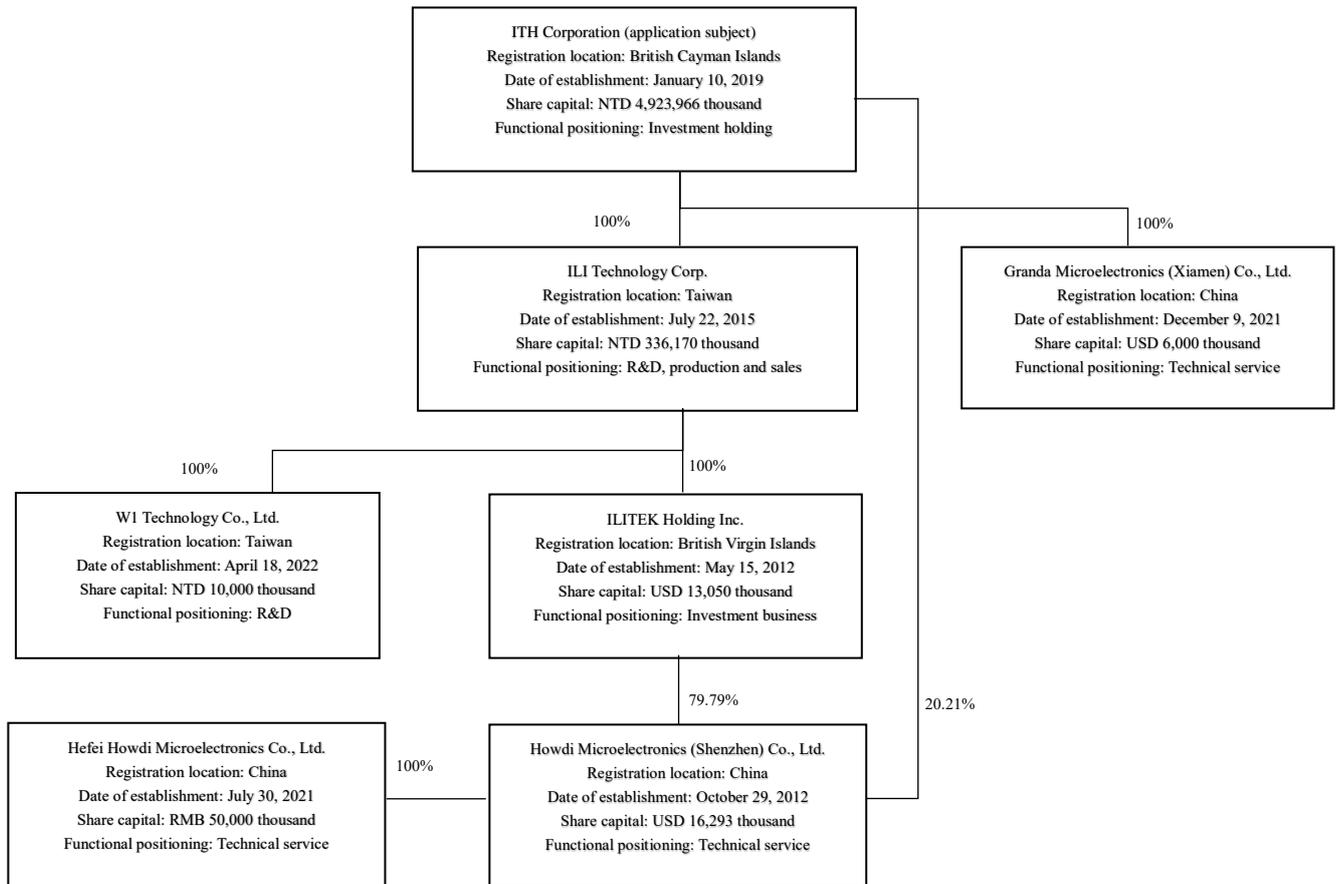
Company name	Place of registration	Main business functions of the Group
ITH Corporation (hereinafter referred to as the "Company" or the "Group")	British Cayman Islands	Investment holding
ILI Technology Corp.	Republic of China	Research, design, development and sales of display-related analog application integrated circuit components
Granda Microelectronics (Xiamen) Co., Ltd.	China	Sales, related technical consulting and after-sale services of electronic products
W1 Technology Co., Ltd.	Republic of China	IC research, design and development
ILITEK Holding Inc.	British Virgin Islands	General investment
Howdi Microelectronics (Shenzhen) Co., Ltd.	China	Sales, related technical consulting and after-sale services of electronic products
Hefei Howdi Microelectronics Co., Ltd.	China	Sales, related technical consulting and after-sale services of electronic products

(II) History of the Company and the Group

Year	Important notes
2019	ITH Technology (Cayman) Co., Ltd., a Cayman Islands company, was established and registered in the Cayman Islands.
2021	ITH Technology (Cayman) Co., Ltd., a Cayman Islands company, was renamed to ITH Corporation
2021	Established Hefei Howdi Microelectronics Co., Ltd. and Granda Microelectronics (Xiamen) Co., Ltd.
2022	Established Taiwan subsidiary, W1 Technology Co., Ltd.
2023	Implement capital increase in cash of USD 26,895 thousand
2024	Implement capital increase in cash of NTD 400,000 thousand Approved by Taiwan Stock Exchange Corporation for stock listing

II. Group Structure

Date: March 31, 2025



III. Risk Items

Please refer to "VI. Risk Assessment for the Most Recent Year and as of the Date of Publication of the Annual Report" in "6. Risk items."

Three. Corporate Governance Report

I. Information on directors, general manager, Deputy General Managers, Associate V.P., and heads of departments and branches

(I) Information of directors:

1. Directors:

Date: April 12, 2025; Unit: Thousand Shares, %

Job title	Name	Gender Age	Nationality or place of registration	Date of initial appointment	Date of election	Term of office	Shareholding at the time of election		Current number of shares held		Shares held by spouse and underage children		Shares held in the name of others		Major experience (education)	Currently holding concurrent positions in the Company and other companies	Spouse or other managers, directors or supervisors within the second degree of kinship			Note
							shares	%	shares	%	shares	%	shares	%			Job title	Name	Relation	
Chairman	Milehigh Investments Holding Limited	-	Hongkong	December 29, 2023	December 29, 2023	3	24,378	4.95	24,378	4.95	-	-	-	-	-	-	-	-	-	-
	Representative: Wayne Liang	Male 61-70	Republic of China	December 29, 2023	December 29, 2023	3	-	-	-	-	13,618	2.77	-	-	Master of Chemical Engineering, Stanford University Chairman of MStar Semiconductor Co., Ltd. Taiwan Semiconductor Manufacturing Co., Ltd. Marketing Assistant Vanguard International Semiconductor Corporation Deputy General Manager Department head of Winbond Electronics Corp.	Chairman of ILI Technology Corp.	-	-	-	-
Director	Nelpus Investments Limited	-	British Virgin Islands	October 10, 2021	December 29, 2023	3	42,023	8.53	42,023	8.53	-	-	-	-	-	-	-	-	-	-
	Representative: Justin Wang	Male 41-50	Republic of China	December 29, 2023	December 29, 2023	3	-	-	-	-	-	-	-	-	Department of Finance, University of San Francisco CFO/Deputy Director of Finance, PPS International Group Senior Manager of Finance, Thermo Fisher Scientific Inc.	CFO, Magicapital Management Ltd. Legal representative of director of ILI Technology Corp. Supervisor, Granda Microelectronics (Xiamen) Co., Ltd.	-	-	-	-

Job title	Name	Gender Age	Nationality or place of registration	Date of initial appointment	Date of election	Term of office	Shareholding at the time of election		Current number of shares held		Shares held by spouse and underage children		Shares held in the name of others		Major experience (education)	Currently holding concurrent positions in the Company and other companies	Spouse or other managers, directors or supervisors within the second degree of kinship			Note
							shares	%	shares	%	shares	%	shares	%			Job title	Name	Relation	
Director	ACIT Limited	-	British Virgin Islands	December 29, 2023	December 29, 2023	3	14,183	2.88	14,183	2.88	-	-	-	-	-	-	-	-	-	-
	Representative: Bruce Chen	Male 41-50	Republic of China	December 29, 2023	December 29, 2023	3	915	0.19	673	0.14	300	0.06	-	-	Master of Electrical Engineering, National Chung Hsing University Project Manager, Smartint Inc. Director, Elan Microelectronics Corp.	General Manager, ITH Corporation Legal representative of director and general manager of ILI Technology Corp. Director, ILITEK Holding Inc. W1 Technology Co., Ltd. Representative of director and general manager Director, Granda Microelectronics (Xiamen) Co., Ltd. Director, Howdi Microelectronics (Shenzhen) Co., Ltd. Director, Hefei Howdi Microelectronics Co., Ltd.	-	-	-	-
Director	Lydia Chen	Female 51-60	Republic of China	December 29, 2023	December 29, 2023	3	-	-	-	-	-	-	-	-	Master of Accounting, Soochow University Manager of Audit Department, Deloitte Taiwan	Deputy General Manager and Head of Finance and Accounting, VIA Technologies, Inc. Legal representative of HLJ Technology Co., Ltd.	-	-	-	-
Independent Director	Ted Lee	Male 51-60	Republic of China	December 29, 2023	December 29, 2023	3	-	-	-	-	-	-	-	-	Bachelor of Business Administration, National Taiwan University General manager, AzureWave Technologies, Inc. Deputy general manager, VIA Technologies, Inc.	Chairman, HLJ Technology Co., Ltd. Legal representative of Liangjie Technology Co., Ltd. Independent director, WinWay Technology Co., Ltd. Independent director, Posiflex Technology, Inc. Chairman, Chi Yi Electronics Co., Ltd.	-	-	-	-
Independent Director	Sam Chen	Male 51-60	Republic of China	December 29, 2023	December 29, 2023	3	-	-	-	-	-	-	-	-	Department of Financial Management, Stern School of Business, New York University National Chengchi University Institute of Business and Entrepreneurship Class Chairman, Mercuries Life Insurance Co., Ltd.	Supervisor, Shanglin Investment Co., Ltd.	-	-	-	-
Independent Director	Peter Teng	Male 41-50	Republic of China Canada	March 14, 2024	March 14, 2024	3	-	-	-	-	-	-	-	-	Bachelor of Computer Science, University of Toronto Engineer, ATI Technologies Inc.	Cayman Islands-based company, Alchip Technology Inc. Deputy General Manager, Limited Company	-	-	-	-

2. Major shareholders of legal person shareholders:

Date: April 12, 2025

Name of corporate shareholder	Major shareholders of the corporate shareholder
Milehigh Investments Holding Limited	Nelpus Investments Limited (100%)
Nelpus Investments Limited	Preeminent Investments Holding Limited (100%)
ACIT Limited	ACPF D Limited (100%)

3. Majority shareholder of a corporation whose principal shareholder is a corporation:

Date: April 12, 2025

Name of corporate shareholder	Major shareholders of the corporate shareholder
Preeminent Investments Holding Limited	MagiCapital Fund II L.P. (100%)
ACPF D Limited	Achi Capital Partners Fund L.P. (100%)

4. Professional knowledge of directors and independence of independent directors

Conditions Name	Professional qualifications and experience	Independence	Number of other public companies where one concurrently serves as an independent director
Chairman Milehigh Investments Holding Limited Representative: Wayne Liang	Graduated with a master's degree in Chemical Engineering from Stanford University in the United States. He has served as director of Winbond Electronics, vice president of Vanguard International Semiconductor Corporation, senior manager of TSMC's marketing department, and chairman of MStar Semiconductor. He has worked in the semiconductor industry for a long time and has many years of professional management experience in the industry.		None
Director Nelpus Investments Limited Representative: Justin Wang	Graduated from the University of San Francisco, he served as CFO of PPS Group and Senior Manager of Thermo Fisher Scientific, and has many years of practical experience in the industry.		None
Director ACIT Limited Representative: Bruce Chen	Graduated with a master's degree in the Department of Electrical Engineering of National Chung Hsing University and has served as director of ELAN Microelectronics and project manager of SMARTINT, INC. He has served as the General Manager of the Company since January 2024. With his expertise and outstanding abilities, he has a deep understanding of the Company's R&D and business. He has extensive experience in the Company and related industries and possesses relevant professional abilities and practical experience.		None

Conditions Name	Professional qualifications and experience	Independence	Number of other public companies where one concurrently serves as an independent director
Director Lydia Chen	Graduated with a master's degree in accounting from Soochow University and worked as the manager of the audit department at Deloitte Taiwan. She is currently the vice president and financial director of VIA Technologies and the legal representative of HLJ Technology Co., Ltd. She has a major in accounting and many years of experience in accounting firms and industries, and is rich in professional and practical experience.		None
Independent Director Ted Lee	Graduated from the Department of Business Administration of National Taiwan University. He has served as the vice president of VIA Technologies and the general manager of AzureWave Technologies, Inc. He is currently the chairman of HLJ Technology Co., Ltd. and has many years of practical experience in semiconductor-related industries.	1. Comply with the requirements defined in Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies". 2. The independent directors of this term, their spouses, and their relatives within the second degree of kinship do not serve as directors, supervisors, or employees of the Company or its affiliated companies. 3. The independent directors of this term, their spouses, relatives within the second degree of kinship held any shares of the Company, or under the name of others. 4. None of the independent directors of the current term serves as a director, supervisor or employee of any company with a specific relationship with the Company. 5. The independent directors of this term did not receive any remuneration for providing commercial, legal, financial or accounting services, etc. to the Company or its affiliates in the last two years.	2
Independent Director Sam Chen	Graduated from the Department of Financial Management, Stern School of Business, New York University and was formerly the chairman of Mercuries Life Insurance. He has many years of practical experience in finance.		None
Independent Director Peter Teng	Graduated from the Department of Computer Science at the University of Toronto. He was an engineer at ATI Technologies Inc., and is currently the vice president of Alchip Technologies Limited. He has many years of practical industry experience.		None

Note: None of the Company's directors is currently subject to any of the circumstances listed in Article 30 of the Company Act.

5. Board diversity and independence

(1) Diversity of the Board of Directors

The election of directors of the Company is based on comprehensive consideration of the directors' professional qualifications, experience and diversity, and is not affected by factors such as gender, age, nationality and culture. The Company's Board of Directors is composed of diverse directors to make appropriate decisions for the sustainable development of the Company. The Company's current diversity policy for board members and its implementation are as follows:

Job title	Name of director	Nationality	Gender	Age	Industry experience/Professional ability						
					Operational judgment	Accounting and financial analysis	Business management	Crisis management	Industry knowledge	International market outlook	Leadership decision
Chairman	Milehigh Investments Holding Limited	Hongkong	-	-	•	•	•	•	•	•	•
	Representative: Wayne Liang	Republic of China	Male	61~70							
Director	Nelpus Investments Limited	British Virgin Islands	-	-	•	•	•	•	•	•	•
	Representative: Justin Wang	Republic of China	Male	41~50							
Director	ACIT Limited	British Virgin Islands	-	-	•	-	•	•	•	•	•
	Representative: Bruce Chen	Republic of China	Male	41~50							
Director	Lydia Chen	Republic of China	Female	51~60	•	•	•	•	•	•	•
Independent Director	Ted Lee	Republic of China	Male	51~60	•	•	•	•	•	•	•
Independent Director	Sam Chen	Republic of China	Male	51~60	•	•	•	•	•	•	•
Independent Director	Peter Teng	Republic of China Canada	Male	41~50	•	-	•	•	•	•	•

(2) Independence of the Board of Directors

The Company's current Board of Directors consists of 7 directors, including 4 directors and 3 independent directors. All board members are of local nationality, with only 1 being an employee, accounting for 14% of all directors. The Company attaches great importance to gender equality, and there is one female director among the board members, and female directors account for 14% of all directors. The independence of the Company's directors is determined on a case-by-case basis. The Company is committed to continuously assessing the independence of the Board of Directors and will consider all relevant factors, including but not limited to: whether the directors can continue to provide constructive advice to the management team and other directors, whether they express their views independently, and whether their words and deeds within and outside the Board of Directors are consistent with the general moral values of society.

There are 3 independent directors in the Company, accounting for 43% of the Board of Directors. None of the directors has any of the matters specified in Paragraph 3 and 4 of Article 26-3 of the Securities and Exchange Act, and the directors do not have any spouse or relative within the second degree of kinship of another. The number of directors who concurrently serve as managers shall not exceed one-third of the board seats. In addition, the qualifications for independent directors of the Company have all met the expectations of the Company and have

demonstrated their professional qualities. Therefore, all independent directors of the Company are external parties independent of the Company.

6. The Company currently has less than 1/3 of the board seats held by either gender. Please explain the reasons and future plans.

(1) Reasons

The Company has 7 seats on the Board of Directors. The current directors have been elected at the extraordinary shareholders' meeting on December 29, 2023. There is only one female director. Although it complies with relevant laws and regulations, it still does not reach 1/3 of the board seats. This is mainly because the composition of the Board of Directors takes into account professional background and management experience, and in the past, the proportion of male talents in the semiconductor market was still higher.

(2) Future plans and measures:

- A. The Company will actively promote gender diversity policies in the future and take gender ratios into account during directors' re-elections, to ensure compliance with the gender balance goals set by the competent authorities.
- B. In the future, the Company plans to recruit more candidates with relevant professional backgrounds and in line with the goal of gender balance, and when conducting a general election or adding seats to the Board of Directors, priority will be given to talents with gender diversity, in order to gradually achieve the goal of having no less than 1/3 of the seats for directors of either gender. In the future, we will consult multiple channels for talent recommendations to improve the effectiveness of corporate governance and implement the policy of board diversity.

(3) Specific actions:

- A. The Company has formulated a gender diversity policy. In the future, it will reduce the uneven gender ratio in the workforce through talent cultivation and succession planning.
- B. Make good use of the database of specific talents to increase the chance of matching female directors.
- C. When the Board of Directors is re-elected in the future, the Company will invite professionals with diverse backgrounds and gender ratios that meet the target to serve as directors, and ensure that the Board of Directors takes gender diversity into consideration when reviewing candidates.

(II) General Manager, Deputy General Manager, Associate V.P., and heads of various departments and branches:

Date: April 12, 2025; Unit: Thousand Shares, %

Job title	Name	Gender	Nationality	Date of appointment (employment) (Note1)	Shareholding		Shares held by spouse and underage children		Shares held in the name of others		Major experience (education)	Currently holding concurrent positions in the Company and other companies	Managers who are spouses or relatives within second degree of kinship			Employee stock options acquired by managerial officers	Note
					shares	%	shares	%	shares	%			Job title	Name	Relationship		
General Manager	Bruce Chen	Male	Republic of China	January 16,2024	673	0.14	300	0.06	-	-	Master of Electrical Engineering, National Chung Hsing University Project Manager, Smartint Inc. Director, Elan Microelectronics Corp.	Legal representative of director and general manager of ILI Technology Corp. Director, ILITEK Holding Inc. W1 Technology Co., Ltd. Representative of director and general manager Granda Microelectronics (Xiamen) Co., Ltd. Executive Director Howdi Microelectronics (Shenzhen) Co., Ltd. Executive Director	-	-	-	-	-
Chief Financial Officer	Sandra Chen	Female	Republic of China	January 16,2024	276	0.06	-	-	-	-	Certified Public Accountant of the Republic of China Master of Accounting, Chung Yuan Christian University Bachelor of Business Administration, Sun Yat-sen University ProMOS Technologies Inc. Deputy Chief of Accounting Department Accounting Manager, E-Techco International Co., Ltd.	Senior Director, Finance and Accounting Division, ITH Corporation. Howdi Microelectronics (Shenzhen) Co., Ltd. Supervisor Supervisor, Hefei Howdi Microelectronics Co., Ltd.	-	-	-	-	-
Associate V.P. of R&D	Anson Lee	Male	Republic of China	January 16,2024	553	0.11	-	-	-	-	Department of Electrical Engineering, National Chung Hsing University Project Manager, SMARTINT, INC. SYNTEK SEMICONDUCTOR CO., LTD. Project Engineer	Associate V.P., ITH Corporation	-	-	-	-	-

Job title	Name	Gender	Nationality	Date of appointment (employment) (Note1)	Shareholding		Shares held by spouse and underage children		Shares held in the name of others		Major experience (education)	Currently holding concurrent positions in the Company and other companies	Managers who are spouses or relatives within second degree of kinship			Employee stock options acquired by managerial officers	Note
					shares	%	shares	%	shares	%			Job title	Name	Relationship		
Associate V.P. of Sales – Subsidiary	Tom Cheng	Male	Republic of China	March 14,2024	545	0.11	-	-	-	-	Computer Science Department, Massachusetts State University Department of Business Administration, National Chengchi University Bachelor of Insurance, National Chengchi University Broadcom Technology Co., Ltd. Technical marketing manager Product Manager, Infineon Technologies CRM Engineer, Taiwan Semiconductor Manufacturing Company Limited	Associate V.P., ITH Corporation	-	-	-	-	Note 2
Corporate Governance Officer	Louise Cheng	Female	Republic of China	January 16,2024	54	0.01	-	-	-	-	Master of International Business Administration, Fu Jen Catholic University Bachelor of Law, National Taiwan University ALi Corporation Chief Legal Officer FSP Technology Inc. Senior Legal Director	Senior Manager, ITH Corporation	-	-	-	-	-

Note 1: Except for Tom Cheng, Associate V.P. of Sales – Subsidiary, the remaining managers were appointed by the resolution of the Board of Directors on January 16, 2024. Previously, the department heads were responsible for the relevant duties.

Note 2: Tom Cheng, Associate V.P. of Sales – Subsidiary, took office on March 14, 2025 after approval by the Board of Directors.

(III) If the chairman and the general manager or a person of equivalent position (top manager) are the same person, spouse or first degree relative, please explain the reasons, rationality, necessity and corresponding measures: No such situation.

II. Remuneration to directors, general manager, deputy general managers and associate V.P. in the most recent year

(I) The remuneration paid to directors and independent directors

Unit: NTD Thousands

Job title	Name	Remuneration to directors								Sum of A+B+C+D and ratio to net income (%)		Remuneration received by directors for concurrent service as an employee						Sum of A+B+C+D+E+F+G and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company				
		Base compensation (A)		Retirement pay and pension (B)		Director profit-sharing compensation (C)		Expenses and perquisites (D)				Salary, rewards, and special disbursements (E)		Retirement pay and pension (F)		Employee profit-sharing compensation (G)								
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company			All consolidated entities		The Company	All consolidated entities
																		Amount in cash	Amount in stock		Amount in cash	Amount in stock		
Chairman	Milehigh Investments Holding Limited Representative: Wayne Liang	5,524	5,524	-	-	25,765	25,765	550	550	31,839 1.42	31,839 1.42	1,070	23,809	-	108	13,217	-	14,899	-	46,126 2.05	70,655 3.14	-		
Director	Nelpus Investments Limited Representative: Justin Wang																							
Director	ACIT Limited Representative: Bruce Chen																							
Director	Lydia Chen																							
Independent Director	Ted Lee																							
Independent Director	Sam Chen																							
Independent Director	Peter Teng																							

1. Please state the policy, system, standard and structure of the remuneration to independent directors, and the correlation between the amount of remuneration paid and factors such as responsibilities, risks, and time invested:
The Company has established "Rules for Performance Evaluation of Board of Directors" to regularly evaluate the performance of the Board of Directors and various functional committees. In accordance with the provisions of the Company's Articles of Incorporation, the remuneration of directors is authorized to be determined by the Board of Directors based on their level of participation in the Company's operations and the value of their contributions, and with reference to the standards of the same industry.

2. In addition to the above disclosures, the remuneration received by the Company's directors for providing services to all companies included in the financial report (such as serving as consultants other than employees, etc.) in the most recent year: None.

Note 1: The Company pays the directors a monthly fixed remuneration since 2024. On March 14, 2025, the Board of Directors resolved to distribute NT\$25,765 thousand in remuneration to employees and NT\$25,765 thousand in remuneration to directors for 2024. It is expected to submit a report to the 2025 annual shareholders' meeting.

Note 2: The remuneration disclosed in this table is different from the concept of income in the Income Tax Act. Therefore, this table is intended for information disclosure and not for taxation purposes.

Remuneration brackets table

Ranges of remuneration paid to each of the Company's directors	Name of director			
	Sum of A+B+C+D		Sum of A+B+C+D+E+F+G	
	The Company	All consolidated entities	The Company	All consolidated entities
Less than NTD 1,000,000	Milehigh Investments Holding Limited Representative: Wayne Liang (Note 1), ACIT Limited Representative: Bruce Chen (Note 1)	Milehigh Investments Holding Limited Representative: Wayne Liang (Note 1), ACIT Limited Representative: Bruce Chen (Note 1)	Milehigh Investments Holding Limited Representative: Wayne Liang (Note 1)	-
NTD 1,000,000 (inclusive) - NTD 2,000,000 (exclusive)	Nelpus Investments Limited Representative: Justin Wang (Note 1)	Nelpus Investments Limited Representatives: Justin Wang (Note 1),	Nelpus Investments Limited Representative: Justin Wang (Note 1)	Nelpus Investments Limited Representative: Justin Wang (Note 1)
NTD 2,000,000 (inclusive) - NTD 3,500,000 (exclusive)	Peter Teng	Peter Teng	Peter Teng	Peter Teng
NTD 3,500,000 (inclusive) - NTD 5,000,000 (exclusive)	Nelpus Investments Limited, ACIT Limited, Lydia Chen, Ted Lee, Sam Chen	Nelpus Investments Limited, ACIT Limited, Lydia Chen, Ted Lee, Sam Chen	Nelpus Investments Limited, ACIT Limited, Lydia Chen, Ted Lee, Sam Chen	Milehigh Investments Holding Limited Representative: Wayne Liang (Note 1), Nelpus Investments Limited, ACIT Limited, Lydia Chen, Ted Lee, Sam Chen
NTD 5,000,000 (inclusive) - NTD 10,000,000 (exclusive)	Milehigh Investments Holding Limited	Milehigh Investments Holding Limited	-	-
NTD 10,000,000 (inclusive) - NTD 15,000,000 (exclusive)	-	-	ACIT Limited Representative: Bruce Chen (Note 1)	-
NTD 15,000,000 (inclusive) - NTD 30,000,000 (exclusive)	-	-	-	-
NTD 30,000,000 (inclusive) - NTD 50,000,000 (exclusive)	-	-	-	ACIT Limited Representative: Bruce Chen

Ranges of remuneration paid to each of the Company's directors	Name of director			
	Sum of A+B+C+D		Sum of A+B+C+D+E+F+G	
	The Company	All consolidated entities	The Company	All consolidated entities
				(Note 1)
NTD 50,000,000 (inclusive) - NTD 100,000,000 (exclusive)	-	-	-	-
NTD 100,000,000 or above	-	-	-	-
Total	7 people (including 3 legal representatives)			

Note 1: The business execution expenses (including transportation expenses) of the directors are paid to the natural person representative of the legal directors.

(II) Remuneration of general manager, deputy general manager and Associate V.P.

Unit: NTD Thousands

Job title	Name	Salary (A)		Retirement pay and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	the Company		All consolidated entities		The Company	All consolidated entities	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
General Manager	Bruce Chen													
Associate V.P. of R&D	Anson Lee	1,955	9,679	-	324	-	27,731	19,692	-	22,646	-	21,647 0.96	21,647 2.68	-
Associate V.P. of Sales – Subsidiary	Tom Cheng													

Note 1: On March 14, 2025, the Company's Board of Directors resolved to distribute NT\$25,765 thousand in employee remuneration and NT\$25,765 thousand in director remuneration for 2024. The report is expected to be submitted in the 2025 annual shareholders' meeting.

Note 2: Associate V.P. of Sales – Subsidiary, Tom Cheng, took office after being approved by the Board of Directors on March 14, 2025.

Remuneration brackets table

Remuneration range for each general manager, deputy general manager and associate V.P. of the Company	Name of general manager, deputy general manager and associate V.P.	
	the Company	All consolidated entities
Less than NTD 1,000,000	Tom Cheng	
NTD 1,000,000 (inclusive) - NTD 2,000,000 (exclusive)		
NTD 2,000,000 (inclusive) - NTD 3,500,000 (exclusive)		
NTD 3,500,000 (inclusive) - NTD 5,000,000 (exclusive)		
NTD 5,000,000 (inclusive) - NTD 10,000,000 (exclusive)	Anson Lee	Tom Cheng
NTD 10,000,000 (inclusive) - NTD 15,000,000 (exclusive)	Bruce Chen	
NTD 15,000,000 (inclusive) - NTD 30,000,000 (exclusive)		Anson Lee
NTD 30,000,000 (inclusive) - NTD 50,000,000 (exclusive)		Bruce Chen
NTD 50,000,000 (inclusive) - NTD 100,000,000 (exclusive)		
NTD 100,000,000 or more		
Total	3 people	3 people

(III) Name of manager who distributed employee remuneration in the most recent year and the distribution situation:

Unit: December 31, 2024 NTD thousands, %

Job title		Name	Stock amount	Cash amount	Total	Total as a percentage of net income after tax (%)
Managerial officers	General manager	Bruce Chen	-	29,358	29,358	1.31%
	Chief Financial Officer	Sandra Chen				
	Associate V.P. of R&D	Anson Lee				
	Associate V.P. of Sales – Subsidiary	Tom Cheng				
	Corporate Governance Officer	Louise Cheng				

Note 1: On March 14, 2025, the Company's Board of Directors resolved to distribute NT\$25,765 thousand in employee remuneration and NT\$25,765 thousand in director remuneration for 2024. The report is expected to be submitted in the 2025 annual shareholders' meeting.

Note 2: Associate V.P. of Sales – Subsidiary, Tom Cheng, took office after being approved by the Board of Directors on March 14, 2025.

(IV) The remunerations of the top five executives with the highest remuneration: The Company does not have the following circumstances, so there is no need to disclose this information.

1. The parent company only or the individual financial statements for the last three years have incurred after-tax losses.
2. The Company's corporate governance evaluation results for the most recent year are in the last two tiers, or the Company has changed its trading method, suspended trading, or terminated its listing in the most recent year and up to the date of publication of the annual report, or the Company has been deemed by the Corporate Governance Evaluation Committee to be not eligible for evaluation.

(V) An analysis of the total amount of remuneration paid by the Company and all the companies in the consolidated statements to the Company's directors, general manager, deputy general manager and assistant manager in the most recent two years as a percentage of the net profit after tax in the parent company only or individual financial statements, and an explanation of the policy, standards and combination of remuneration payments, the procedures for setting remuneration, and its relevance to operating performance and future risks:

1. Analysis of the proportion of remuneration paid by the Company and all the companies in the consolidated statements to the Company's directors, general manager, deputy general manager and assistant manager in the last two years to the net profit after tax in the parent company only or individual financial reports:

Unit: NT\$ Thousands

Job title	2024		2023	
	Total remuneration as a percentage of net income after tax (%)		Total remuneration as a percentage of net income after tax (%)	
	the Company	All companies included in the consolidated financial statements	the Company	All companies included in the consolidated financial statements
Directors	2.05%	3.14%	-	2.52%
General manager, deputy general managers and associate V.P.	0.96%	2.68%	-	5.14%

2. The policies, standards, and packages for the payment of remuneration, the procedures for determining remuneration, and their correlation with operating performance and future risks

(1) Directors

In addition to receiving fixed salaries in accordance with their positions, directors of the Company may also participate in the Company's profit distribution, which is clearly stipulated in the Company's Articles of Incorporation. If the Company makes a profit in a year, it shall distribute employee remuneration at a rate not less than 1% of the pre-tax net profit before deducting employee remuneration and director remuneration in that year, and shall distribute director remuneration at a rate not exceeding 1% of the pre-tax net profit before deducting employee remuneration and director remuneration in that year. However, if the Company still has accumulated losses, it shall reserve an amount to offset the accumulated losses.

The Company has established a Remuneration Committee, which is composed of all independent directors. The Remuneration Committee is responsible for formulating and regularly reviewing the performance evaluation and remuneration policies, systems, standards and structures of directors and managers. At the same time, the remuneration of directors and managers is determined after regular evaluation. Individual remuneration has been submitted to the Remuneration Committee and the Board of Directors for resolution.

(2) General manager, deputy general manager and associate V.P.

The remuneration of general manager, deputy general manager and associate V.P. includes salary, bonus and retirement pension, which is determined based on the position held, responsibilities assumed and contribution to the Company, and is discussed with reference to the industry standards, and reported to the Remuneration Committee and the Board of Directors for resolution.

III. Corporate governance

(I) Operation of the Board of Directors :

The Board of Directors held 9 (A) meetings in 2024. The attendance of directors was as follows:

Job title	Name	Number of actual attendance (B)	Number of attendance by proxy	Actual attendance (listing) rate (B/A)	Note
Chairman	Milehigh Investments Holding Limited Representative: Wayne Liang	9	-	100%	
Director	Nelpus Investments Limited Representative: Justin Wang	9	-	100%	
Director	ACIT Limited Representative: Bruce Chen	9	-	100%	
Director	Lydia Chen	9	-	100%	
Independent Director	Ted Lee	9	-	100%	
Independent Director	Sam Chen	9	-	100%	
Independent Director	Peter Teng	6	-	100%	Elected on March 14, 2024 Number of attendance: 6 times
Independent Director	Sun Shih-Wei	2	-	100%	Elected on December 29, 2023 Resigned on February 19, 2024 Number of attendance: 2 times

Other information to be disclosed:

I. If the operation of the Board of Directors has any of the following circumstances, the date, period, content of the proposals, opinions of all independent directors and the Company's handling of the opinions of the independent directors shall be stated:

(I) Matters listed in Article 14-3 of the Securities and Exchange Act:

The Company's Board of Directors was fully re-elected with 7 directors (including 3 independent directors) since December 29, 2023, and an Audit Committee was established. For the resolutions passed, please refer to the operation of the Audit Committee. All independent directors raised no objections to the matters listed in Article 14-3 of the Securities and Exchange Act, and the proposals were approved as presented.

(II) Other than the aforementioned matters, any other resolutions of the Board of Directors with objections or reservations expressed by the independent directors on the record or in written statements: None.

II. Implementation of a director's recusal due to a conflict of interest, the name of the director, the content of the proposal, the reason for recusal, and the participation in voting:

Board dates	Name of recused director	Proposal content	Reasons for recusal	Participation in voting
2024/1/16	Wayne Liang (Representative of Milehigh Investments Holding Limited), Justin Wang (Representative of Nelpus Investments Limited), Bruce Chen (Representative of ACIT Limited)	Removal of non-compete restrictions on representatives of corporate director	A competing related party of a director or general manager	Based on the principle of avoidance of conflict of interest, each corporate director shall abstain from the discussion and voting. The proposal was approved unanimously by other attending directors.
2024/1/16	Bruce Chen (Representative of ACIT Limited)	Appointment of general manager	Director and General Manager	Based on the principle of avoidance of conflict of interest, managers shall abstain from the discussion and voting. The proposal was approved unanimously by other attending directors.

2024/1/16	Bruce Chen (Representative of ACIT Limited)	Release of concurrent manager's duties and non-compete clauses	Managers and competing related party	Based on the principle of avoidance of conflict of interest, managers shall abstain from the discussion and voting. The proposal was approved unanimously by other attending directors.
2024/1/16	Justin Wang (Representative of Nelpus Investments Limited), Lydia Chen, Sun Shih-Wei, Ted Lee, Sam Chen	Remuneration to directors and independent directors	Stakeholders receiving director/independent director remuneration	Based on the principle of avoidance of conflict of interest, directors who receive remuneration and independent directors are stakeholders in this case and requested to recuse themselves from the discussion and voting. This proposal was approved as proposed without objection from other directors present.
2024/1/16	Wayne Liang (Representative of Milehigh Investments Holding Limited), Justin Wang (Nelpus Investments Limited representative), Bruce Chen (ACIT Limited representative), Lydia Chen, Sun Shih-Wei, Ted Lee, Sam Chen	Proposal for travel expenses of directors and independent directors	Stakeholders of travel expenses of directors and independent directors	All directors and independent directors with an interest in the travel expenses requested to recuse themselves from the discussion and voting. This proposal was approved as is with no objection from other directors present.
2024/1/16	Bruce Chen (Representative of ACIT Limited)	Distribution of monthly remunerations and year-end bonuses to managers	Stakeholders who receive monthly salary and year-end bonus from managers	Based on the principle of avoidance of conflict of interest, managers shall abstain from the discussion and voting. The proposal was approved unanimously by other attending directors.
2024/3/14	Peter Teng	Appointment of Remuneration Committee members	Stakeholders appointed by independent directors	Based on the principle of avoidance of conflict of interest, the independent director requested to recuse himself from the discussion and voting, and the proposal was approved with no objection from other directors present.
2024/3/14	Peter Teng	Proposal for travel expenses of directors and independent directors	Stakeholders of travel expenses of directors and independent directors	All directors and independent directors with an interest in the travel expenses requested to recuse themselves from the discussion and voting. This proposal was approved as is with no objection from other directors present.
2024/4/26	Bruce Chen (Representative of ACIT Limited)	Distribution of 2023 employee remuneration for managers	Stakeholders who receive the 2023 employee remuneration distribution from managers	Based on the principle of avoidance of conflict of interest, managers shall abstain from the discussion and voting. The proposal was approved unanimously by other attending directors.
2024/4/26	Bruce Chen (Representative of ACIT Limited)	Ratio adjustment of monthly salaries and year-end bonuses for managers within the Group in 2024	Stakeholders of the adjustment ratio of monthly salaries and year-end bonuses for managers within the Group in 2024	Based on the principle of avoidance of conflict of interest, managers shall abstain from the discussion and voting. The proposal was approved unanimously by other attending directors.
2024/8/19	Bruce Chen (Representative of ACIT Limited)	Salary adjustment for managers within the Group in 2024	Stakeholders of managers' salary adjustments within the Group	Based on the principle of avoidance of conflict of interest, managers shall abstain from the discussion and voting. The proposal was approved unanimously by other attending

				directors.
2024/11/7	Bruce Chen (Representative of ACIT Limited)	Distribution of remuneration to managers within the Group for 2024	Stakeholders of managers' salary adjustments within the Group	Based on the principle of avoidance of conflict of interest, managers shall abstain from the discussion and voting. The proposal was approved unanimously by other attending directors.

III. Information on the evaluation cycle and period, scope, method and content of the Board of Directors' self-evaluation:

On January 16, 2024, the Company's Board of Directors established the "Regulations Governing the Performance Evaluation of the Board of Directors", which requires that internal performance evaluations be conducted at least once a year. In 2024, the internal evaluation results of the overall Board of Directors, individual board members and the Audit Committee were "Excellent", and the Remuneration Committee was also "Excellent", indicating that the Board of Directors and various functional committees are operating well as a whole, complying with corporate governance requirements, and effectively strengthening the functions of the Board of Directors and protecting the interests of shareholders.

(I) Internal assessment:

Evaluation cycle	Evaluation period	Scope of assessment	Evaluation method	Evaluation content
Once a year	2024/1/1 ~ 2024/12/31	1. Board of Directors	1. Internal self-evaluation of the Board of Directors	<ul style="list-style-type: none"> ● Performance evaluation of the Board of Directors: <ol style="list-style-type: none"> I. Degree of participation in the Company's operations. II. Improving the quality of the board's decision making. III. Composition and structure of the Board of Directors. IV. Election and continuing education of directors. V. Internal control.
		2. Individual board members	2. Self-evaluation of the board members	<ul style="list-style-type: none"> ● Performance evaluation of board members: <ol style="list-style-type: none"> I. Understanding of the Company's goals and mission. II. Awareness of the duties of directors. III. Degree of participation in the Company's operations. IV. Management of internal relationship and communication. V. The professionalism and continuing education of the directors. VI. Internal control.
		3. Audit Committee	3. Self-evaluation of the Audit Committee	<ul style="list-style-type: none"> ● Performance evaluation of the Audit Committee: <ol style="list-style-type: none"> I. Degree of participation in the Company's operations. II. Recognition of the duties of the functional committee. III. Improving the quality of decision making by the functional committee. IV. Composition of the functional committee and election of its members. V. Internal control.
		4. Remuneration Committee	4. Self-evaluation by the Remuneration Committee	<ul style="list-style-type: none"> ● Remuneration Committee's performance evaluation: <ol style="list-style-type: none"> I. Degree of participation in the Company's operations. II. Recognition of the duties of the functional committee. III. Improving the quality of decision making by the functional committee. IV. Composition of the functional committee and election of its members. V. Internal control.

Remarks:

Evaluation result: (Internal evaluation from January 1, 2024 to December 31, 2024: to be completed in March 2025)

The performance evaluation results of the Company's Board of Directors, individual directors, Audit Committee and Remuneration Committee for 2024 were "Excellent". The directors performed well in the overall evaluation of various indicators, complied with the requirements of corporate governance, and effectively strengthened the functions of the Board of Directors and protected the interests of shareholders.

The annual evaluation results were submitted to the Board of Directors on March 14, 2025, and sent to the members of the Remuneration Committee as a reference for future remuneration to individual directors.

(II) External assessment:

According to the Company's "Procedures for Performance Evaluation of the Board of Directors", the evaluation may be conducted by an external professional independent institution or an external team of experts.

IV. Objectives to strengthen the functions of the Board of Directors in the current year and the most recent year (e.g. setting up an audit committee, improving information transparency, etc.), and evaluation of their implementation:

(I) The Company has established the "Regulations Governing Procedure for Board of Directors Meetings" as the standard for the operation of the Board of Directors' meeting, which are being implemented well. The Chief Financial Officer and the Chief Audit Officer regularly report the financial and auditing status to the Board of Directors, which effectively enhances the directors' understanding of the Company's operations.

(II) The Company has elected three independent directors at the shareholders' meeting on December 29, 2023, and established the Audit Committee and the Remuneration Committee on December 29, 2023. The Company's website has a "Corporate Governance" section, which includes the corporate governance structure, the Board of Directors, the operation of functional committees and important company regulations, etc. Shareholders can use this section to understand the operation of the Company's Board of Directors and relevant information is disclosed on the Market Observation Post System to improve information transparency.

(III) The Company has established the "Ethical Corporate Management Best Practice Principles", "Operational Procedures for Ethical Management and Guidelines for Conduct" and "Corporate Governance Best Practice Principles" through the approval of the Board of Directors, and continues to update and revise the provisions in accordance with laws and regulations and the Company's best practices. On January 16, 2024, the Board of Directors approved the establishment and appointment of the Corporate Governance Officer.

(IV) The Company has established the "Sustainable Development Committee" on November 7, 2024 to strengthen sustainable governance.

(II) Operation of the Audit Committee:

The Company has established the Audit Committee on December 29, 2023, with three independent directors serving as its members.

1. The main focus of the annual review of the Audit Committee:

- (1) To supervise the effective implementation of internal control.
- (2) Review of major asset transactions, loaning of funds, endorsements or guarantees, and matters involving the personal interests of directors.
- (3) Appointment, dismissal, remuneration, independence and performance evaluation of CPAs.
- (4) Monitor and review the fair presentation of the Company's financial statements.
- (5) Supervise the Company's compliance with relevant laws and regulations and control of existing or potential risks of the Company.

2. For the professional qualifications and experience of the members of the Audit Committee, please refer to pages 6-11 of this annual report.

3. The Company's Audit Committee held a total of 5 meetings (A) in 2024, and the attendance of independent directors was as follows:

Job title	Name	Number of actual attendance (B)	Number of attendance by proxy	Actual attendance rate (B/A)	Note
Independent Director	Ted Lee	5	-	100%	
Independent Director	Sam Chen	5	-	100%	
Independent Director	Peter Teng	4	-	100%	Elected on March 14, 2024 Number of attendance: 4 times

Independent Director	Sun Shih-Wei	1	-	100%	Elected on December 29, 2023 Resigned on February 19, 2024 Number of attendance: 1 time
Other information to be disclosed:					
I. If the operation of the Audit Committee involves any of the following circumstances, the date, period, content of the proposal, objections, reservations or major recommendations of the independent directors, the resolution of the Audit Committee, and the Company's handling of the Audit Committee's opinions shall be stated:					
(I) Matters listed in Article 14-5 of the Securities and Exchange Act:					
The Company established the Audit Committee on December 29, 2023. The matters listed in Article 14-5 of the Securities and Exchange Act were approved by the Audit Committee and reported to the Board of Directors.					
Date/Period	Proposal content	Resolution of the Audit Committee	The Company's handling of the Audit Committee's opinions		
2024/1/16 2nd meeting of the 1st term	The Company's 2022 revised business report and restated financial statements.	All Audit Committee members agreed to the proposal, and it was approved.	There are no opinions that need to be dealt with. If there are any, they will be submitted to the Board of Directors for approval by all directors present.		
	The Company's revised earnings distribution for 2021 and 2022				
	Removal of non-compete restrictions on representatives of corporate directors.				
	Cash capital increase for public underwriting before the first listing and all shareholders waive the preemptive subscription for cash capital increase.				
	Handling of public stock offerings.				
	2024 business plan.				
	The Company's 2024 audit plan.				
	The Company's personnel matters.				
	Release of concurrent manager's duties and non-compete clauses				
	Entrust the lead underwriter to handle over-allotment and post-listing price stabilization measures.				
	Proposal for non-physical issuance of shares.				
Establishment of the Company's management regulations.					
Establishment of the earnings distribution policy for the subsidiary in Taiwan.					
2024/3/22 3rd meeting of the 1st term	The Company's 2023 business report and financial reports.	All Audit Committee members agreed to the proposal, and it was approved.	There are no opinions that need to be dealt with. If there are any, they will be submitted to the Board of Directors for approval by all directors present.		
	The Company's 2023 earnings distribution.				
	Evaluation on the independence and suitability of CPAs.				
	Evaluation form of the Company's financial reporting capabilities.				
2024/4/26 4th meeting of the 1st term	Proposal for the evaluation of the effectiveness of the internal control system and statement.	All Audit Committee members agreed to the proposal, and it was approved.	There are no opinions that need to be dealt with. If there are any, they will be submitted to the Board of Directors for approval by all directors present.		
	Amendments to the Company's "Regulations Governing the Procedures for Audit Committee Meetings" and "Rules of Procedure for Board of Directors Meetings".				
2024/4/26 4th meeting of the 1st term	Evaluation of the remuneration for the appointment of the Company's CPAs.	All Audit Committee members agreed to the proposal, and it was approved.	There are no opinions that need to be dealt with. If there are any, they will be submitted to the Board of Directors for approval by all directors present.		
	The Company's consolidated financial statements for the first quarter of 2024.				
2024/8/19 5th meeting of the 1st term	The Company's consolidated financial statements for the second quarter of 2024.	All Audit Committee members agreed to the proposal, and it was approved.	There are no opinions that need to be dealt with. If there are any, they will be submitted to the Board of Directors for approval by all directors present.		
	Evaluation of the effectiveness of the internal control system and statement.				
	Confirm the conditions for issuing new shares through cash capital increase and setting aside public underwriting before the initial listing.				

2024/11/7 6th meeting of the 1st term	The Company's consolidated financial statements for the third quarter of 2024.	All Audit Committee members agreed to the proposal, and it was approved.	There are no opinions that need to be dealt with. If there are any, they will be submitted to the Board of Directors for approval by all directors present.
	Proposal to formulate the Company's "Procedures for Preparation of Sustainability Report and Assurance".		
	Amendments to the Company's internal control system.		
	The Company's 2025 audit plan		

(II) In addition to the above matters, other matters that have not been approved by the Audit Committee but have been agreed upon by more than two-thirds of all directors are as follows:
No such situation.

II. The implementation of the independent director's recusal of the resolution on the conflict of interest should state the name of the independent director, the content of the resolution, the reason for the recusal and the voting situation: No such situation.

III. Communication between independent directors and internal audit supervisors and CPAs:

(I) The internal audit supervisor of the Company shall submit audit reports to the independent directors on a regular basis, and reports the internal audit results. If there are any questions about the contents of the report, they can be discussed at any time via telephone or email, and the communication channels are smooth.

(II) The Company's CPAs held separate meetings with independent directors to exchange views on the audit results of financial statements, key audit matters and important legal amendments, and the communication was good.

IV. Communication between independent directors and internal audit supervisors and CPAs in the most recent year:

Date of meeting	Communication with the internal audit supervisor	Communication with CPAs
2024/3/22	Conduct internal audit reports Issued a statement on internal control system	The audit scope of the 2023 audited financial statements, the CPA's audit report, the materiality of the audit, the audit focus, and the CPA's independence report.
2024/4/26	Conduct internal audit reports	The scope of review, review report, materiality of review and review highlights report of the consolidated financial statements for the first quarter of 2024.
2024/8/19	Conduct internal audit reports	The audit scope of the financial statements for the second quarter of 2024, the CPA's audit report, the materiality of the audit, the audit focus, and the CPA's independence report.
2024/11/7	Conduct internal audit reports, revise the internal control system, and formulate the 2025 Audit plan	The audit scope of the 2024 audited financial statements, the CPA's audit report, the materiality of the audit, the audit focus, and the CPA's independence report.

Result: The independent directors have no objection to the above matters.

(III) The implementation of corporate governance and the deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons

Evaluation items	Operation status			Deviation and causes of deviation from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
I. Has the Company established and disclosed its corporate governance best practice principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	v		The Company has formulated the "Corporate Governance Best Practice Principles" and the Company's website has a "Corporate Governance" section for investors to inquire.	No significant difference.
II. The Company's shareholding structure and shareholders' rights and interests				
(I) Does the Company have internal operating procedures defined to deal with shareholders' suggestions, doubts, disputes and litigation matters, and has the procedures been implemented according to the procedures?	v		(I) The Company has established relevant regulations in its "Corporate Governance Best Practice Principles", and has set up a spokesperson, an acting spokesperson, and an e-mail address to deal with shareholders' suggestions and questions.	No significant difference.
(II) Does the Company keep track of the list of major shareholders who actually control the Company and the ultimate controllers of such major shareholders?	v		(II) The Company is in full control of the list of major shareholders and their ultimate controllers, and all major shareholders report changes in shareholding to the Company in accordance with regulations.	No significant difference.
(III) Has the Company established and implemented risk control and firewall mechanisms with its affiliates?	v		(III) The Company has established the "Regulations Governing Supervision and Management of Subsidiaries" and its subsidiaries have adopted the "Regulations Governing Information Security" to establish appropriate risk control mechanisms and firewalls. The business and finance of the Company and its affiliated companies are separated and the management team is responsible for the management of daily operations to prevent irregular transactions.	No significant difference.
(IV) Does the Company establish internal regulations to prohibit insiders from trading securities using undisclosed information in the market?	v		(IV) The Company has established "Handling of Material Information and Prevention of Insider Trading" and "Corporate Governance Best Practice Principles" to clearly stipulate relevant operating standards and prohibit insiders from trading their stocks during the closed period of annual and quarterly financial report announcements.	No significant difference.

Evaluation items	Operation status			Deviation and causes of deviation from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
III. Composition and duties of the Board of Directors				
(I) Does the Board of Directors have a diversity policy, concrete management goals, and implementation?	v		(I) The Company has established the "Corporate Governance Best Practice Principles" to formulate and implement the diversity policy for board members. The Company adopts the candidate nomination system for directors (including independent directors). The Company's board members have expertise in various fields such as operations, management, finance, auditing, economics, and information, which meet the needs of the Company's operations.	No significant difference.
(II) In addition to the Remuneration Committee and the Audit Committee, has the Company established other functional committees voluntarily?	v		(II) In addition to establishing the Remuneration Committee and the Audit Committee as required by law, the Company has also established a Sustainable Development Committee.	No significant difference.
(III) Does the Company establish performance evaluation methods for the Board of Directors and conduct performance evaluations on a regular basis every year? Does the Company submit the results of the performance evaluations to the Board of Directors and use them as a reference for the remuneration and nomination of individual directors?	v		(III) The Company has established the "Regulations Governing Performance Evaluation of the Board of Directors" and conducts performance evaluation of the Board of Directors on a regular basis each year. The evaluation results will be used as a reference for electing or nominating directors. The performance evaluation results of individual directors will be used as a reference for determining their individual remuneration and will be evaluated annually in accordance with regulations.	No significant difference.
(IV) Does the Company evaluate the independence of CPAs on a regular basis?	v		(IV) The Company regularly evaluates the independence of the CPAs and has obtained the 2024 Independence Statement and Audit Quality Indicators (AQIs) of the CPAs. In March 2025, the Audit Committee discussed and approved the independence and suitability of the CPAs and the resolution was approved by the Board of Directors.	No significant difference.
IV. Does the listed company have an appropriate number of qualified corporate governance personnel and has designated a corporate governance officer to be responsible for corporate governance-related matters (including but not limited to providing directors and supervisors with information necessary for performing their duties, assisting directors and supervisors in complying with laws and regulations, handling matters related to board and shareholders meetings in accordance with the law, and preparing minutes of board and shareholders meetings, etc.)?	v		The Company has appointed a corporate governance officer who is responsible for providing directors with the information they need to perform their duties, coordinating the agenda planning and deliberations of shareholders' meetings, the Board of Directors, the audit committee, and the remuneration committee, and coordinating and arranging directors' further education, information exchange and communication of opinions between directors and management. The head of corporate governance has completed related courses by 2024.	No significant difference.
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees,	v		The Company has a spokesperson and an acting spokesperson as a communication channel for stakeholders. Stakeholders may contact the Company at any time by phone, letter or email if	No significant difference.

Evaluation items	Operation status			Deviation and causes of deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
customers and suppliers, etc.), set up a stakeholder area on the Company's website, and appropriately responded to important corporate social responsibility issues of concern to stakeholders?			necessary. The Company has also disclosed relevant explanations on stakeholder negotiations in the Sustainability Report on the Company's website.	
VI. Does the Company appoint a professional stock affairs agency to handle shareholders' meeting affairs?	v		The Company has appointed a professional stock affairs agency, SinoPac Securities Co., Ltd., to handle the shareholders' meeting and related matters.	No significant difference.
VII. Information disclosure (I) Does the Company set up a website to disclose financial, business and corporate governance information? (II) Has the Company adopted other means of information disclosure (e.g. setting up an English website, appointing dedicated personnel to collect and disclose information on the Company, implementing a spokesperson system, posting corporate briefings on the Company's website, etc.)? (III) Does the Company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the financial statements for the first, second, and third quarters and the operating status of each month before the prescribed deadline?	v v	 v	(I) The Company has set up a corporate website to fully disclose financial, business and corporate governance information. (II) The collection and disclosure of various types of information of the Company are handled by the corresponding dedicated units. The Company has appointed a spokesperson, an acting spokesperson, and provided an email address in accordance with regulations to handle shareholders' suggestions and questions. (III) The Company announces and reports its financial reports before the deadline as required by laws and regulations.	No significant difference. No significant difference. It will be implemented gradually.
VIII. Does the Company have other important information that is helpful in understanding the operation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, rights of stakeholders, training for directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, and the Company's purchase of liability insurance for directors and supervisors, etc.)?	v		(I) The Company attaches great importance to labor relations, maintains harmonious labor-management relations, and protects the legal rights and interests of employees in accordance with the Labor Standards Act. (II) The Company provides reasonable remuneration, cultural and recreational activities, irregular meals, and encourages its employees to actively participate in on-the-job training to improve their career development in the Company. (III) The Company has set up a corporate website and spokesperson system. Relevant financial and business information and important messages will be announced on the Market Observation Post System on time in accordance with regulations to ensure the rights and interests of investors. (IV) The Company upholds ethical management, conducts fair trade with suppliers, and clearly prohibits bribery by suppliers. (V) Stakeholders may communicate and give suggestions through the channels provided by	No significant difference. No significant difference. No significant difference. No significant difference. No significant difference.

Evaluation items	Operation status			Deviation and causes of deviation from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			<p>the Company to protect their legitimate rights and interests.</p> <p>(VI) The Company's directors have completed the required hours of continuing education, and are monitoring information related to corporate governance at all times.</p> <p>(VII) The Company attaches great importance to the rights and interests of customers, and has set up a customer complaint mailbox for dedicated personnel to handle customer issues.</p> <p>(VIII) The Company has stipulated relevant regulations on directors' liability insurance in the "Corporate Governance Best Practice Principles" and has taken out liability insurance for directors.</p>	<p>No significant difference.</p> <p>No significant difference.</p> <p>No significant difference.</p>
<p>IX. Please explain the improvements that have been made based on the results of the corporate governance evaluation released by the Corporate Governance Center of the Taiwan Stock Exchange Corporation in the most recent year, and propose priority enhancement items and measures for those that have not yet been improved: The Company was listed on November 26, 2024 and was not included in the companies evaluated in the 2024 corporate governance evaluation. However, in order to protect the rights and interests of shareholders and pursue sustainable development, the Company has committed to improving corporate governance according to the 2025 evaluation indicators, and will disclose the evaluation results in 2026 according to relevant regulations.</p>				

Note 1: CPA independence evaluation standard evaluation items

Evaluation items	Evaluation Results
1. There is no direct or significant indirect financial interest relationship between CPAs and the Company.	Yes
2. There is no significant close business relationship between the CPAs and the Company.	Yes
3. The CPAs were not in a potential employment relationship at the time of auditing the Company.	Yes
4. The CPAs do not have any monetary loan relationship with the Company.	Yes
5. The CPAs have not accepted any gifts or presents of significant value (the value of which exceeds the general standards of social etiquette) from the Company and its directors and managers.	Yes
6. The CPAs have not provided audit services to the Company for seven consecutive years.	Yes
7. The CPAs do not hold shares of the Company.	Yes
8. The CPAs, their spouses or dependent relatives, and the audit team has not served as directors, managers, or positions with significant impact on the audit cases of the Company during the audit period or in the past two years, and are determined not to serve in the aforementioned related positions during future audit periods.	Yes
9. Whether the CPAs have complied with the requirements of independence as stated in CPA Professional Ethics Bulletin No. 10 and have obtained the "Statement of Independence" issued by the CPAs.	Yes

(IV) If the Company has a Remuneration Committee or Nomination Committee, the composition and operation of the committee shall be disclosed

1. Information on the members of the Remuneration Committee

Identity type	Conditions	Professional qualifications and experience	Independence	Number of companies in which the individual serves as a member of the Remuneration Committee of other public companies
	Name			
Convener	Sam Chen	<ol style="list-style-type: none"> 1. Possessed work experience in commerce, legal affairs, finance, and operational management capabilities required by the Company's business operations. 2. Currently serves as the supervisor of Shanglin Investment Co., Ltd. 3. Not having any of the circumstances stated in Article 30 of the Company Act. 	<ol style="list-style-type: none"> 1. Comply with the requirements defined in Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies". 2. The independent directors of this term, their spouses, and their relatives within the second degree of kinship do not serve as directors, supervisors, or employees of the Company or its affiliated companies. 	None
Member	Ted Lee	<ol style="list-style-type: none"> 1. Possessed work experience in commerce, legal affairs, finance, and operational management capabilities required by the Company's business operations. 2. Currently serves as the chairman of HLJ TECHNOLOGY CO., LTD., an independent director of WinWay Technology Co., Ltd., an independent director of POSIFLEX TECHNOLOGY, INC., and the chairman of Qiyi Electronics Co., Ltd. 3. Not having any of the circumstances stated in Article 30 of the Company Act. 	<ol style="list-style-type: none"> 3. The independent directors of this term, their spouses, relatives within the second degree of kinship held any shares of the Company, or under the name of others. 4. None of the independent directors of the current term serves as a director, supervisor or employee of any company with a specific relationship with the Company. 	2
Member	Peter Teng	<ol style="list-style-type: none"> 1. Possessed work experience in commerce, legal affairs, finance, and operational management capabilities required by the Company's business operations. 2. Currently serves as the deputy general manager of the Cayman Islands-based company, Alchip Technologies, Limited. 3. Not having any of the circumstances stated in Article 30 of the Company Act. 	<ol style="list-style-type: none"> 5. The independent directors of this term did not receive any remuneration for providing commercial, legal, financial or accounting services, etc. to the Company or its affiliates in the last two years. 	None

2. Information on the operation of the Remuneration Committee

(1) The Company's Remuneration Committee consists of 3 members. Three independent directors serve as members of the Remuneration Committee. Please refer to the relevant information of directors and independent directors.

(2) Job responsibilities

A. Establish and regularly review the policies, systems, standards and structures for performance evaluation and remuneration of directors and managers.

B. Regularly evaluate and establish the remuneration of directors and managers.

(3) The term of office of the current members: The Company has established the Remuneration Committee on December 29, 2023, and the term of office is from December 29, 2023 to December 28, 2026.

(4) The Company's Remuneration Committee held a total of 6 meetings (A) in 2024, with the attendance of the members as follows:

Job title	Name	Number of actual attendance (B)	Number of attendance by proxy	Actual attendance rate (B/A)	Note
Independent Director (Convener)	Sam Chen	6	-	100%	
Independent Director (Member)	Ted Lee	6	-	100%	
Independent Director (Member)	Peter Teng	5	-	100%	Elected on March 14, 2024 Number of attendance: 5 times
Independent Director (Member)	Sun Shih-Wei	1	-	100%	Resigned on February 19, 2024 Number of attendance: 1 time

Other information to be disclosed:

- I. If the Board of Directors does not adopt or amend the Remuneration Committee's recommendation, it shall state the date, period, content of the proposal, the Audit Committee's resolution, and the Company's handling of the Audit Committee's opinion (if the remuneration approved by the Board of Directors is better than the Remuneration Committee's recommendation, the difference and reasons shall be stated): No such situation.
- II. If a member objects to or reserves an opinion on a resolution of the Remuneration Committee and there is a record or written statement, the date, term, content of the resolution, opinions of all members, and the handling of the objecting member's opinion shall be stated: No such situation.

III. Important resolutions of the Remuneration Committee in 2024 and its handling status:

Remuneration Committee Date/Period	Proposal content	Resolution result	The Company's handling of the opinions of the Remuneration Committee
2024/1/16 2nd meeting of the 1st term	The Group's remuneration policies, systems, standards and structures	Agreed by all committee members after deliberation	Submitted to the board meeting and approved by all directors present at the meeting.
	Remuneration to the current directors and independent directors	Agreed by all committee members after deliberation	Submitted to the board meeting and approved by all directors present at the meeting.
	Amount of travel expenses for the current directors and independent directors	Agreed by all committee members after deliberation	Submitted to the board meeting and approved by all directors present at the meeting.
	Distribution of monthly salaries and year-end bonuses for the Company's managers within the Group in 2024	Agreed by all committee members after deliberation	Submitted to the board meeting and approved by all directors present at the meeting.
2024/3/14 3rd meeting of the 1st term	Approval of the remuneration and travel expenses for the Company's independent director, Peter Teng	Agreed by all committee members after deliberation	Submitted to the board meeting and approved by all directors present at the meeting.
2024/3/14 4th meeting of the 1st term	Approval of the Company's 2023 remuneration distribution to employees and directors	Agreed by all committee members after deliberation	Submitted to the board meeting, approved by all directors present at the meeting, and reported to the shareholders' meeting.
2024/4/26 5th meeting of the 1st term	Distribution of remuneration to managers of the Company in 2023	Agreed by all committee members after deliberation	Submitted to the board meeting and approved by all directors present at the meeting.
	Proposal on adjustment of monthly salaries and year-end bonuses for managers of the Company within	Agreed by all committee members after deliberation	Submitted to the board meeting and approved by all directors present at the meeting.

	the Group for 2024		
2024/8/19 6th meeting of the 1st term	Salary adjustment for managers within the Group in 2024	Agreed by all committee members after deliberation	Submitted to the board meeting and approved by all directors present at the meeting.
2024/11/7 7th meeting of the 1st term	Distribution of remuneration to managerial officers within the Group in 2024	Agreed by all committee members after deliberation	Submitted to the board meeting and approved by all directors present at the meeting.
	Allocation of stock subscription amount granted to managerial officers and employees by issuing new shares for cash capital increase in the Company's initial public offering	Agreed by all committee members after deliberation	Submitted to the board meeting and approved by all directors present at the meeting.

3. Information on the members of the Nomination Committee and their operation: None.

(V)Implementation of sustainable development and deviation from the Corporate Sustainability Best Practice Principles for TWSE/TPEX Listed Companies and the reasons

Promotion items	Operation status		Summary description	The reasons for deviation from the Corporate Sustainability Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No		
I. Does the Company have a governance structure in place that promotes sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, has the Board of Directors authorized senior management to handle it, and has the Board of Directors provided supervision?	v		<p>In 2024, the Sustainability Committee was officially established with the approval of the Board of Directors to build ITH's sustainable development governance structure and strengthen the Company's ESG strategy and execution capabilities.</p> <p>The Sustainability Committee is chaired by the Chairman and consists of a Chief Sustainability Officer and an Executive Secretary. They coordinate sustainability strategies, project promotion and performance management. Their main responsibilities include promoting policies and plans, monitoring implementation results, and reviewing sustainability reports and related disclosure matters.</p> <p>The three major work groups, namely corporate governance, environmental sustainability, and social responsibility, were established under the committee to be responsible for regulatory compliance and risk control, environmental management and climate response, human rights, and employee system issues.</p> <p>The committee reports to the Board of Directors on a yearly basis on the implementation status and reports material issues in a timely manner. The first report and the confirmation list of committee members were completed in 2024, and the Company will continue to improve the effectiveness of sustainable governance.</p>	No significant difference

Promotion items	Operation status			The reasons for deviation from the Corporate Sustainability Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
II. Does the Company follow the principle of materiality to assess the risks associated with environmental, social and corporate governance issues related to company operations, and formulate relevant risk management policies or strategies?	v		<p>The scope of the Company's risk assessment covers ITH and its subsidiaries. If the future disclosure scope or data boundary is adjusted, it will be explained in the relevant issues. The Company has established a complete risk management framework that integrates governance, strategy, operations, finance, and compliance risks, and effectively controls them in a cost-effective manner.</p> <p>The risk management plans are implemented by each operating unit for sustainability-related risks, covering the stages of identification, analysis, response and control, and the risk management team and the internal audit unit also conduct regular supervision to strengthen organizational resilience and risk control.</p> <p>The Company has compiled 23 sustainability issues based on international trends, industrial characteristics, and relevant indicators. It has also conducted surveys to investigate the level of internal and external stakeholders' concern and operational impacts. Through the materiality analysis matrix, it has identified 9 major issues, formulated strategies and action plans based on them, and continuously strengthened information disclosure and communication transparency.</p> <p>The Company was listed for the first time in 2024. According to the regulations of the competent authority, the Company has incorporated the sustainability issues into the internal control system, strengthened the integration of the operating strategies, and established the Sustainable Development Committee, with the Chairman as the convener, responsible for supervising the promotion of the sustainability strategy. There is a Chief Sustainability Officer under him/her, who is responsible for the implementation of the sustainability strategy and regularly reporting major decisions or key performance to the Board of Directors. The most recent report date of the Board of Directors was November 7, 2024. The committee has strengthened the governance level through a systematic mechanism to ensure the sustainable operation of the organization.</p>	No significant difference.
III. Environmental Issues (I) Does the Company have established a suitable environmental management system based on its industrial characteristics?	v		(I) The Company manages all operating sites in accordance with the local environmental regulations, and is committed to minimizing the impact of the operating process on the environment. The Company is a non-process IC design company. The headquarters is	No significant difference.

Promotion items	Operation status			The reasons for deviation from the Corporate Sustainability Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(II) Is the Company committed to improving the energy utilization efficiency and use of renewable materials with low impact on the environment?	v		<p>located in the shared office building of the Taoyuan Science Park, and only generates general household waste, which we classify and properly manage in accordance with the Waste Disposal Act, and implement resource recycling in accordance with the park regulations.</p> <p>The production, packaging and testing of wafer are outsourced to external professional foundries. The business waste generated is handled and recycled by the entrusted vendors in accordance with the law to fulfill environmental protection responsibilities.</p> <p>Although the Company's direct environmental impact is limited, it continues to improve energy efficiency through concrete actions. The Company has established the Energy Management System (EMS) to improve the energy efficiency of air-conditioning through smart regulation, and promoted daily measures such as energy-saving lighting and paper reduction in office areas to implement environmental management.</p> <p>Starting from 2025, the Company has adopted the ISO 14064-1 Greenhouse Gas Inventory System to grasp the operational carbon emissions status with digital management, as the basis for carbon reduction strategy and promotion of concrete actions, and will plan for third-party verification to ensure the effectiveness and credibility of greenhouse gas management, and strengthen the ability to respond to climate change risks and environmental governance effectiveness.</p> <p>(II) In terms of energy management, ITH continues to review the operation of main energy-consuming equipment, improve the performance of air-conditioning system, and introduce intelligent monitoring system to conduct performance evaluation.</p> <p>Currently, no recycled materials are used. However, the Company will continue to evaluate the feasibility of green industry investment and renewable energy introduction in the semiconductor industry to reduce the overall environmental impact caused by our operations.</p>	No significant difference.
(III) Does the Company assess the potential risks and opportunities of climate change to the present and	v		<p>(III) The Sustainable Development Committee is a dedicated unit for climate change risk management. It is responsible for managing climate-related risks and opportunities,</p>	No significant difference.

Promotion items	Operation status			The reasons for deviation from the Corporate Sustainability Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
future of the Company, and take countermeasures for climate-related issues?			<p>regularly assessing the effectiveness of strategy execution, continuously collecting information on risks and opportunities in climate change and energy, and conducting reviews every two years.</p> <p>In terms of risk and opportunity management, the Sustainable Development Committee considers transformation risks (policies and laws, markets, technology, corporate reputation), physical risks (slow and acute), resource efficiency, energy sources, products and services, market and adaptability, and conducts risk and opportunity assessments for possible events, including the degree of financial impacts, impact duration (short-term, mid-term, long-term), value chain affected parties, and risk or opportunity possibilities, etc.</p> <p>The Company has identified the risk of moderate or more severe changes, including changes in domestic and foreign policies and regulations, rising demand for low-carbon products from customers, increased negative feedback from stakeholders, and increased frequency of extreme weather events. The opportunities include the increase in demand for low-power products and the rapid growth of touch ICs in new energy vehicles applications.</p> <p>In response to identified risks and opportunities, the Company continues to promote various strategies, such as improving energy efficiency, developing and designing low-carbon products, strengthening supply chain management and group climate resilience, etc. In the future, the Company will continue to pay attention to the global climate change trends and international response directions, and incorporate climate change issues into major issues for corporate sustainable development, and continue to analyze and control them.</p>	
(IV) Does the Company compiled statistics on the greenhouse gas emission, water consumption and total weight of waste in the past two years, and formulate policies on greenhouse gas reduction, water consumption reduction or other waste management?	v		(IV) Category 1 greenhouse gas emissions in 2023 and 2024 were 3.014 and 2.073 metric tons of CO ₂ e, respectively. Category 2 emissions were 1,400.11 tons and 1,354.61 metric tons of CO ₂ e, respectively. Total emissions were 1,403.12 and 1,356.68 metric tons of CO ₂ e, respectively. Emission intensity was both 0.06 metric tons of CO ₂ e/NTD million. The total water usage for the same period was 13.60 and 14.24	No significant difference.

Promotion items	Operation status			The reasons for deviation from the Corporate Sustainability Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			<p>million liters, and the total weight of waste (including industrial waste) was 18.21 and 18.86 metric tons.</p> <p>The Company uses 2025 as the base year and aims to reduce Category 2 emissions by 15% by 2030 compared to the base year. In order to implement carbon reduction, the Company has invested NT\$1.4 million to replace 822 pieces of LED energy-saving lamps, and established an EMS energy management system to strengthen energy consumption monitoring and equipment performance optimization. At the same time, we continue to promote paperless management, reduce paper use and reduce resource consumption.</p> <p>Starting from 2025, the Company will implement the ISO 14064-1 Greenhouse Gas Inventory, and assess and introduce the verification, covering the headquarters and subsidiaries, to strengthen the reliability of the environmental management mechanism and data, and review related strategies to ensure that the reduction target is achieved.</p>	
<p>IV. Social Issues</p> <p>(I) Does the Company have the relevant management policies and procedures stipulated in accordance with relevant laws and regulations and international human rights conventions?</p>	v		<p>(I) The Company supports and respects the human rights protection recognized internationally, including the "UN Universal Declaration of Human Rights", "UN Guiding Principles on Business and Human Rights", and "Responsible Business Alliance Code of Conduct". The Company's human rights policy covers the following core principles:</p> <ol style="list-style-type: none"> 1. Eliminate employment discrimination and ensure equal work opportunities. 2. Creating a friendly and safe working environment to eliminate all forms of inhumane behavior. 3. Maintain the physical and mental health of employees and proactively identify and address workplace health and safety risks. 4. All forms of forced labor and child labor are strictly prohibited. 5. Respect the employees' right to gather and assemble. 6. Strengthen the communication mechanism with stakeholders, provide confidential complaint channels, and ensure fair and transparent handling of complaints. <p>In 2024, the Company conducted human</p>	No significant difference.

Promotion items	Operation status			The reasons for deviation from the Corporate Sustainability Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(II) Does the Company formulate and implement reasonable employee welfare measures (including remuneration, leave and other benefits, etc.) and appropriately reflect operating performance or results in employee remuneration?	v		<p>rights and workplace health and safety education and training for a total of 1,299 participants, with a total training time of 1,736 hours. In the future, the Company will further expand the scope of training to reduce human rights risks during the operation process.</p> <p>(II) The Remuneration Committee of the Company formulates the overall remuneration policy. According to the Articles of Incorporation, if the Company makes a profit in a year, a certain percentage of the profit shall be appropriated as remuneration to employees, and the operating performance and results shall be reflected in the remuneration to employees, and the remuneration to employees shall be distributed according to the performance appraisal results in accordance with the internal management measures, to ensure that the performance is linked to the remuneration. In addition, the Company is committed to promoting the workplace diversity and ensuring that employees enjoy equal development opportunities. The salary assessment standards are based on individual academic and career experience, professional skills and job requirements, and are consistently evaluated without any differences due to gender. In 2024, female employees accounted for 19.91% of the total workforce, and female executives accounted for 16% of the total executives, an increase of 2.1% from 13.9% in 2023. The Company will continue to optimize the remuneration management and workplace diversity policies to ensure that the talent development mechanism complies with the principle of fairness and supports the sustainable growth of the Company.</p>	No significant difference.
(III) Does the Company provide employees with a safe and healthy work environment, and provide regular safety and health education to employees?	v		<p>(III) The Company has established qualified safety and health management personnel in accordance with relevant laws and regulations, and established "Safety and Health Work Rules" and "Emergency Response Plan" to clearly define the responsibilities of each level, and fully implement risk management and disaster prevention measures in the operating process. In 2024, we organized labor safety education and training for new recruits. A total of 48 people participated in the training, and the accumulated training hours</p>	No significant difference.

Promotion items	Operation status			The reasons for deviation from the Corporate Sustainability Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(IV) Does the Company have established an effective career development training program for its employees?	v		<p>reached 86 hours. We are committed to improving the occupational safety awareness of all employees and creating a safe working environment.</p> <p>In terms of employee health promotion, the Company has set up a "Health Station" and has established long-term cooperative relationships with medical institutions to regularly sends health information, which covers epidemic prevention and control. At the same time, it provides diverse healthy meal options every week and holds annual flu vaccination campaign. The Company also provides annual health checkups that go beyond regulatory requirements. The Company continues to invest resources and subsidies to help employees grasp the health condition early and strengthen their own health management. In addition, the Welfare Committee actively organizes various sports competitions, including basketball, table tennis and bowling competitions, etc. They are widely welcomed by employees, and employees are encouraged to develop good exercise habits to jointly create a healthy workplace culture.</p> <p>(IV) The Company continues to promote diversified learning plans, plans corresponding education and training programs based on the attributes of the position and development needs, and provides abundant learning resources to create a good learning atmosphere, shorten the learning curve, and strengthen the organizational effectiveness. Courses are divided into new employee courses, general courses, professional courses and management courses. The number of participants was 838, 1,486, 375 and 259, respectively. The total number of hours of the annual courses was 448.5 hours. In addition to the formal courses, the Company also provides online learning resources and encourages each unit to organize its own professional courses and seminars to strengthen the knowledge inheritance.</p> <p>In terms of management functions, the Company has organized several management courses in 2024. The topics covered include performance management, delegation of authority and leadership, and strategic map and balanced scorecard workshops were held</p>	No significant difference.

Promotion items	Operation status			The reasons for deviation from the Corporate Sustainability Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(V) Does the Company comply with relevant laws and international standards on issues such as customer health and safety, customer privacy, marketing and labeling of products and services, and formulate relevant policies and complaint procedures to protect the rights of consumers?	v		<p>in cooperation with external consultants. The Company also continues to establish a functional-oriented training system to improve the accuracy of training and support the development of talent.</p> <p>(V) The Company is a IC design company. After the product design is completed, the Company will outsource the chip manufacturing and shipment to a contractor. We value customer needs and opinions. We respond to customer product information and feedback in a timely manner, and are committed to providing stable and high-quality products and services. To ensure product quality and safety, we have implemented strict quality control and worked closely with suppliers to establish an exception handling mechanism to effectively control quality risks. In addition, the Company conducts annual surveys on customer satisfaction to serve as a basis for improvement and ensure the protection of customer rights.</p> <p>At the same time, the Company also attaches great importance to the protection of customer information and business secrets, has established a complete information security policy, and implements education and training for all employees to enhance information security awareness. No complaints regarding customer privacy or related policies were received in 2024.</p>	No significant difference.
(VI) Does the Company have a supplier management policy in place that requires suppliers to comply with relevant regulations such as environmental protection, occupational safety and health, or labor rights, and what is the implementation status?	v		<p>(VI) The Company takes into account the engineering capacity, quality, delivery time, cost, production capacity and customer expectations, and requires suppliers to have the relevant international certifications such as ISO9001, ISO14001 or IATF16949, and suppliers are required to provide key materials and conflict minerals information to facilitate sustainable supply chain management. All suppliers of the Company have obtained certification for ISO 9001, and 100% of suppliers have completed the survey to ensure that they do not use conflict minerals. In addition, the Company conducts a supplier evaluation once a year to ensure that it can provide customers with safe and secure products.</p>	No significant difference.
V. Does the Company prepare reports that disclose the Company's non-financial	v		The Company's sustainable report is prepared with reference to the new version of the GRI Standards (2021) of Global Reporting Initiative. In order to	No significant difference.

Promotion items	Operation status			The reasons for deviation from the Corporate Sustainability Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
<p>information, such as a sustainability report, in accordance with the internationally-accepted reporting standards or guidelines? Does the above-mentioned report obtain the assurance or guarantee opinion of the third-party verification unit?</p>			<p>improve the overall credibility of sustainable information reporting, ensure information quality, and maintain the momentum of improving corporate responsibility and sustainable performance, the Company will gradually plan to obtain third-party assurance in the future.</p>	
<p>VI. If the Company has established its own sustainable development principles in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please explain the differences between its operation and the established principles: The Company has established the "Sustainable Development Code of Practice" and continues to implement it in accordance with relevant regulations.</p>				
<p>VII. Other important information that helps to understand the implementation of sustainable development: The Company has set up a sustainable development ESG section on its website, and will disclose relevant information on the Company's website based on actual operations.</p>				

(VI) Climate-related information for listed companies

1. Implementation of climate-related information

Items	Implementation status											
<p>1. Describe the oversight and governance of the Board of Directors and management on climate-related risks and opportunities.</p>	<p>The Sustainable Development Committee is responsible for managing climate-related risks and opportunities, and included in the Company's overall risk management policy. The Sustainable Development Committee regularly reports the results of the implementation of climate risk management to the Board of Directors every year.</p> <p>The Board of Directors supervises the climate-related risks and opportunities in accordance with the Group's "Risk Management Best Practice Principles", and an independent unit, the Audit Office, assists in supervising and reviewing the implementation status and providing suggestions for improvement of risk control to ensure that management measures meet corporate governance requirements.</p>											
<p>2. Describe how the identified climate risks and opportunities affect the business, strategy and finance of the Company (short-term, medium-term, and long-term).</p>	<p>The identified risks and opportunities are divided into transformation risks, physical risks and opportunities, and are classified into low, medium and high levels based on the degree and possibility of financial impact.</p> <p>Transformation risks arise primarily from policies and laws, technology and know-how, and reputation, which result in increased R&D, management, and production costs. These are classified as low to moderate risks. Physical risks mainly come from extreme climate and rising temperatures, which may cause operational disruptions or increased energy consumption, and are classified as low to moderate risks.</p> <p>The opportunities come from the increase in demand for low-power products and the rapid growth of touch ICs in new energy vehicles, which help to optimize product design and expand the market, which is classified as a moderate to high level of opportunity.</p> <p>For more complete information, please refer to Chapter 4 Environmental Sustainability in the Sustainability Report.</p>											
<p>3. Describe the financial impacts of extreme climate events and transformational actions.</p>	<p>The Company has considered the transformation risks (policies and laws, market, technology, reputation of the Company) and physical risks (slow and acute) in accordance with the TCFD standards, and conducted risk assessments on possible events, including financial impact levels, impact times (short, medium, long), targets of value chain impacts, and risk possibilities.</p> <table border="1" data-bbox="564 1447 1426 2031"> <thead> <tr> <th data-bbox="564 1447 759 1480">Types of risks</th> <th data-bbox="759 1447 919 1480"></th> <th data-bbox="919 1447 1426 1480">Overview of risks</th> </tr> </thead> <tbody> <tr> <td data-bbox="564 1480 759 1912" rowspan="3">Transformation risks</td> <td data-bbox="759 1480 919 1912" rowspan="3">Policies, laws, and regulations</td> <td data-bbox="919 1480 1426 1603">Changes in domestic and foreign policies and regulations result in an increase in operating costs of the supply chain, which may pass on costs.</td> </tr> <tr> <td data-bbox="919 1603 1426 1756">In response to the national's future commitment to net-zero, electricity structure adjustment may face the price increase of electricity, resulting in an increase in production cost.</td> </tr> <tr> <td data-bbox="919 1756 1426 1912">In response to the requirements of the laws and regulations, the Company must engage a consulting company to provide guidance and third parties to conduct verification, otherwise it will be subject to a fine.</td> </tr> <tr> <td data-bbox="564 1912 759 2031"></td> <td data-bbox="759 1912 919 2031">Technology and science</td> <td data-bbox="919 1912 1426 2031">New products may not satisfy the next generation of product demand of customers, resulting in a decline in revenue and the inability to recover the development</td> </tr> </tbody> </table>	Types of risks		Overview of risks	Transformation risks	Policies, laws, and regulations	Changes in domestic and foreign policies and regulations result in an increase in operating costs of the supply chain, which may pass on costs.	In response to the national's future commitment to net-zero, electricity structure adjustment may face the price increase of electricity, resulting in an increase in production cost.	In response to the requirements of the laws and regulations, the Company must engage a consulting company to provide guidance and third parties to conduct verification, otherwise it will be subject to a fine.		Technology and science	New products may not satisfy the next generation of product demand of customers, resulting in a decline in revenue and the inability to recover the development
Types of risks		Overview of risks										
Transformation risks	Policies, laws, and regulations	Changes in domestic and foreign policies and regulations result in an increase in operating costs of the supply chain, which may pass on costs.										
		In response to the national's future commitment to net-zero, electricity structure adjustment may face the price increase of electricity, resulting in an increase in production cost.										
		In response to the requirements of the laws and regulations, the Company must engage a consulting company to provide guidance and third parties to conduct verification, otherwise it will be subject to a fine.										
	Technology and science	New products may not satisfy the next generation of product demand of customers, resulting in a decline in revenue and the inability to recover the development										

			expenses.
		Reputation	If the Company does not include climate-related indicators in its operational considerations, it may affect customers' demand for purchase and lead to a decrease in revenue.
	Physical risks	Emergency	The increased frequency of extreme weather events has caused operational interruptions, which will affect delivery times and may result in losses on orders, which in turn will lead to a decline in revenue.
		Slow	The global average temperature rise, coupled with the increase in heat load, has caused the increase in electricity consumption by chillers and air-conditioners, and increased operating costs.
			If the government's energy policy restricts power supply, causing unstable power supply and regional power shortage, it will lead to operational interruptions, resulting in business losses and additional maintenance costs.
	For more complete information, please refer to Chapter 4 Environmental Sustainability in the Sustainability Report.		
4. Describe how the climate risk identification, assessment and management process is integrated into the overall risk management system.	<p>The Sustainability Committee convened a cross-departmental team to collect internal and external issues and conduct a comprehensive assessment of the degree of financial impact, impact time (short-term, medium-term, long-term), and impacted entities and possibilities in the value chain.</p> <p>The Sustainability Development Committee reports the results of climate risk management to the Board of Directors on a regular basis each year to ensure that climate change management is incorporated into the decision-making process.</p>		
5. If the scenario analysis is used to assess the resilience to the climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts shall be stated.	<p>Based on the TCFD guidelines, the Company uses the worst-case scenario for both transformation and physical risk types and incorporates the analysis results into the strategic resilience assessment.</p> <p>The transformation risk scenario refers to Taiwan's 2050 net zero emission path and strategy, sets carbon tax as a parameter, and analyzes the impact on the Company in terms of policies and laws, markets, technology, reputation, finance and operations when the carbon tax is \$300 per ton. It is expected that the operating cost will increase under such circumstance, which in turn affects the gross profit margin.</p> <p>When the physical risk scenarios refer to the SSP5-8.5, the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) and the National Science and Technology Center for Disaster Reduction collected the changes in the maximum daily high temperature TXx and the total number of days in a year with daily rainfall exceeding 200 mm as parameters to simulate the future climate conditions of Location of operations. In this scenario, extreme weather may cause disruptions to the supply chain and increase energy costs, which in turn affect revenue and production stability.</p> <p>Based on the aforementioned scenario analysis results, the Company evaluates the impact of climate change on finance and formulates various strategies to enhance the Company's resilience to climate change.</p>		
6. If there is a transformation	The Company pays close attention to the global climate change trends		

<p>plan responding to the management of climate-related risks, the content of the plan, and the indicators and targets used to identify and manage physical risks and transformation risks shall be explained.</p>	<p>and international response directions, and incorporates this issue into a major issue for corporate sustainable development, and continuously conducts analysis and control. The key points of various strategic promotions are as follows:</p> <p>I. Improve energy efficiency: Replace high energy-consumption equipment to improve energy efficiency and reduce energy consumption.</p> <p>II. R&D and design of low-carbon products: In response to the low-carbon transformation trend, the R&D unit invests in the development of low-carbon products, actively reduces product carbon emissions.</p> <p>III. Supply chain management: Exert corporate influence and promote suppliers to pay attention to social, economic and environmental impacts.</p> <p>IV. Enhance the Group's climate resilience: Understanding the impact of climate change and establishing an uninterrupted power backup mechanism.</p> <p>For detailed indicators and targets, please refer to Chapter 4 Environmental Sustainability of the Sustainability Report.</p>
<p>7. If the internal carbon pricing is used as the planning tool, the basis for setting the price should be explained.</p>	<p>The Company does not use internal carbon pricing as a planning tool. In the future, it will assess and introduce internal carbon pricing based on actual operations, environmental, regulatory and other needs assessments.</p>
<p>8. If climate-related goals are set, the scope of activities covered, the scope of greenhouse gas emissions, the planning schedule, and the progress of each year, and other information should be explained. If carbon offsets or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of the carbon reduction credits or the number of renewable energy certificates (RECs) offset should be explained.</p>	<p>The Company expects to set the base year as 2025. For all operating locations, the Company plans to replace the old carbon-emitting equipment. The Company also plans to improve the energy efficiency by establishing the energy management system (EMS), updating air-conditioning equipment, and promoting energy conservation among employees.</p> <p>The Company has set the target of reducing Scope 2 greenhouse gas emissions by 15% by 2030 compared to the base year. The achievement progress is reviewed annually and the Board of Directors is reported regularly to ensure the implementation of the plan.</p> <p>Currently, the Company has not yet used carbon credits or renewable energy certificates (RECs) as a measure to achieve the carbon reduction targets. In the future, the Company will adjust the carbon reduction strategy and target based on the degree of completion of the inventory data.</p>
<p>9. Greenhouse gas inventory and assurance, reduction targets, strategies and concrete action plans (fill in 1-1 and 1-2).</p>	<p>Please refer to 1-1 "Greenhouse Gas Inventory and Assurance for the Past Two Years" and 1-2 "Greenhouse Gas Reduction Goals, Strategies and Concrete Action Plan"</p>

2. Greenhouse gas inventory and assurance of the Company in the last 2 years

(1) Greenhouse gas inventory information

Describe the greenhouse gas emissions (metric tons of CO₂e), intensity (metric tons of CO₂e/NTD million), and data coverage in the last two years.

--

Category/Year	2023	2024
Direct emissions (Category 1)	3.014	2.073
Energy indirect emissions (Category 2)	1,400.11	1,354.61
Metric tons CO_{2e}	1,403.12	1,356.68

Note 1: The electricity carbon emission coefficient in this table is based on the electricity carbon emission coefficient published by the Bureau of Energy, MOEA, for each year. CO_2 The oil carbon emission coefficient is based on the greenhouse gas emission coefficient management table published by the Environmental Protection Administration, with one liter of gasoline emitting 2.2631 kilograms. Only CO_2 emission is calculated, and greenhouse gases such as methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and nitrogen trifluoride are not included.

Note 2: Calculated using GWP = 1 as the unit of carbon dioxide equivalent as per IPCC 2007 fourth assessment report.

Note 3: The scope of this table covers Taiwan's office, including Taipei, Hsinchu, Tainan. In the future, the Company will continue to expand its business to all operating locations of the Group to meet the relevant standards.

(2) Greenhouse Gas Assurance Information

Describe the assurance status in the last two years up to the date of publication of the annual report, including the scope of assurance, the assurance organization, the assurance standards and the assurance opinions.

The Company's greenhouse gas inventory has not been verified by a third party. In the future, the relevant operations will be completed in accordance with the competent authority's schedule or in advance, in order to improve the transparency and credibility of greenhouse gas information disclosure.

(3) Greenhouse gas reduction goals, strategies and concrete action plans

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

According to the "Sustainable Development Action Plan for TWSE/TPEX Listed Companies", the Company, a TWSE/TPEX listed company with a paid-in capital of less than NTD 5 billion, shall disclose the carbon reduction target, strategy and specific action plan for the next year based on the completion of the consolidated financial report and inventory information.

In order to set a specific and feasible carbon reduction target, the Company has commissioned a consulting company to assist in the greenhouse gas inventory at all operating locations, and continues to plan the verification operations of the locations, in order to enhance the credibility of information disclosure. It is expected that 2025 will be the base year. The Company will assess and replace major carbon-emitting equipment, adopt energy management system (EMS), update air-conditioning equipment, and promote energy conservation among employees, in order to reduce the Scope 2 greenhouse gas emissions by 15% by 2030 compared to the base year. In the future, relevant strategies and carbon reduction targets will be adjusted gradually as the data becomes more complete.

(VII) Status of ethical corporate management and deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons:

Evaluation items	Operation status		Summary description	Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No		
I. Establishment of ethical corporate management policies and plans				
(I) Has the Company established ethical corporate management policy approved by the Board of Directors, and has it clearly stated its business integrity policy and practices in its bylaws and external documents, as well as the Board of Directors and senior management's commitment to actively implement the ethical corporate management policy?	V		(I) The Company has established the "Ethical Corporate Management Best Practice Principles", "Operational Procedures and Guidelines for Ethical Corporate Management" and "Code of Ethical Conduct", which are implemented in internal management and external business activities after approval by the Board of Directors.	No significant difference yet
(II) Has the Company established a mechanism to assess the risk of unethical behavior, regularly analyze and assess business activities within its business scope that carry a higher risk of unethical behavior, and establish a plan to prevent unethical conduct based on the risk, and at least cover the preventive measures for each of the behaviors in Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles"?	V		(II) The Company upholds the principle of good faith, operates in a steady and upright manner, refrains from engaging in business activities with a higher risk of unethical behavior within the scope of business, and strengthens relevant preventive measures.	No significant difference yet
(III) Does the Company clearly define operating procedures, behavioral guidelines, disciplinary measures for violations, and complaint systems in its plan to prevent unethical behavior, and does it implement them and regularly review and revise the above-mentioned plan?	V		(III) The Company has stated in its "Procedures for Ethical Management and Guidelines for Conduct" the various operating methods for handling violations of ethical corporate management, rewards and penalties, complaints, and record of disciplinary actions. If an employee accepts bribes or resists bribery, the supervisor can immediately report it for punishment or reward, and the relevant systems are strictly enforced.	No significant difference yet

Evaluation items	Operation status			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
II. Implementing ethical corporate management				
(I) Does the Company evaluate the ethical records of its trading counterparties, and specify the ethical conduct clauses in the contracts signed with its trading counterparties?	V		(I) The Company and its counterparties undergo appropriate evaluations, and the Company upholds the principles of integrity and fairness, and carefully selects its counterparties	No significant difference yet
(II) Does the Company have a dedicated unit under the Board of Directors to promote corporate ethical management, and does it regularly (at least once a year) report to the Board of Directors on its ethical corporate management policy and plan to prevent unethical behavior and the status of its supervision of implementation?	V		(II) The Company has established a dedicated unit dedicated to the promotion of ethical corporate management, which is responsible for the assessment and inspection of relevant violations of ethical corporate management, and may report to the Board of Directors immediately if there are any major violations of ethical corporate management.	No significant difference yet
(III) Does the Company establish policies to prevent conflicts of interest, provide appropriate channels for communication, and implement such policies?	V		(III) The Company has stipulated related regulations on avoidance of conflict of interest in the "Procedures for Ethical Management and Guidelines for Conduct" to prevent personnel from making decisions that are not consistent with the Company's ethical principles. If an employee violates relevant regulations, the relevant investigation unit and decision-making supervisor will give the person an opportunity to make full statements before the Company makes a formal disciplinary decision.	No significant difference yet
(IV) Has the Company established an effective accounting system and internal control system to implement ethical management? Has the internal audit unit formulated relevant audit plans based on the results of the assessment of unethical behavior risks and used them to verify compliance with the plan to prevent unethical behavior, or has it entrusted a CPA to perform the audit?	V		(IV) The Company has established an effective accounting system and internal control system to eliminate opportunities that induce employees to make mistakes as much as possible. The audit unit conducts regular audits in accordance with regulations to ensure that the Company complies with internal control and relevant laws and regulations, and amends the internal control system in a timely manner and submits it to	No significant difference yet

Evaluation items	Operation status			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			the Board of Directors for approval to ensure the effectiveness of the internal control design; the accounting firm also cooperates in routine audits every year.	
(V) Does the Company organize internal and external training on ethical corporate management on a regular basis?	V		(V) The Company will arrange for the relevant courses of corporate governance and ethical management as part of the regular training courses for directors, and will gradually extend the course to company executives and other personnel. In 2024, the ethical corporate management philosophy has also been incorporated into the education and training content for new recruits. The topics of the course include company operation overview, personnel regulations, internal regulations, and basic professional ethical principles that employees should abide by during their tenure in office, in order to strengthen employees' awareness of and importance of ethical working behavior. 50 people participated in the 2024 integrity management education training, and the cumulative training hours reached 50 hours.	No significant difference yet
III. The operation of the Company's whistleblowing system				
(I) Does the Company establish a specific whistleblowing and reward system, and establish a convenient channel for whistleblowing, and assign appropriate dedicated personnel to handle the reports?	V		(I) The Company has established a smooth reporting mechanism and channel. If employees discover any improper behavior in the Company, they can take reporting and complaint actions. The dedicated unit will lead the relevant investigation and handling procedures, and report to the police and investigation authorities when necessary to handle in accordance with relevant local laws and regulations.	No significant difference yet
(II) Does the Company establish standard operating procedures for the investigation of whistleblowing matters, the follow-up measures to be taken after the	V		(II) The Company shall try its best to collect evidence and information, and If it involves major illegal activities, we will report it to the police for investigation. The Company will	No significant difference yet

Evaluation items	Operation status			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
investigation is completed, and the related confidentiality mechanism?			keep confidential the personal information and reporting materials provided by the whistleblower during the Company's investigation and will take appropriate protective measures in accordance with the law.	
(III) Has the Company taken measures to protect the whistleblower from improper treatment due to their whistleblowing?	V		(III) The Company has stipulated in the "Ethical Corporate Management Best Practice Principles" that it will take protective measures for whistleblowers.	No significant difference yet
IV. Strengthening of information disclosure				
Does the company disclose the content of the ethical corporate management principles established by the Company on its website and the Market Observation Post System, and the effectiveness of its implementation?	V		The Company discloses information related to the Company's implementation of ethical management through the Company's website and other channels, and has set up an internal independent mailbox in the investor section of the website, hoping to implement the responsibility of ethical management through multiple channels.	No significant difference yet
V. If the Company has established its own ethical corporate management best practice principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies", please describe the current practices and any deviations from the best practice principles: The Company's Board of Directors has established the "Ethical Corporate Management Best Practice Principles" on December 11, 2023, to clearly regulate the compliance matters of the Company's personnel.				
VI. Other important information helpful to understand the Company's ethical corporate management: <ol style="list-style-type: none"> 1. The Company's "Rules of Board of Directors Meetings" stipulates a system for directors to avoid conflicts of interest. Directors who have a conflict of interest with themselves or with the legal person they represent shall explain the important details of their conflict of interest at the current board meeting. If there is a possibility that their conflict of interest may be detrimental to the interests of the Company, they shall not participate in the discussion or vote, and shall avoid the discussion or vote, and shall not exercise the voting rights on behalf of other directors. 2. The Company has established the "Procedures for Handling Material Internal Information and Preventing Insider Trading" to establish a good mechanism for the processing and disclosure of material information internally, to avoid improper leakage of information and to ensure the consistency and accuracy of the Company's information to the public. 				

(VIII) Other important information that may enhance the understanding of the Company's governance practices:

1. Please refer to the Corporate Governance section on the Company's website.
2. The succession planning and operation of the members of the Board of Directors and key management personnel :

The composition of the Company's Board of Directors is planned based on the Company's operating scale and shareholding structure, and is committed to maintaining a professional, diverse, stable and decision-making governance structure. In order to strengthen the functions of the Board of Directors and its sustainable management capabilities, the Company has appointed a Corporate Governance Officer and continues to promote further education and training for directors and senior management teams. In 2024, 15 directors and senior executives participated in courses related to corporate governance and securities regulations, with a total of 78 hours of training, covering core issues such as corporate governance, board performance evaluation, global economic conditions, corporate M&A strategies, and cybersecurity governance, etc. to enhance their governance literacy and decision-making capabilities.

In terms of succession planning for board members, the Company promotes the diversity policy in accordance with the "Corporate Governance Best Practice Principles" and the "Procedures for Election of Directors", and has established a clear candidate nomination system. Board members must have integrity, industry experience and professional capabilities (including finance, accounting, technology, business management and other fields), and attach importance to gender balance and the rationality of age structure. In addition, the results of the performance evaluation of the Board of Directors are used as a reference for reappointment and nomination to gradually establish a talent pool for directors.

In addition, the Company's human resources department is also actively planning internal training courses for senior executives. Through the dual tracks of digital courses and physical training, the Company aims to enhance the leadership, communication, coordination and organizational development capabilities of management as part of the succession plan. The 2024 Executive Continuing Education Program covered leadership, communication, performance management, organizational governance, workplace laws and financial management, etc. A total of 18 courses were offered, with a total of 505 participants and a total training time of 1,270 hours, demonstrating the Company's commitment to establishing a sound and sustainable talent succession system.

The external continuing education of directors and senior executives in 2024 was as follows:

Job title	Name	Duration of continuing education	Organizer	Course name	Duration of continuing education	Total hours of continuing education in the current year
Chairman	Milehigh Investments Holding Limited Representative: Wayne Liang	2024/3/14	Securities and Futures Institute	Corporate Governance and Securities Regulation	3	3
Director	Nelpus Investments Limited Representative: Justin Wang	2024/3/14	Securities and Futures Institute	Corporate Governance and Securities Regulation	3	3
Director	ACIT Limited Representative: Bruce Chen	2024/3/14	Securities and Futures Institute	Corporate Governance and Securities Regulation	3	3
Director	Lydia Chen	2024/3/14	Securities and Futures Institute	Corporate Governance and Securities Regulation	3	6
		2024/6/26	Taiwan Corporate Governance Association	Seminar on Practical Sharing of Board Performance Evaluation	3	
Independent Director	Ted Lee	2024/3/14	Securities and Futures Institute	Corporate Governance and Securities Regulation	3	9
		2024/10/15	Taiwan Corporate Governance Association	Current global economic and financial situation	3	
		2024/11/19	Taiwan Corporate Governance Association	Corporate M&A strategy and planning	3	
Independent Director	Sam Chen	2024/3/14	Securities and Futures Institute	Corporate Governance and Securities Regulation	3	3
Independent Director	Peter Teng	2024/3/14	Securities and Futures Institute	Corporate Governance and Securities Regulation	3	3
Associate V.P. of R&D	Anson Lee	2024/3/14	Securities and Futures Institute	Corporate Governance and Securities Regulation	3	3
Corporate Governance Officer	Louise Cheng	2024/1/30 2024/1/31	Securities and Futures Institute	Practical training course for directors and supervisors (including independent directors) and corporate governance officers	12	18

Job title	Name	Duration of continuing education	Organizer	Course name	Duration of continuing education	Total hours of continuing education in the current year
		2024/3/6	Securities and Futures Institute	Course series for directors, supervisors and corporate governance officers - How to review financial reports for directors and supervisors with non-accounting backgrounds	3	
		2024/3/14	Securities and Futures Institute	Corporate Governance and Securities Regulation	3	
IT Security Supervisor	Brian Chung	2025/2/11	Taiwan Academy of Banking and Finance	Information security awareness, essential knowledge and responsibilities	2	6
		2025/2/12	Taiwan Academy of Banking and Finance	Information security incident description and preventive measures	2.5	
		2025/2/16	Taiwan Academy of Banking and Finance	Information communication security management and control guidelines for listed companies	1.5	

3. The Company adheres to the philosophy of “taking from society and giving back to society”, pays long-term attention to the social needs and development potential of the operating locations and surrounding areas, and regards the enterprise and the community as a community of shared destiny. The Company's main operations are in Hsinchu. At the same time, we also extend our public welfare care to neighboring cities and counties (such as Taoyuan and Taichung), investing resources to support the disadvantaged groups, medical care, and educational development in local communities. Although some of our public welfare partners are not located in the Company's operating location, the plans and spirit they promote are consistent with our values and have a substantial impact on solving local problems, and therefore have received support and funding from our Company.

(1) In 2024, our employees participated in health care, education, care for the disadvantaged, and public welfare, and fulfill corporate social responsibility through concrete actions. In terms of medical care, the Company donated NT\$1.5 million to the China Medical University Hsinchu Hospital to purchase robotic cantilever arm equipment for the operating room. This equipment can flexibly adjust the position according to the patient's surgical needs in different parts of the body, so as to provide patients with a variety of endoscopic surgeries. At the same

time, it allows patients to have a safer and more reliable space after undergoing painless anesthesia examinations or surgeries, further enhancing the quality of medical care in the Hsinchu area.

- (2) In terms of education and social support, we continue to work with a number of public welfare organizations to create positive changes for the community. This includes supporting the “Taiwan Happy Work Association”, which has four major goals: supporting families of the disabled, caring for adults with intellectual disabilities, improving the environment for the elderly, and working for the disabled. In response to public welfare, the Company donated a total of NT\$400,000 throughout the year to promote the establishment of a long-term care institution in the Lecheng community and continue to support the meals and learning development of children with disabilities. In addition, we donated approximately NT\$200,000 to St. Francis Orphanage, which is dedicated to providing all-round support courses and activity expenses for children from disadvantaged families such as orphans, abused children, single-parent children or grandparents who are unable to take care of them, to help the children in the orphanage develop independent living skills and self-confidence.
- (3) At the same time, in order to cultivate young scientific and technological talents, the Company also sponsored the Chien Kuo High School Robotics Research Team with NT\$160,000 for participation in international competitions. We also jointly organized STEM engineering education courses to allow children at the St. Francis Orphanage to learn scientific knowledge in an entertaining way and expand their learning horizons.
- (4) In the face of insufficient educational resources in remote rural areas, we also lent a helping hand and donated more than NT\$200,000 to the baseball team of Tbulan Elementary School in Heping District, Taichung City, to help the 30 players of the school baseball team purchase training equipment and player equipment, and to help the indigenous students build self-discipline and confidence through sports and teamwork.
- (5) In addition to corporate investment, we also encourage employees to participate in charity. During the Children's Day, "Children's Day Charity Sale" was held. A total of 135 employees responded and raised more than \$420,000 in donations, which were donated to various children-related charity groups. During the Mid-Autumn Festival, we launched a donation campaign to support stray animals with the theme of "Celebrate Mid-Autumn Festival Together and Care for Furry Children", attracting 204 employees to participate, with a donation amount of nearly \$170,000 to help provide food and medical resources for stray dogs and cats.

These seemingly small investments have gradually accumulated a far-reaching impact in the community. In the future, the Company will continue to pay attention to the pulse of community development, connect with the local community through practical actions, create more warmth and hope for the society, and implement the Company's commitment to sustainable operations.

(IX) Implementation of the internal control system

1. Declaration of internal control

Please visit the Market Observation Post System (MOPS) at <https://mops.twse.com.tw> and click on "Single Company" under "Corporate Governance", "Company Rules/Internal Control" and then "Internal Control Statement" for inquiries.

2. CPA's review report on the internal control system:

Please visit the Market Observation Post System (MOPS) at <https://mops.twse.com.tw> and click on "Single Company" under "Corporate Governance", "Company Rules/Internal Control" and then "Internal Control Review Report" for inquiries.

(X) Important resolutions of the shareholders' meeting and the Board of Directors in the most recent year and up to the date of publication of the annual report :

1. Important resolutions of the 2024 annual shareholders' meeting and their implementation:

Date	Shareholders' meeting resolutions	Implementation status
2024/3/14 2024 First extraordinary shareholders' meeting	● The Company's revised business report and restated financial statements for 2022	Approved as proposed
	● Approval of the Company's revised profit distribution plan for 2021 and 2022	Approved as proposed
	● By-election of an independent director	Approved as proposed
	● Removal of the non-competition restriction on the representative of a corporate director	Approved as proposed
	● Removal of non-competition restriction for newly elected independent directors	Approved as proposed
	● Cash capital increase for public underwriting before the first listing and all shareholders waive the preemptive subscription for cash capital increase.	Approved as proposed
	● Proposal to handle public offering of stocks	Approved as proposed
2024/5/23 2024 General shareholders' meeting	● 2023 business report and financial statements	Approved as proposed
	● 2023 earnings distribution proposal	Approved as proposed

2. Important resolutions of the Board of Directors from 2024 to the date of publication of the annual report

Date Session	Resolutions of the Board of Directors	Implementation status
2024/1/16 4th term 2nd meeting	<ul style="list-style-type: none"> ● Approval of the Company's revised business report and restated financial report for 2022 ● Approval of the Company's revised profit distribution proposal for 2021 and 2022 ● Proposal on lifting the non-competition restriction on the representative of a corporate director ● Cash capital increase for public underwriting before the first listing and all shareholders waive the preemptive subscription for cash capital increase. ● Proposal to handle public offering of stocks ● Proposal to approve the 2024 operating plan ● Approval of the Company's 2024 annual audit plan ● Discuss the Company's personnel matters ● Release of concurrent manager's duties and non-compete clauses ● Proposal to entrust the lead underwriter to handle over-allotment and post-listing price stabilization measures ● Tranche issuance of stocks 	The resolution was approved

Date Session	Resolutions of the Board of Directors	Implementation status
	<ul style="list-style-type: none"> ● Formulate the Company's management regulations ● Formulate profit distribution policy for Taiwan subsidiaries ● The Group's various salary and remuneration policies, systems, standards and structures ● Proposal for the remuneration to current directors and independent directors of the Company ● The amount of travel expenses for the current directors and independent directors of the Company ● Monthly salary and year-end bonus payment for managers of the Company within the Group for 2024 ● Appointment of authorized persons for opening a special depository account and non-physical stocks when handling supplementary public offerings ● Proposal to purchase "Directors Liability Insurance" for all directors ● Approval for the Company's official seal format ● Proposal to appoint a lead securities underwriter to assist the Company in complying with Taiwan's listing regulations ● Proposal to appoint a professional stock agency ● Appointment of litigation and non-litigation agents ● Appointment of a special agency responsible for information disclosure and a special agency responsible for taxation in Taiwan ● Share transfer proposal ● The Company held the first extraordinary shareholders' meeting in 2024 	
2024/2/5 4th term 3rd meeting	<ul style="list-style-type: none"> ● Information on the cancellation of the Company's first extraordinary shareholders' meeting in 2024 	The resolution was approved
2024/2/22 4th term 4th meeting	<ul style="list-style-type: none"> ● Proposed election of an independent director ● Lifting the non-competition restriction on newly-elected independent directors ● Changes to the issuance of new shares to employees ● The Company held the first extraordinary shareholders' meeting in 2024 	The resolution was approved
2024/3/14 4th term 5th meeting	<ul style="list-style-type: none"> ● Proposed appointment of a new independent director as a member of the Company's Remuneration Committee 	The resolution was approved
2024/3/14 4th term 6th meeting	<ul style="list-style-type: none"> ● Personnel matters of the Company (spokesperson/acting spokesperson) ● Proposal to ratify employee subscription of new shares ● Share transfer proposal ● Proposal for shareholder change of Achi Capital VCC-Alpha Fund ● Proposed approval of the remuneration and travel expenses for Peter Teng, the independent director of the Company 	The resolution was approved

Date Session	Resolutions of the Board of Directors	Implemen- tation status
2024/3/22 4th term 7th meeting	<ul style="list-style-type: none"> ● Approved the Company's 2023 annual business report and financial report ● Approved the Company's 2023 profit distribution proposal ● Approved the Company's 2023 employee remuneration and director remuneration distribution plan ● The independence and competency assessment of the Company's CPAs ● Submitted an assessment form on the Company's financial reporting capabilities ● Internal control system effectiveness assessment and statement ● Proposal to amend the Company's "Organizational Rules Governing Audit Committee", "Regulations Governing the Procedures of Audit Committee" and "Rules of Procedure for Board of Directors Meetings" ● Convene the Company's 2024 regular general meeting of shareholders 	The resolution was approved
2024/4/26 4th term 8th meeting	<ul style="list-style-type: none"> ● Evaluation of the remuneration for the appointment of the Company's CPAs ● The Company's consolidated financial report for the first quarter of 2024 ● 2023 employee remuneration distribution plan for the Company's managers ● Proposal on adjustment of monthly salary and year-end bonus payment for managers of the Company within the Group in 2024 	The resolution was approved
2024/8/19 4th term 9th meeting	<ul style="list-style-type: none"> ● The Company's consolidated financial report for the second quarter of 2024 ● Internal control system effectiveness assessment and statement ● Share transfer by shareholders of the Company ● Proposal on salary increase for managers of the Company in 2024 ● Confirm the conditions for issuing new shares through cash capital increase and setting aside public underwriting before the initial listing. 	The resolution was approved
2024/11/7 4th term 10th meeting	<ul style="list-style-type: none"> ● The Company's consolidated financial report for the third quarter of 2024 ● Distribution of remuneration to managers within the Group in 2024 ● Allocation of stock subscription amount granted to managerial officers and employees by issuing new shares for cash capital increase in the Company's initial public offering ● Proposal to establish a Sustainable Development Committee under the Board of Directors and to formulate the Company's "Sustainable Development Committee Charter" ● Proposed appointment of the first Sustainable Development Committee members ● Formulate the Company's "Procedures for Compilation of Sustainability Report and Assurance Procedures" ● Proposal to amend the Company's internal control system ● The Company's 2025 audit plan ● Share transfer by shareholders 	The resolution was approved

(XI) In the most recent year and up to the date of publication of the annual report, if the directors or supervisors have different opinions on important resolutions passed by the Board of Directors and there are records or written statements, the main contents are: No such situation.

IV. Information on CPA fees

- (I) The amount of audit and non-audit fees paid to the CPAs, their offices and affiliates, and the content of non-audit services:

Unit amount: NTD thousands

Name of CPA firm	Name of CPA	Audit period	Audit fee	Non-audit fee	Total	Remarks
PwC Taiwan	Liu Chien-Yu	2024/1/1-2024/12/31	3,900	3,000	6,900	Non-audit fee services include: special review of internal control of listing, change registration of new shares issued in cash before initial listing and capital verification, transfer pricing, tax certification, securities and exchange law and other consulting matters.
	Cheng Ya-Hui					

- (II) If any of the following circumstances occur, the following matters should be disclosed:

1. If the accounting firm is changed and the audit fees paid in the change year are less than the audit fees paid in the previous year: No such situation.
2. Audit fees are reduced by more than 10% from the previous year: No such situation.

V. Information on replacement of CPAs

None.

VI. The Company's chairman, general manager, or manager responsible for financial or accounting affairs, who has worked for the firm to which the CPA belongs or its affiliated companies within the past year

None.

VII. Transfer and pledge of shares in the most recent year and as of the publication date of this annual report by a director, managerial officer, or shareholder holding more than 10% of the shares

- (I) Changes in the shareholdings of directors, managers and major shareholders holding more than 10% of the shares:

Please visit the Market Observation Post System (MOPS) at <https://mops.twse.com.tw> and click on "Single Company" under "Equity Change/Securities Issuance", "Equity Transfer Information Inquiry", and click on "Insider Shareholding Change Post-Facto Report Form" for inquiry.

- (II) Information on the persons to whom the equity of directors, managers and major shareholders holding more than 10% of the shares is transferred as related persons :

No such situation.

- (III) Information on related parties that are pledged by shareholders:

No such situation.

VIII. Information on whether the top ten shareholders in terms of shareholding ratio are related persons or spouses or relatives within the second degree of kinship

Date: April 12, 2025; Unit: Thousand shares

NAME (NOTE 1)	SHARES HELD BY THE OWNER		SHARES HELD BY SPOUSE AND UNDERAGE CHILDREN		TOTAL SHARES HELD IN THE NAME OF OTHERS		IF THE TOP TEN SHAREHOLDERS ARE RELATED PERSONS OR SPOUSES OR RELATIVES WITHIN THE SECOND DEGREE OF KINSHIP, THEIR NAMES OR FULL NAMES AND THEIR RELATIONSHIP.		NOTE
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name (or name)	Relationship	
Gaintech Co. Limited	53,889	10.94%	-	-	-	-	-	-	-
Representative of corporate shareholder: David Ku	-	-	-	-	-	-	-	-	-
Representative of corporate shareholder: David Su	-	-	-	-	-	-	-	-	-
Nelpus Investments Limited	42,023	8.53%	-	-	-	-	-	-	-
Representative of corporate shareholder: LIN ROGER	-	-	-	-	-	-	-	-	-
Milehigh Investments Holding Limited	24,378	4.95%	-	-	-	-	-	-	-
Representative of corporate shareholder: LIN ROGER	-	-	-	-	-	-	-	-	-
Banded Agate Limited	22,624	4.59%	-	-	-	-	-	-	-
Representative of corporate shareholder: LIN ROGER	-	-	-	-	-	-	-	-	-
Trust property account of the Employee Stock Trust Management Committee of ITH Corporation in the custody of Bank SinoPac	17,069	3.47%	-	-	-	-	-	-	-
ACIT Limited	14,183	2.88%	-	-	-	-	-	-	-
Representative of corporate shareholder: LIN ROGER	-	-	-	-	-	-	-	-	-
Huang Min-Hsun	13,618	2.77%	-	-	-	-	-	-	-
The investment account of Black Crystal Co., Ltd. in the custody of CTBC Bank	12,429	2.52%	-	-	-	-	-	-	-
Kasos Global Investments Limited	9,419	1.91%	-	-	-	-	-	-	-
Representative of corporate shareholder: LIN ROGER	-	-	-	-	-	-	-	-	-
Cypress Venture Capital II Limited	7,701	1.56%	-	-	-	-	-	-	-
Representative of corporate shareholder: Wang Yao-Chang	-	-	-	-	-	-	-	-	-

IX. The number of shares held by the Company, its directors, managers and enterprises directly or indirectly controlled by the Company in the same invested enterprise, and the calculation of the comprehensive shareholding ratio

Date: March 31, 2025 Unit: Thousand shares; %

Reinvestment business	The Company's investment		Directors, managers, and directly or indirectly controlled business investments		Comprehensive investment	
	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)
ILI Technology Corp.	33,617	100.00	-	-	33,617	100.00
ILITEK Holding Inc.	-	-	13	100.00	13	100.00
W1 Technology Co., Ltd.	-	-	-	100.00	-	100.00
Granda Microelectronics (Xiamen) Co., Ltd.	-	100.00	-	-	-	100.00
Howdi Microelectronics (Shenzhen) Co., Ltd.	-	20.21	-	79.79	-	100.00
Hefei Howdi Microelectronics Co., Ltd.	-	-	-	100.00	-	100.00

Note 1: It is a limited company with no division of shares.

Four.Fundraising

I. Capital and shares

(I) Source of share capital

1. Source of share capital

Date: March 31, 2025; Unit: Shares; USD; NTD thousands

Year/ Month	Issuance price	Authorized share capital		Paid-in capital		Note		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Property other than cash as payment for shares	Other matters
2019/01	USD 0.33	500,000,000	165,000,000	1	0.33	Establishment and registration	-	-
2020/05	USD 0.33	500,000,000	165,000,000	344,243,782	113,600,448	Capital increase in cash by 344,244 thousand shares	-	-
2021/06	USD 0.33	1,000,000,000	330,000,000	868,096,597	286,471,877	Capital increase in cash by 523,853 thousand shares	-	Note 1
2021/06	USD 0.3176	1,039,042,821	330,000,000	901,989,537	286,471,877	Change of par value and number of shares	-	-
2021/07	USD 0.3176	1,039,042,821	330,000,000	990,134,372	314,466,677	Capitalization from earnings of 88,145 thousand shares	-	-
2021/07	USD 0.3176	1,039,042,821	330,000,000	42,023,057	13,346,523	Capital reduction in cash of 948,111 thousand shares	-	-
2021/10	USD 0.3176	1,039,042,821	330,000,000	334,285,714	106,169,144	Capital increase in cash by 292,263 thousand shares	-	-
2022/08	USD 0.3176	1,039,042,821	330,000,000	367,713,714	116,785,877	Capital increase in cash by 33,428 thousand shares	-	-
2023/12	USD 0.3176	1,039,042,821	330,000,000	452,396,565	143,681,150	Capital increase in cash by 84,683 thousand shares	-	-
2023/12	NTD 10	1,000,000,000	10,000,000	452,396,565	4,523,966	Share capital was restructured and the par value was changed to NT\$10	-	-
2024/11	NTD 39.65	1,000,000,000	10,000,000	492,396,565	4,923,966	Capital increase in cash by 40,000 thousand shares	-	Note 2

Note 1: Gaintech sold 100% of the Company's equity to Midus Investments Limited (hereinafter referred to as Midus), a wholly-owned subsidiary of MagiCapital; after the merger of Midus and the Company on June 4, 2021, Midus was dissolved, and Nelpus Investments Limited (hereinafter referred to as Nelpus), the sole shareholder of Midus, became a shareholder of the Company, and Nelpus subsequently increased its cash capital.

Note 2: The issuance of 40,000 thousand new shares through cash capital increase and listing for trading were approved by the Taiwan Stock Exchange with Tai-Zheng-Shang-Zi Letter No. 11317041991 on September 30, 2024.

2. Types of shares

Date: March 31, 2025; Unit: Thousand shares

Type of shares	Authorized share capital			Note
	Outstanding shares	Unissued shares	Total	
Registered common stock	492,397	507,603	1,000,000	Listed stocks

3. Information related to the summary declaration system: Not applicable.

(II) List of major shareholders (shareholders with a shareholding ratio of more than 5% or among the top ten shareholders)

Date: April 12, 2025; Unit: Thousand shares

Name of major shareholders	Shares	Number of shares held	Shareholding ratio (%)
Gaintech Co. Limited		53,889	10.94
Nelpus Investments Limited		42,023	8.53
Milehigh Investments Holding Limited		24,378	4.95
Banded Agate Limited		22,624	4.59
Trust property account of the Employee Stock Trust Management Committee of ITH Corporation in the custody of Bank SinoPac		17,069	3.47
ACIT Limited		14,183	2.88
Huang Min-Hsun		13,618	2.77
The investment account of Black Crystal Co., Ltd. in the custody of CTBC Bank		12,429	2.52
Kasos Global Investments Limited		9,419	1.91
Cypress Venture Capital II Limited		7,701	1.56

(III) The Company's dividend policy and implementation

1. The Company's dividend policy

The Company is in a growth stage. Based on the needs of capital expenditure, business expansion and sound financial planning for sustainable development, the Company's dividend policy will be distributed to shareholders in the form of cash dividends and/or stock dividends based on the Company's future capital expenditure budget and capital needs, and in response to economic and industrial changes. If the Board of Directors resolves to distribute profits, it must prepare a plan and have it approved by shareholders at a general meeting by ordinary resolution for the distribution of profits. The Board of Directors shall formulate the profit distribution plan in the following manner: (a) the Company shall make provisions for taxes payable in accordance with the law; and (b) the annual net profit shall first be used to make up for losses in previous years (if any). Next, (c) the statutory surplus reserve shall be allocated in accordance with the provisions of the public company law, but this limitation shall not apply when the statutory surplus

reserve has reached the Company's paid-in capital; (d) special surplus reserve shall be allocated in accordance with the provisions of the public company law or at the request of the competent authority. Unless otherwise provided by laws and regulations or the public company law, the distributable profit shall be the profit for the current year less the amounts in items (a) to (d) above and the amount added to the accumulated undistributed profit of the previous period. The Board of Directors may establish a profit distribution plan for the distributable profit and submit it to the shareholders' meeting for resolution. The profit distribution can be made in the form of cash dividends or stock dividends (profit converted into capital and distributed to shareholders in proportion to their shares). If the Board of Directors resolves to distribute profits, the total amount of dividends to shareholders shall be at least 10% of the earnings for the year after deducting the above items (a) to (d), of which the total amount of cash dividends paid shall not be less than 10% of the total amount of dividends paid to shareholders.

2. Dividend distribution:

Proposed (negotiated) dividend distribution for the current year

On March 14, 2025, the Company's Board of Directors resolved to distribute cash dividends of NT\$2.0 per share, totaling NT\$984,793 thousand, and plans to propose a resolution at the 2025 shareholders' meeting.

3. If there is a major change in the expected dividend policy, an explanation shall be provided: No major change in the expected dividend policy.

(IV) Impact of the proposed stock dividends at this shareholders' meeting on the Company's operating performance and earnings per share: Not applicable.

(V) Remuneration to employees and directors:

1. The percentage or range of the remuneration to employees and directors as set forth in the Company's Articles of Incorporation:

According to Article 34 of the Company's Articles of Incorporation: If the Company makes a profit in a year, it shall distribute employee remuneration at a rate not less than 1% of the net profit before tax before deducting employee remuneration and director remuneration in that year, and it shall distribute director remuneration at a rate not exceeding 1% of the net profit before tax before deducting employee remuneration and director remuneration in that year. However, if the Company still has accumulated losses, it shall reserve an amount to offset the accumulated losses. Employee remuneration may be paid in the form of stock or cash and may be distributed in accordance with the employee incentive plan agreed upon in accordance with Section 11.1. The recipients of employee remuneration may include employees of domestic or foreign controlled or affiliated companies who meet certain conditions. The distribution of employee remuneration shall be made by the Board of Directors with a resolution approved by more than two-thirds of the directors present and a majority of the directors present, and reported to the shareholders' meeting. A director who concurrently serves as an executive officer of the Company and/or its domestic or foreign controlled or affiliated companies

may receive both remuneration for his role as a director and remuneration for his role as an employee.

2. The basis for estimating the amount of employee and director remuneration for the current period, the basis for calculating the number of shares for employee remuneration distributed in the form of stock, and the accounting treatment when the actual amount distributed differs from the estimated amount:

The remuneration of the Company's employees and directors is estimated based on the amount that may be distributed in accordance with the Company's Articles of Incorporation. If the estimated expenses for the current period differ from the resolution of the shareholders' meeting, it will be regarded as a change in accounting estimate and will be adjusted in the year for resolution of the shareholders' meeting.

3. The distribution of remuneration approved by the Board of Directors:

- (1) Amount of employees' compensation and directors' remuneration distributed in cash or stock. If there is any difference between the amount and the estimated amount of the expense recognized, the difference, reason and treatment shall be disclosed:

On March 14, 2025, the Company's Board of Directors resolved to allocate NT\$25,764,695 as employee remuneration and NT\$25,764,695 as director remuneration for 2024, which shall be distributed in cash. Cash remuneration payable to employees is estimated at a certain ratio based on the profit situation in the current year, while directors' remuneration is recorded based on the estimated amount expected to be paid. If there is any discrepancy between the above estimated amount and the actual amount paid, it will be treated as a change in accounting estimate and the adjustment will be accounted for in the year of payment.

- (2) The ratio of the amount of remuneration to employees distributed in stock to the sum of net profit and total remuneration to employees for the period: None.

4. The actual distribution of employee and director remuneration in the previous year (including the number of shares distributed, amount and share price), and any discrepancy between the actual employee and director remuneration and the recognized employee and director remuneration, and the difference, reason and handling status shall be stated:

Unit: NTD thousands

Items	Estimated amount for 2023 financial report	Actual distribution in 2024	Difference
Employees' cash remuneration	13,000	13,000	-
Remuneration to directors	-	-	-

(VI) Shares repurchased by the Company:

None.

II. Issuance of corporate bonds

None.

III. Preferred shares

None.

IV. Overseas depository receipts

None.

V. Employee share options

None.

VI. Issuance of new employee restricted shares

(I) For all employee restricted shares for which the vesting conditions have not yet been fully met, the status as of the publication date of the annual report and the impact on shareholders' equity shall be disclosed

Types of new restricted employee restricted shares	First meeting in 2021 New employee restricted shares
Effective date of declaration	Not applicable
Total shares	33,428,000 shares
Date of issue	2022/3/1
Number of new employee restricted shares issued	33,428,000
Number of new employee restricted shares that can be issued	-
Issuance price	Paid issuance, USD 1.12
Ratio of the number of new employee restricted shares issued to the total number of issued shares	6.79%
Vesting conditions for employee restricted shares	The lock-up period for new employee restricted shares starts from the signing date of the "Employee Shares Subscription Agreement" and ends when the lock-up period agreed upon by the three parties expires.
Restricted rights of new employee restricted shares	(I) For new employee restricted shares issued in accordance with the regulations, the rights of employees who are allocated new shares but do not meet the vesting conditions are restricted as follows: 1. The subscriber shall not sell, transfer, donate, create any rights or encumbrance on the subscribed shares, or dispose of them in any other manners. 2. After the lock-up period expires and before the Company's shares are listed, subscribers shall hold the subscribed shares

Types of new restricted employee restricted shares	First meeting in 2021 New employee restricted shares
	<p>in accordance with the regulations. However, if a subscriber wishes to transfer or dispose of all or part of his/her subscribed shares, he/she must obtain the Company's prior written consent. The Company may repurchase or transfer all or part of the shares held by the subscriber to a third party designated by the Company. Unless otherwise specified, the transfer price shall be the subscription price plus interest calculated based on the one-year USD time deposit interest rate of the Bank of Taiwan at the time of payment.</p> <p>(II) For new employee restricted shares issued in accordance with the regulations, before the conditions are met, the Company or a third party designated by the Company shall be authorized to act as the sole agent to negotiate, sign, amend, extend, cancel, and terminate the trust or centralized custody agreement with the stock trust or centralized custody institution, and to instruct on the delivery, use, and disposal of the trust or centralized custody property, and agree that the proposals, speeches, voting rights, and other matters related to the shareholders' rights and interests of the Company's shareholders' meeting shall be exercised by the trust or centralized custody institution in accordance with the agreement.</p>
Custody of employee restricted shares	Prior to the listing, the shares were kept by ILI EMPLOYEE LIMITED, which was established by the Company. The Company has also transferred all the shares of ILI EMPLOYEE LIMITED to its employees.
Measures to be taken if the vesting conditions are not met after the employees receive allotted or subscribed shares	<p>For employees who have not reached the lock-up period at the stage and have not been vested, the employees will be handled according to the following different reasons for resignation:</p> <p>(I) When an employee resigns voluntarily, he/she shall unconditionally and irrevocably authorize the Company or a third party designated by the Company to repurchase or transfer the subscribed shares delivered to the Company in trust or centralized custody to a third party designated by the Company at the subscription price.</p> <p>(II) If an employee leaves the Company involuntarily (including when the Company closes down its factory, relocates its factory, suspends business, dissolves, is declared bankrupt, or falls under the circumstances of Article 11, the provisions of Article 13, Paragraph 1 of Article 14, or Article 20 of the Labor Standards Act), the employee shall unconditionally and irrevocably authorize the Company or a third party designated by the Company to repurchase or transfer the subscribed shares that have been delivered to the trust or centralized custody to the third party designated by the Company. The transfer price shall be the subscription price plus interest, and the interest shall be handled in accordance with the regulations.</p>

Types of new restricted employee restricted shares	First meeting in 2021 New employee restricted shares
	(III) If the labor contract is terminated after the lock-up period expires but before the Company's shares are listed, the employee shall continue to hold the subscribed shares in accordance with the regulations. If the employee wishes to transfer or dispose of the subscribed shares, it shall be handled in accordance with the regulations.
Number of new employee restricted shares that have been redeemed or purchased	-
Number of shares whose restricted rights have been released	16,118,400
Number of shares whose restricted rights have not been released	17,309,600
Ratio of shares with unrestricted rights to total issued shares (%)	3.52%
Impact on shareholders' equity	As of the end of March 2025, the amount of expenses that has not yet been amortized was approximately NT\$22,609 thousand.

(II) Names of managers holding the employee restricted shares and top ten employees holding the most shares up to the date of publication of the annual report, and the status of their acquisition

March 31, 2025 Unit: In thousand of shares; USD; %

	Job title	Name	Number of new employee restricted shares acquired	Ratio of the number of new employee restricted shares acquired to the total number of issued shares	Implemented				Not implemented			
					Number of subscriptions	Subscription price (NTD)	Subscription amount (NTD thousand)	Percentage of number of subscribed shares to total issued shares	Number of subscriptions	Subscription price (NTD)	Subscription amount (NTD thousand)	Percentage of number of subscribed shares to total issued shares
Managerial officers	General manager	Bruce Chen	764.5	0.16	489	1.12	547.68	0.10	275.5	1.12	308.56	0.06
	Chief Financial Officer	Sandra Chen										
	Associate V.P. of R&D	Anson Lee										
	Associate V.P. of Sales – Subsidiary	Tom Cheng										
	Corporate Governance Officer	Louise Cheng										

	Job title	Name	Number of new employee restricted shares acquired	Ratio of the number of new employee restricted shares acquired to the total number of issued shares	Implemented			Not implemented				
					Number of subscriptions	Subscription price (NTD)	Subscription amount (NTD thousand)	Percentage of number of subscribed shares to total issued shares	Number of subscriptions	Subscription price (NTD)	Subscription amount (NTD thousand)	Percentage of number of subscribed shares to total issued
Employees	Employees	Employee A	3,601	0.73	1,617.7	1.12	1,812	0.33	1,983.3	1.12	2,221.3	0.4
	Employees	Employee B										
	Employees	Employee C										
	Employees	Employee D										
	Employees	Employee E										
	Employees	Employee F										
	Employees	Employee G										
	Employees	Employee H										
	Employees	Employees I										
	Employees	Employee J										

Note 1: Associate V.P. of Sales – Subsidiary, Tom Cheng, took office after being approved by the Board of Directors on March 14, 2025.

Note 2: The top ten employees refer to those who are not managers.

VII. Issuance of new shares for mergers and acquisitions or acceptance of shares of other companies

None.

VIII. Execution of the plan for utilization of funds

Where previous issuances or private placements of securities have not been completed or have been completed within the last three years but the benefits of the plans have not yet been realized: As of the date of publication of the annual report, the plans for the use of funds from the previous issuances of securities by this Corporation have been completed.

Five. Overview of Business Operations

I. Description of the business

(I) Scope of business

1. Major lines of business

The Company engages in professional display driver IC design, mainly providing design, research and development, sales and technical services of display driver IC, which is an important component of the panel, widely used in smart phones, tablet PCs, notebooks, desktops, in-vehicle displays and wearable electronic products.

2. Major products and the weights thereof:

Unit: NT\$ Thousands, %

Year \ Main item	2023		2024	
	Amount	%	Amount	%
Display driver IC	22,397,637	100.00	22,461,565	100.00
Total	22,397,637	100.00	22,461,565	100.00

3. The Company's main products (services):

- A. Integrated circuits (IC) and systems related to panel display
- B. Integrated circuits (IC) and systems related to touch display system
- C. Design, test, maintenance and technical consulting services for the software and hardware application of the above products
- D. Import and export business of the above-mentioned products

4. New products and services planned to be developed:

(1) New IC solutions for laptops

- A. Including more channels
- B. Higher resolution
- C. New digital interface (New I/F)
- D. Low power consumption
- E. 10 bits Source Driver

(2) New solutions for small and medium size

- A. Display solutions for IoT and related fields
- B. Digital photo frames, related applications of smart speakers, and touch integrated solutions
- C. Industrial application-related display applications and touch-control solutions

(3) Solutions of ICs related to mobile devices

- A. AMOLED related DDI and TDDI
- B. Applied to mobile phone and tablet related LCD TDDI
- C. Wearable related LCD, OLED and related integrated TP technology

- (4) New solutions for touch-control IC
 - A. Development of new platforms with high count of channels, such as new-generation touch-control solutions including AO, IWB and ultra-large scale, etc.
 - B. Development of electronic paper application products
 - C. Development of laptop application products
 - D. Enhancement of high SNR and noise immunity, to create innovative product highlights
 - E. Low power-consumption design
 - F. Simultaneous pen and touch solution
- (5) Solutions of automotive touch and display driver integrated chip (TDDI)
 - A. Compliant with automotive ISO 26262 and AEC-Q100
 - B. TDDI Solution for 1920 Channel & 1440 Channel
 - C. Development for supporting larger-size and high-resolution products, such as LTDI integrated chips.
 - D. Timing controller and bridge for local dimming, interface transferring (LVDS to eDP) and high resolution
 - E. OLED Driver Solution

(II) Industry overview

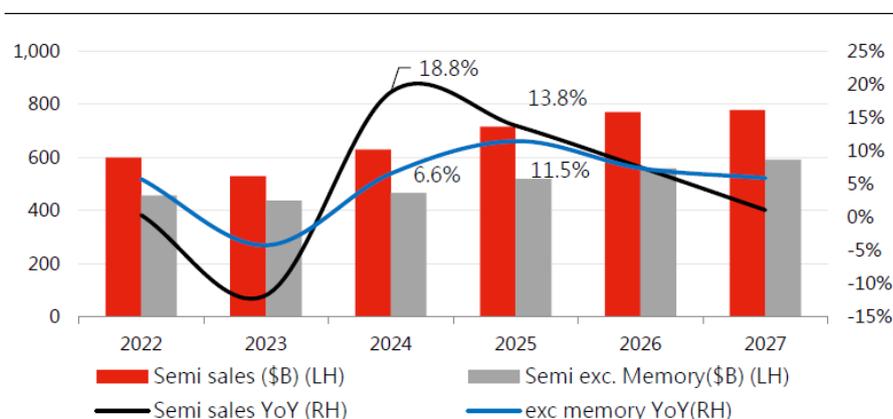
1. Current status and development of the industry

(1) Global semiconductor industry

According to Gartner's statistics, the global semiconductor industry continued to be under the influence of geopolitical risks in 2024, especially the delay in the end of the Russia-Ukraine war, which limited the growth of overall consumer's end market demand. However, under the circumstance that China's domestic market is bottoming out and the mobile phone market is recovering from the bottom, the overall demand for semiconductors still maintains an annual growth rate of about 1.5% throughout the year. In addition, driven by the rapid development of AI technology, major global CSP suppliers have increased their investment in computing equipment to maintain their competitive advantage, further driving the overall semiconductor market YoY and maintaining a growth of 18.8%.

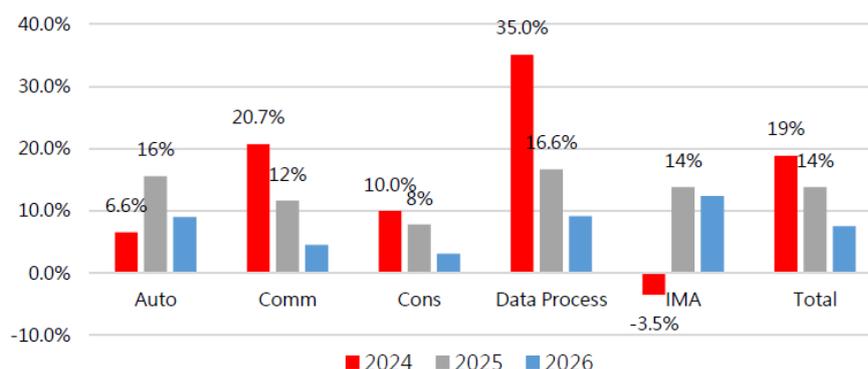
Annual growth trend forecast of the global semiconductor market

Semiconductor Industry to Enter Recovery in 2025



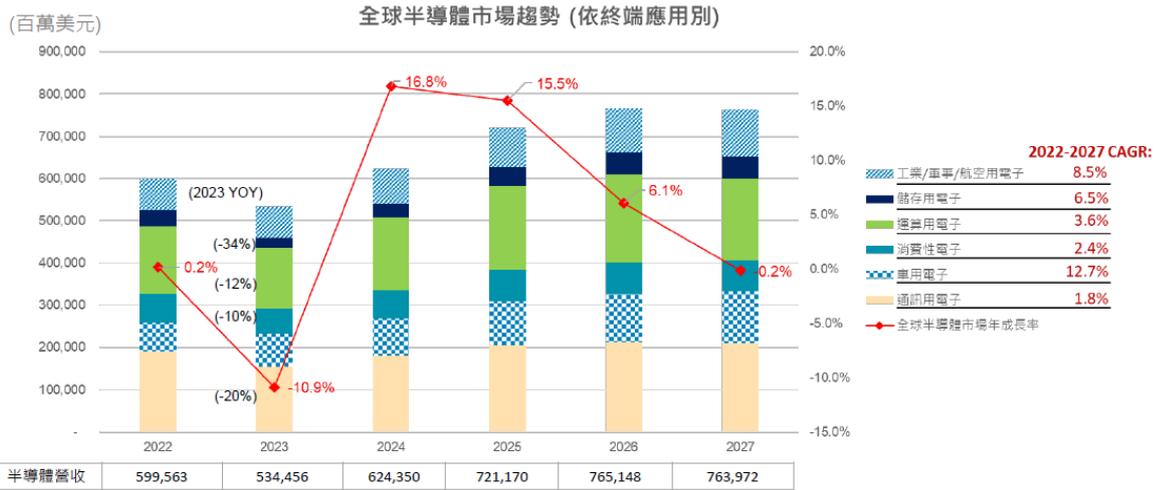
資料來源：Gartner；永豐投顧研究處整理，Nov. 2024

High Single- to Double-Digit Growth Expected Across All Application Categories



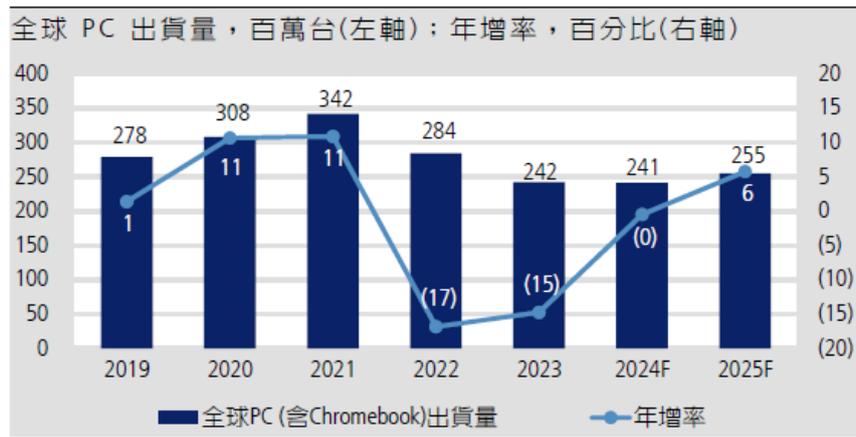
資料來源：Gartner；永豐投顧研究處整理，Nov. 2024

According to a research report by Gartner, the global semiconductor market, when analyzed by end application, is expected to see slower-than-anticipated growth in the automotive segment in 2024 due to persistent inventory pressure from late 2023. However, the long-term growth momentum remains unchanged, with the annual growth rate projected to stay within the range of 10% to 15%. In the laptop market, major brands have launched the first wave of AI PCs. In addition, the uncertainty of the US-China tariff policy has prompted various brands to stock up in advance, making market demand better than previously expected. It did not decline by 3% to 5% as originally estimated, and remained relatively stable. Overall, communications and computing are still the two largest markets for semiconductors, and the annual compound growth rate is expected to be between 10% to 20%. It is optimistically expected that the related industries that will be driven by this, such as Edge AI PCs, mobile phones and related emerging products, are also expected to continue to drive new phone replacements and expand application scenarios, injecting momentum into future growth.

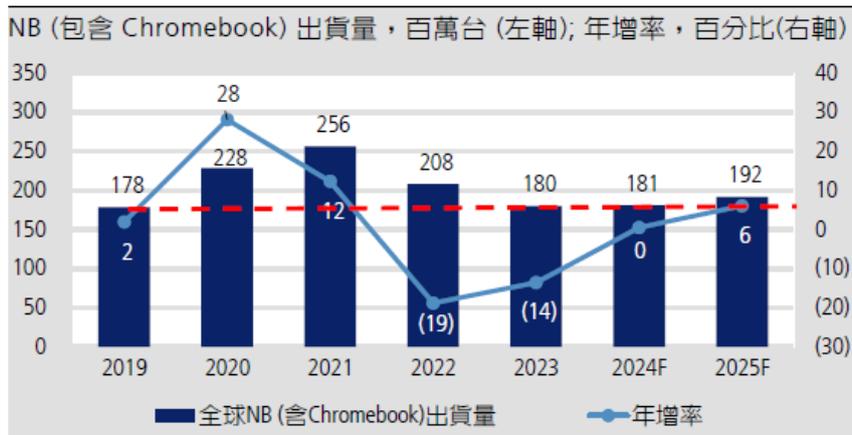


Source: Industry, Science and Technology International Strategy Center, ITRI

Shipment volume and growth rate of major end electronics



資料來源：Gartner；凱基預估



資料來源：Gartner；凱基預估

(2) IC design industry in Taiwan

According to the ITRI, the output value of Taiwan's semiconductor industry exceeded NT\$5 trillion for the first time in 2024, reaching NT\$5.3151 trillion, with an annual growth rate of 22.4%. Looking ahead to 2025, the output value is expected to further exceed the NT\$6 trillion mark and grow to NT\$6.1785 trillion, with an estimated annual growth rate of 16.2%.

Taiwan's IC design industry's output value in 2024 was \$1.2721 trillion, an increase of 16%; the IC packaging industry's output value was \$423.3 billion, an increase of 7.7%; and the IC testing industry's output value was \$200.2 billion, an increase of 5%. In terms of wafer foundry, benefiting from the technological advantages and production expansion of leading manufacturers, the annual output value is estimated to reach \$3.2438 trillion, an annual increase of 30.1%.

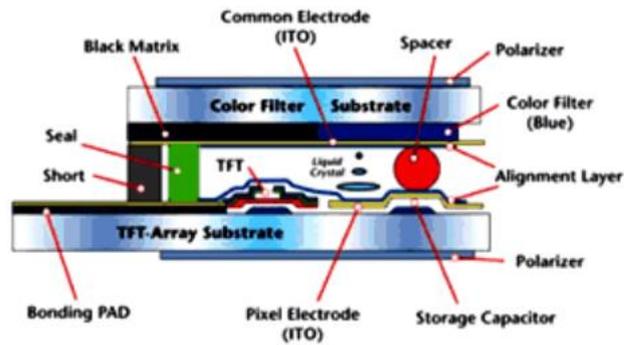
Looking back at the IC design industry in 2024, the consumer electronics market was weak in the first half of the year due to overall economic factors such as high inflation and uncertainty in the Federal Reserve's interest rate policy. Channel vendors continued to adjust inventory and reduce shipments. In addition, the consumption power of major markets such as China and Europe was insufficient, and the overall industry performance was relatively conservative. As inventories gradually stabilize and market demand picks up in the second half of the year, especially as the demand for electric vehicles in China increases quarter by quarter, major mobile phone brands launch new models one after another, and AI applications driving the recovery of all links in the supply chain, the semiconductor industry is expected to recover moderately.

(3) Display driver IC

Display Driver IC (DDI) is a key component of display panels. Its main function is to control the screen brightness and color. The image and data signals are transmitted in the electrical signal format to the display panel, so that text, images and other messages can be displayed on the screen. It is mainly applied in LCD and OLED panels. Based on the display technologies they are used in, DDIs can be further categorized into those for Thin-Film Transistor Liquid Crystal Displays (TFT-LCD) and Active Matrix Organic Light-Emitting Diodes (AMOLED). TFT-LCD can be regarded as a layer of crystal between two pieces of glass substrates. The upper layer of glass substrates is mainly the color filter (CF), and the lower layer of glass substrates is embedded with transistor. When the current passes the transistor and generated field changes, it causes twist of liquid crystal polymers, changing the polarity of rays, and then using the polarizers to determine the darkness of each pixel. The image of TFT-LCD is structured by applying different voltage on the liquid crystal layer sandwiched between the glass substrates, to change the arrangement direction of the liquid crystal polymers, so that the different angles of standing liquid crystal polymers form a light gate deciding the penetration of backlight, and thus an image is formed. Under the active structure, each pixel can store the driving signals,

and each pixel can display independently and continuously the demand for the dynamic display. LCDs; therefore, the active driving approach have been used in existing LCDs. The LCDs use light panels as the light source, and TFTs mainly provide the voltage signals at the both ends of the transistors controlling LCD, so TFTs do not need to provide a larger current.

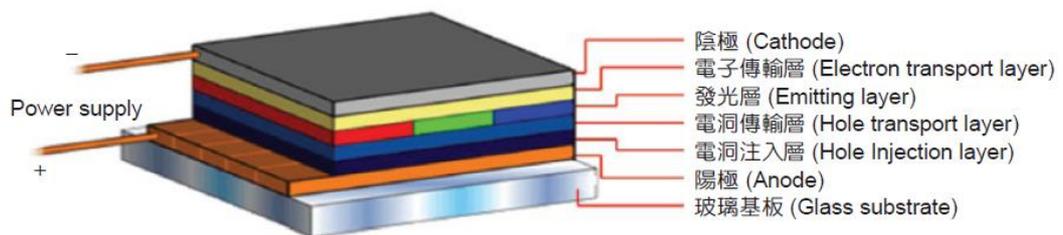
Basic structure of TFT-LCD



Source: CTIMES

The main difference between AMOLED displays (active matrix organic LED) and LCDs is the mechanism of light generation. LCDs provide light source from the backlight panel, while the light source of an OLED is the light generated by itself. The main light generation mechanism of OLED displays is providing energy through current, and light is emitted through fluorescent or phosphorescent. The AMOLED is the evolution of the OLED technology, using the thin film transistor (TFT) matrix to regulate the current going through each individual pixel on the display. Comparing to the traditional the OLED display, it improves the image quality and overall performance, while reducing the energy consumption. AMOLED displays enjoy high precision in controlling the brightness and color of each single pixel, which helps to save energy while improving image quality. AMOLED is similar to OLED, providing a deep and rich view of blackness and wide vision.

Structure of OLED



Source: Instruments Today

In addition to the general display driver IC, TDDI (Touch and Display Driver Integration) integrates both touch and display drivers. Due to the high integration of TDDI solutions, display screens are compact, which reduces costs and simplifies the supply chain. It has become the main solution for the LCD screen of mobile phones.

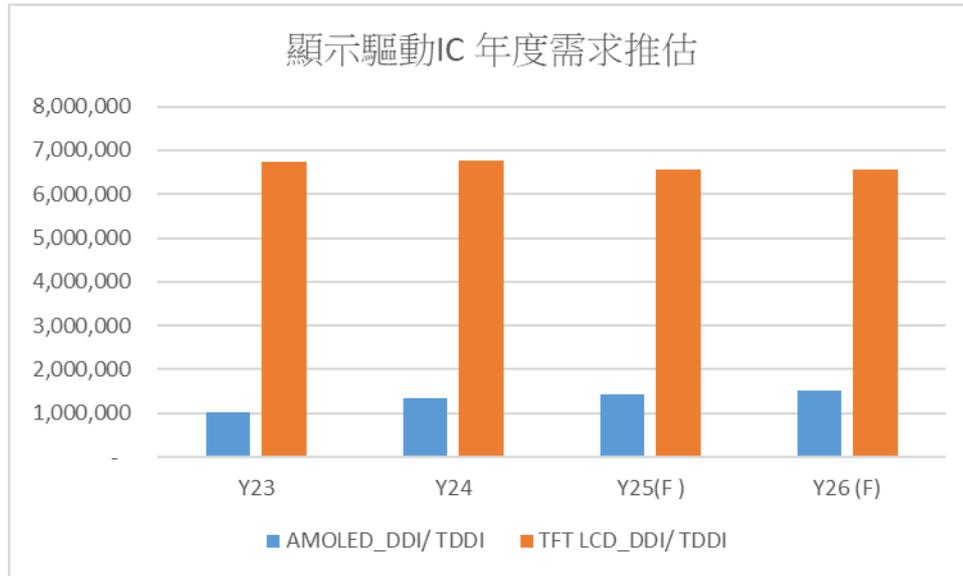
In recent years, LCD TDDI solutions have accounted for more than 50% of the touch key applications of smart phone screens worldwide.

According to market research firm Omdia, due to the high overall inventory level in the industry at the end of 2023, module prices have generally fallen to the cash cost of each panel manufacturer. In response to price pressure, panel manufacturers have successively launched capacity adjustment strategies, shutting down relatively old production lines that lack competitive advantages, or switching to other application areas, in order to optimize the capacity structure and improve operational efficiency. This action to reduce production capacity has further stabilized the market supply and demand, and the panel price has shown a trend of quarterly recovery since 2024. At the same time, benefiting from the continued promotion of applications such as high-end medical equipment and automotive displays, the global display output value is expected to grow steadily from 2025. Omdia estimates that the global display output value will reach US\$125.7 billion in 2026, with an average annual growth rate of 5.16% from 2023 to 2026.

In terms of DDIC demand, the overall demand in 2024 grew by 6%, and reached 8.48 billion pieces, which showed a clear recovery trend in the industry. According to market research firm Omdia, demand for LCD driver chips for desktop monitors and laptop computers will gradually recover. Coupled with the continued robust demand for LCD TVs and LCD smartphones, the overall market grew from 7.75 billion units in 2023 to 8.12 billion units in 2024, a year-on-year growth rate of approximately 4.7%.

In addition, the overall AMOLED market also shows good growth momentum. In addition to existing wearable devices and smartphones, the demand for AMOLED in IT applications has also been increasing year by year. Compared to 2024, the demand for AMOLED-specific display driver chips will increase by more than 25%. As the penetration rate of high-definition panels in large-size applications continues to expand, the overall market demand for DDICs will maintain a slow growth.

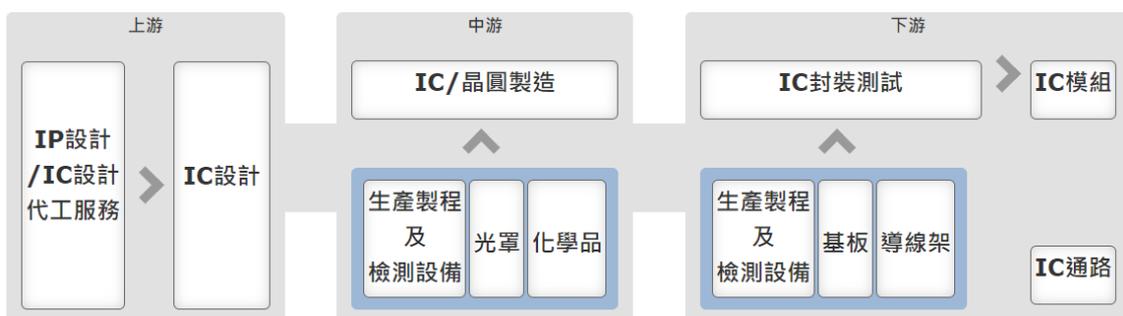
Scale of the global display industry from 2023 to 2026



Source: Omdia(2025/04)

2. Correlation among the upstream, midstream, and downstream segments of the industry

The division of jobs in the IC industry in Taiwan is professional. The vertical division of job is clear, and each division has its own specialization. The upper, middle and lower streams of the IC industry system in Taiwan are more complete. Therefore, the industrial structure of professional division of job is the biggest difference between the IC industry in Taiwan and the foreign development structure. The upstream is IP design and IC design services. IP is the intellectual property rights of IC design. Design services include logic design, circuit design, pattern design and layout production. The midstream includes light shielding and wafer manufacturing. The manufacturing process is oxidation, diffusion, CVD, etching, ion insertion and other methods, so that circuit and circuit components are made on wafer. The downstream is mainly assembly and testing. The process includes cutting, placement, soldering, plastic molding, testing and other things.



Source: Industry Value Chain Information Platform

The Company is a fabless IC design company, an upstream manufacturer of the semiconductor industry. The IC design is very important to the overall IC industry. Comparing to IC manufacturing and IC testing, a fabless IC design company is featured with a lower capital investment. It is mainly responsible for the specification formulation, layout design, sales and after-sales services. As for the production of mask manufacturing,

wafer manufacturing, wafer cutting, IC packaging and final testing, the Company has contracted these to professional manufacturers, such as the mask manufacturers, professional wafer foundry and IC assembly and testing companies, to carry out OEM.

3. Product development trends and competition

(1) New display driver IC

As the development of the panels become mature, the design of smart phones moves toward full screen and foldable display, while pursuing high resolution, fast response speed and flexible arc panels, which are also different from the traditional design of panels, featured with high specification and high price. It is a high-margin niche product. The foldable display mainly adopts the flexible OLED technology, which is known for its resilience, flexibility, and bendability. The high resolution of flexible display shows a richer color gamut and is lighter. The development of driver ICs specific to different display technologies will be the key to the competitiveness of future products.

(2) Ultra-high resolution and virtual reality integrated system

As technology evolves, consumers are demanding better display quality, immersive experience, and beautiful design of appearance. As the global UHD4K/8K4K ecological system gets mature, in the future, the seamless display products applying ultra-high resolution, irregular sizes, and irregular patterns will be able to provide consumers with a more immersive visual experience and perfect images. Moreover, in the future, the global 5G high-speed communication environment will be completely constructed, bringing faster transmission and high-quality real-time communication services to consumers. Therefore, the development of virtual reality interactive display and technologies of sensing, awareness, information security and other system integration will be able to achieve the application of new display technologies such as AR/VR/MR and 3D.

(3) Rapid growth of niche market

The automotive, commercial, industrial control, medical care, wearable devices and smart entertainment display for AR/MR adopt TFT-LCD, and the end markets are still growing. The automotive market has been growing steadily in recent years, with high entrance barrier of technology. In response to the development trend of intellectualization, self-driving, Internet connectivity and sharing, the unit usage of automotive panels has increased. At present, there are integrated solutions for automotive panels equipped with touch sensor and bonding. More sensors, such as biomedicine, fatigue detection, among other things, have been added. Combining with the design concept of the system integration in any form, the products are moving toward large-size, high-quality, multi-screen (unit usage has increased), multi-shape (curving and curly), integrated (digital cockpit), and improve touch sensitivity.

As 5G is gradually expanding into daily and commercial operations, the number of Internet of Things devices will increase rapidly under the 5G IoT environment in the future, bringing more diverse and wide display applications, including smart retail, smart entertainment, smart in-vehicle, and smart medicine, among other application

scenarios, where everything needs to be equipped with products featured ultra-high resolution, curve, wide color gamut, ultra-high dynamic contrast technology, integrated touch, value-added application. The Company will make good use of its integration advantages to increase added value, create differentiated and high-value products with technology diversity, and embraces the driving display opportunities brought by the smart IoT era.

4. Market competition

In recent years, international trade frictions, especially the intensified technology competition between China and the United States, have become an important factor affecting the global semiconductor supply chain. This force has accelerated the process of China's promotion of the independence and localization of the semiconductor industry to a certain extent. For the driver IC industry, this is directly reflected in the fact that mainland panel manufacturers are more actively introducing products from local driver IC suppliers, changing the original market supply chain structure.

Intensified market competition has put prices under pressure as China's manufacturers adopt aggressive pricing strategies, especially in the field of mid and low-end LCD driver ICs where the technology is relatively mature and the degree of standardization is high. On the other hand, as the technology matures, some of the driver IC products have narrowed the differences in functions and performance, and have gradually evolved into higher-commercialized components. Even in the field of high-end AMOLED or driver ICs for specific applications, although the technical threshold is high, price pressure still exists due to competition from multiple capable manufacturers.

In order to strive for a more competitive cost structure, mastering upstream wafer fab capacity and optimizing supply chain management, balancing inventory levels and establishing flexible supply chain resilience to respond to changes in market demand have become key capabilities to maintain competitiveness. Therefore, excellent supply chain management and cost control are the foundation for IC manufacturers to gain a firm foothold in the "Red Sea" competition and maintain basic profitability.

In order to establish competitiveness beyond price wars, how to provide more complete solutions and efficient development to strengthen customer relationships and bargaining power in the future will become the key to establishing differential advantages.

Team integration, continuous technological advancement and diversified product layout provide customers with more innovative and higher value-added display ICs and related solutions, rather than just standard components that can be easily replaced. This kind of strategic differentiation is an important cornerstone for consolidating market position in the current challenging market environment, winning the trust of key customers, and ensuring long-term growth.

(III) Overview of technologies and R&D

1. Technical level of business, R&D of the operated businesses

The Company owns ICs required for the complete panel, including small, medium and large-size panel driver IC, touch IC and automotive touch-display integrated IC.

The technologies required of such products include:

- (1) Familiarity to characteristics of various LCD and touch panels
- (2) Design technology of anti-noise circuits
- (3) Algorithm technology for dynamic panel backlight source .
- (4) System technology of the entire panel and display.
- (5) Design capability for low power and low noise .
- (6) Capability for integration and fast design process
- (7) ESD electrostatic protection
- (8) Design capability for multiple points of touch hardware and firmware
- (9) Certified for automotive ISO 26262 and AEC-Q100.
- (10) Supporting the active pens and electronic book touch technology.

The Company has been innovative and pioneering in its technical services to customers, and recognized with its advanced products and technologies, while achieving may leading indicators.

The results of the recent development are summarized as follows:

R&D projects	Application areas
High ESD Protection	Mobile Phone, PMP, Mobile, Automotive
Anti-RF Susceptibility	Mobile Phone, PMP, Mobile TV, Automotive
Low EMI design	TV, Automotive
high speed point to point interface	TV, NB
True 8 bit Driver IC	Mobile Phone, PMP, DSC.
Lower Power High Speed I/F	Mobile Phone, PMP, Mobile TV
Simultaneous Pen and Touch	Industrial, NB
High SNR design	Industrial, Consumer, Automotive, Mobile Phone

2. R&D investment in the most recent year and as of the date of publication of the annual report

Unit: NT\$ Thousands

Items	2023	2024	2025Q1
R&D expenses (A)	2,180,452	2,526,041	613,180
Operating revenue, net (B)	22,397,637	22,461,565	4,575,248
(A)/(B)	9.74	11.25	13.40

3. Technology or product developed successfully

Year	R&D results	Application areas
2024	TDDI ICs for tablets integrating ambient light sensor and WQVGA high refresh rate/touch sampling rate, active pen compatible.	Tablet
	In-vehicle cascade TDDI ICs integrating ambient light sensor and 10bit color depth	Automotive
	AMOLED support for LTPO flexible screen touch key drive IC	Laptops
	Capacitor touch out-cell controller with low power consumption compatible with EPD compatible with USI active pen	Laptops /Industrial control/Electronic paper
	Driver ICs for AMOLED 2K screen supporting scaling up/multi-zone	Mobile phone

Year	R&D results	Application areas
	display/dynamic frequency variation	
	AMOLED ultra-low cost Ramless with multi refresh rate drives IC	Mobile phone
	Driver ICs for AMOLED QHD/FHD display	Mobile phone
2025	Vehicle-mounted TDDI IC that integrates ambient light sensor and supports large-size touch panel	Automotive
	AMOLED supports flexible screen gloves and ultra-high-speed touch IC detection	Mobile phone
	The first AMOLED driver IC supporting MUX 1: 1 Ramless and multiple refresh rates	Mobile phone

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

1. Short-term business plans

(1) Product line expansion

In terms of driver chip for mobile phone products, the Company not only develops new-generation products focusing on resolution, but also develops high-resolution and customized chips for the needs of panel manufacturer customers and well-known international mobile phone manufacturers. At the same time, new product lines are added, and the new driver chips are developed to support digital camera, navigators, and tablet PCs, among other products and applications.

In addition to maintaining multiple touch and multiple channel framework in the touch chip product line, the Company also develops new-generation touch chip products for the laptop and e-paper markets. In addition, for the in-vehicle market, Company has also developed TDDI, LCDI supporting high resolution, timing controller and OLED drivers.

(2) New customers and market development

Dedicated sales personnel and engineers are appointed to serve customers. In addition to maintaining the sales of mobile phone driver chips, we also further develop products for different applications based on customer needs. With good technology support and customized chip services, we attract more customers to use our products.

(3) Strengthening of product lines for automotive, laptops and industrial control

Develop new product lines for the required resolution, functions and transmission interfaces by customers. Work with strategic partners of panel and modules to provide customers with competitive new products.

2. Long-term business plans

(1) Strengthen cooperation with downstream strategic partners

The Company works closely with the panel vendor strategic partners to develop product innovation and long-term product planning. The Company provides R&D resources and cooperates with strategic partners in market and product strategies to develop new technologies and products. By assisting strategic partners in the development of new markets, the Company can grow together.

(2) Addition of touch IC product line and automotive product lines

The Company's long-term goal is to provide customers with small, medium and large-size display of panel manufacturer customers with complete and innovative touch chip products, and become the best product development partner of panel manufacturer customers. In addition, the Company also actively communicates with end-brand customers on technology and case, and continues to establish a professional R&D team to develop new driving chips.

(3) Establish and strengthen long-term cooperation with wafer manufacturers

Since the launch of products, the shipment of driver chips has been growing rapidly, and the wafer required has been increasing. Therefore, the Company will continue to assist the wafer manufacturer strategic partners to develop various high-voltage processes, and develop suitable products based on the process characteristics, to strive to the adoption by panel manufacturer customers. This measure enables us to have long-term and stable shipment volume from the partners.

(4) Cultivation and training of talents

The Company's R&D results in the past have been achieved by the efforts of various diligent and responsible R&D engineers, technical service engineers, quality engineers, sales and customer service personnel, etc. The Company is responsible for assisting and guiding the growth of its personnel, and is able to assume greater responsibilities. For the needs of the department and personnel, the Company provides professional technology, language, job rotation and other training opportunities, and plans to foster more professional and enthusiastic managers to be fully prepared for the Company's future growth.

II. Market and production and sales overview

(I) Market analysis

1. Main product sales area

Unit: NT\$ Thousands, %

Items	Year	2023		2024	
		Amount	%	Amount	%
Domestic sales		772,382	3.45	711,722	3.17
Export sales	Europe	100,619	0.45	45,690	0.20
	Americas	22,068	0.09	908	0.00
	Asia	21,498,592	95.99	21,702,372	96.63
	Other matters	3,976	0.02	873	0.00
	Subtotal	21,625,255	96.55	21,749,843	96.83
Total		22,397,637	100.00	22,461,565	100.00

2. Market share

According to data from the Industrial Technology Research Institute (IEK), the output value of Taiwan's IC design industry in 2024 was \$1,272.1 billion. Based on the Group's consolidated net revenue of \$22.5 billion in 2024, the Group's market share in each year was 1.77%. In the future, as laptop computers and smartphones are replaced and displays enter the automotive market, there is still room for growth.

3. Future market supply and demand and growth

As the Company's display driver IC products mainly for small and medium-sized panels, the characteristics, functions and applications of each size of display driver IC are not the same.

Therefore, the following is the description of the display driver IC market for small and medium-sized panels:

(1) Mid- and small size TFT-LCD panel

The Mid- and small size TFT-LCDs are mainly used in cellphones and tablets, followed by in-vehicle panels, cameras, industrial control equipment, and security monitoring. According Morgan Stanley report, the market is expected to see a intensifying price competition among LCD driver IC suppliers in 2023. TrendForce expects that with the positive trend of the smart phone industry, the demand for small-size panel will grow steadily. Looking to the first quarter of 2025, the traditional off-season of the semiconductor industry is approaching. The major panel manufacturers will maintain their production capacity control strategies, restrict the input and output, suppress the excessive supply causing the decline in the price of panel, and reduce the proportion of the front components purchase. The momentum of the component purchase will be obvious in the second quarter.

According to a TrendForce research report, judging from the shipments of various panel manufacturers, driven by the growth in sales of new mobile phones and the increase in demand for used and refurbished phones, global mobile phone panel shipments increased by 11.4% year-on-year in 2024, the highest in recent years. It is estimated that in 2025, due to the stable demand for new phones and the expected stability or slight decline in demand in the second-hand market, mobile phone panel shipments will decrease slightly by 3.2% year-on-year.

(2) OLED panels

According to the report of Omdia, OLED the demand in the display industry will grow by 11% of compound annual growth rate (CAGR) from 2022 to 2030. Many brands will gradually adopt OLED panels for their products, and the product categories are diverse, including consumer electronics such as TVs, smart phones, laptops, and tablet PCs.

Following the easing of the COVID-19 pandemic, display demand declined in 2022 and 2023. However, in response to market changes, OLEDs that were only used in flagship phones are now used in entry models. According to Omdia, a survey organization, said that Apple adopted OLEDs for iPad Pro in 2024, and hence it was expected to increase the demand for OLEDs used in tablet PCs. In this case, if Apple adopted OLED screens, coupled with the competitors' imitating, the demand for OLED panels of tablet PCs would grow by 34% per year. In addition to the tablet PC market, the possibility of using OLED in laptop PCs is also increasing.

4. Competitive advantage

(1) Outstanding management team

The management team of the Company has many years of experience in the semiconductor industry, and actively recruits R&D talents with long-term trainings. We have capability to develop new products in-house, fully grasp the key technologies of products, so that the Company can immediately reflect the changes in the overall market and maintain good competitive advantages.

(2) Providing complete product solutions

The Company has an outstanding R&D team, with independent R&D technology and owns many patents. In addition, the product line spans from low-end to high-end products, providing a wide range of solutions for panel diversified processes such as a-Si, AMOLED, LCD, etc., and the quality of products is well recognized by customers. The Company will continue to expand its product lines on the existing foundation, and enter the automotive and industrial control markets in order to drive continuous growth in revenues.

(3) Long-term strategic cooperation with suppliers

The main raw material of display driver IC is wafer, and most of them are customized products. Therefore, it is necessary to maintain a close cooperation relationship with the panel manufacturers, and jointly develop the process technology of products to ensure the supply of production capacity and quality. The Company has established direct and long-term strategic partnerships with key panel manufacturers, enabling close collaboration in development and communication. This close engagement allows the Company to better respond to customer needs, reduce process-related risks, and maintain stable, long-standing relationships that strengthen the Group's overall competitiveness.

(4) Innovative R&D team

The Company has a sophisticated and seasoned R&D team. The R&D base and its main suppliers are all located in Taiwan. In addition to accommodating various new product plans of customers, the Company can also communicate with the supply chain immediately to solve customer problems, support customer needs in a short time, and shorten the time to launch products.

5. Favorable and unfavorable factors for the future development and countermeasures

(1) Favorable factors

A. The diversified display technology drives market demand for diversified application

The development of display process a-Si/LTPS/AMOLED/LED is mature, driving the gradual penetration of display applications from the consumer electronics field to the fields of in-vehicle, industrial control, medicare, transportation, and artificial intelligence robots. The diversified developments of display provide display methods suitable for each application field, and drives the business opportunities for the upstream components.

B. Market demands grow steadily

According to the report of IEK, a market research institution, driven by the emerging niche applications such as artificial intelligence, high-end medicare, industrial control and in-vehicles, the industry will return to a growth trend. It is expected that the global production value will reach US\$125.7 billion by 2026, and the growth rate from 2023 to 2026 will be approximately 5.16%. The Company mainly engages in R&D and design of small and medium-sized display driver IC, and is one of the leading manufacturers in Taiwan and China. The customers have successively introduced full screen panels for their cellphones, and continue to increase the proportion of full screen. In addition, the wave of AI PC replacement and the expansion of automotive applications have led to steady growth in the shipment of panels and related demand for driving chips.

(2) Unfavorable factors

A. Rapid changes in the end market

The main application of the display industry is consumer electronics, a consumer industry, and mainly subject to the overall economic impact of the end-consumers' market. In 2020, the global market was affected by the Covid-19 pandemic and the strength of the risk control measures. The global market was also affected by the shortage of labor and materials, which in turn affected the end-consumers' market demand, making the Company's revenue volatile, and thus faced the economic movement and other industrial risk.

【Countermeasures】

As the Covid-19 pandemic eased down, governments around the world have relaxed their border control measures. However, years of risk management measures led uncertain economic outlooks in many countries, affecting consumers' willingness to spend money. In recent years, apart from actively managing inventory, the Company has also actively expanded its after-sales, and maintenance/repair market, and strengthened its development of new products. These are expected to reduce the impact of economic changes and other industrial risks on the Company.

B. Numerous competitors, with severe price competition

The display panel industry in which the Company operates is a mature industry. Consumer electronic products are evolving. As the new products never cease to launch in the consumer market, while the display industry has become a red ocean market, other manufacturers continue to join the competition. As the number of competing manufacturers increases, many manufacturers rush to capture the consumer market with low prices, which in turn causes the price competition in the display driver IC market in the upstream industry where the Company operates to become increasingly severe, and thus the Company faces the risk of price competition.

【Countermeasures】

In addition to maintaining close relationships with customers, the Company also works closely with suppliers to establish long-term and stable partnerships, thereby ensuring sufficient capacity for product development. Furthermore, by identifying market opportunities at an early stage and proactively collaborating with customers in planning and developing new technologies and highly integrated products, the Company strengthens its product competitiveness, enhances customer loyalty, and mitigates the impact of price competition.

C. R&D talent cultivation and recruitment in difficulty

The Company is in the IC design industry, requiring high intelligence. It takes a long time to foster R&D talents and train them. As the IC design industry in Taiwan is booming, R&D talents have become the target for IC design companies to fight for. Therefore, with the longer incubation period for R&D talents that cannot be shortened, and existing talents are well sought-after, the talent competition has become a potential risk for the IC design companies focusing on R&D for their stable operations.

【Countermeasures】

In terms of retention of talent, the Company has established a competitive remuneration system and employee benefit policies, with regular and special incentive system; internally, through the diverse employee benefit policy, various courses are provided for the cohesion of the employees' loyalty and stability. Externally, the Company actively recruits outstanding talent from well-known universities in Taiwan to join the Company. The resources advantages brought by the Company's successful listing on the TWSE helps to increase the Company's visibility in the international market, to attract more outstanding R&D talent to join the Company.

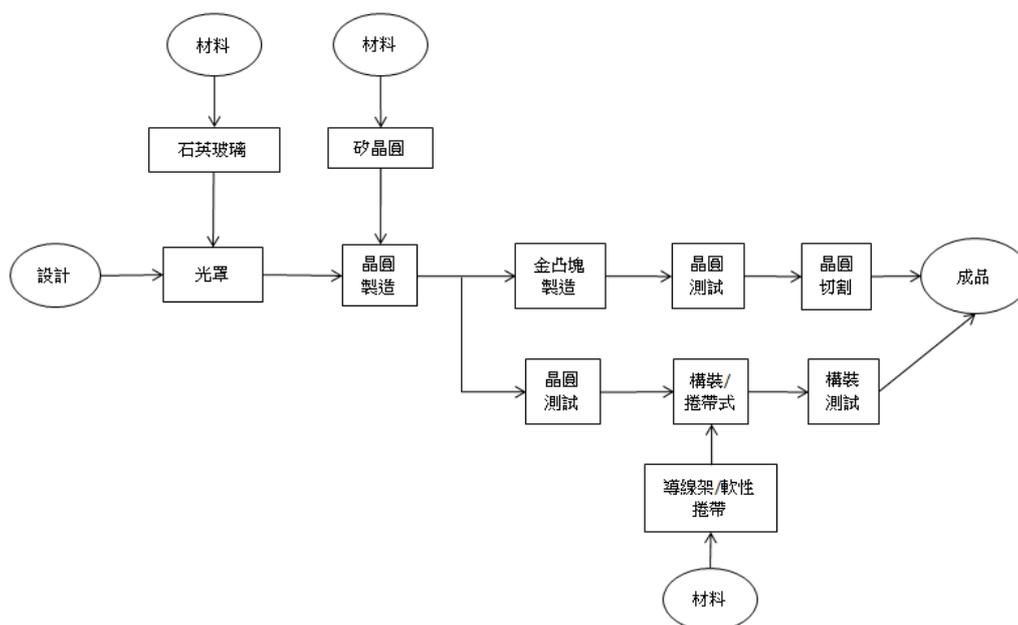
(II) Important purpose of major products and production processes thereof

1. Key purposes of products

The Company's IC products are mainly used in various displays, such as notebook computers, computer monitors, mobile phones, digital cameras, industrial control application touch panel displays, and automotive touch panel displays.

2. Production process of products

The Company is in the IC design industry. The manufacturing of wafer is commissioned to the wafer foundries. The wafer foundries produces chips, and after the initial testing, the chips are sent to the packaging and assembly firms for packaging and complete chip function testing. The following is a flow chart of the process of products:



(III) Supply of main raw materials

Main raw materials	Supply status
Wafer	The quality and supply are stable, and the Company has long-term cooperation with suppliers, with good supplies.

(IV) Names of customers accounting for more than 10% of total purchases (sales) in any of the last two years, the amount of purchases (sales) and proportion, and explain the reasons for the changes

1. Information on major suppliers in the last two years

Unit: NTD thousands; %

Items	2023				2024				2025 Q1			
	Name	Amount	Proportion of net purchase for the year (%)	Relationship with the issuer	Name	Amount	Proportion of net purchase for the year (%)	Relationship with the issuer	Name	Amount	Proportion of net purchase for the year (%)	Relationship with the issuer
1	Company A	4,138,630	33.84	None	Company A	5,266,321	42.30	None	Company B	1,373,483	42.61	None
2	Company B	3,251,349	26.59	None	Company B	3,410,661	27.40	None	Company A	788,666	24.46	None
3	Company C	2,626,574	21.48	None	Company C	1,333,278	10.71	None	Company E	352,964	10.95	None
4	Company D	1,788,983	14.63	None	-	-	-	-	-	-	-	-
	Other matters	422,656	3.46	-	Other matters	2,439,664	19.59	-	Others.	708,638	21.98	-
	Net purchase	12,228,192	100.00	-	Net purchase	12,449,924	100.00	-	Net purchase	3,223,751	100.00	-

The Company's main raw materials are wafers, and the selection of suppliers mainly considers factors such as production capacity, process, quality yield, delivery time coordination and price advantage. There were slight changes in suppliers accounting for more than 10% of the annual purchase amount in 2024, mainly due to slight changes in the Company's sales product mix.

2. Information on major customers in the last two years

Unit: NTD thousands; %

Items	2023				2024				2025 Q1			
	Name	Amount	Proportion of net sales for the year (%)	Relationship with the issuer	Name	Amount	Proportion of net sales for the year (%)	Relationship with the issuer	Name	Amount	Proportion of net sales for the year (%)	Relationship with the issuer
1	Company W	2,974,484	13.28	None	Company Z	3,083,640	13.73	None	Company Z	909,257	19.88	None
2	Company X	2,523,023	11.26	None	Company X	2,827,172	12.59	None	Company X	549,195	12.00	None
3	-	-	-	-	-	-	-	None	-	-	-	-
	Other matters	16,900,130	75.46	-	Other matters	16,550,753	73.68	-	Other matters	3,116,796	68.12	-
	Net sales	22,397,637	100.00	-	Net sales	22,461,565	100.00	-	Net sales	4,575,248	100.00	-

The Company's main products are display driver ICs, so its main customers are mainly brand manufacturers and distributors. The amount and proportion of customers accounting for more than 10% of annual sales in 2024 mainly varied slightly with changes in revenue.

III. Number of employees in the last two years and up to the publication date of the annual report

Unit: Person; Year; %

Fiscal Year		2023	2024	April 02, 2025
Number of employees	Direct labor	—	—	—
	Indirect labor	896	964	969
	Total	896	964	969
Average age		37.01	37.19	37.46
Average years of service		6.47	6.76	6.94
Education distribution percentage (%)	Ph.D.	0.89	1.04	1.03
	Master's Degree	57.03	57.37	57.59
	College	42.08	41.60	41.38
	Senior high school	—	—	—
	Below senior high school	—	—	—
	Total	100	100	100

IV. Information on environmental protection expenditure

The losses incurred due to environmental pollution in the most recent year and up to the date of publication of the annual report, and the estimated amounts and corresponding measures that may occur currently and in the future. If it is impossible to make a reasonable estimate, the fact that it is impossible to make a reasonable estimate shall be explained:

In the most recent year and up to the date of publication of the annual report, the Company did not incur any losses due to environmental pollution. In addition, the Company is an IC design company, with its business mainly focusing on IC R&D and design. Our products are manufactured through outsourcing, and there is no concern about environmental pollution at present or in the future.

V. Labor-management relations

(I) The Company's welfare measures, continuing education, training, and retirement systems for the employees, and the implementation, as well as the agreements between labor and management, and the protection of the rights and interests of the employees:

1. Employee benefits

The Company's main operations are located in the Republic of China. In addition to the Taiwan subsidiary providing labor and health insurance, comprehensive group insurance and annual employee health examinations, the remaining subsidiaries also provide salaries that meet or exceed local salary levels and related local employee insurance and retirement benefits in accordance with local regulations. In accordance with local regulations, employee welfare committees have been established to provide employees with various related welfare measures.

2. Education and training

The Company focuses on the career development of employees and is committed to talent cultivation. In addition to recommending high-quality reading materials from time to time, we also actively encourage employees to participate in various training courses. Training courses are based on the job needs of the Company's employees. We organize internal training or participate in courses or seminars held by external units to provide employees with complete learning opportunities.

3. Retirement system and its implementation

The Company's main operations are located in the Republic of China. To ensure stable retirement benefits for employees and enhance their commitment during employment, the Company has established retirement eligibility criteria, benefit standards, and application procedures in accordance with the Taiwan Labor Standards Act. The Company has also established an Employee Retirement Fund Supervisory Committee in accordance with the law. The retirement funds are allocated monthly and stored in a special account in the Bank of Taiwan in the name of the Employee Retirement Reserve Supervisory Committee. For employees who are subject to the new retirement system, i.e. the fixed contribution system, the Group allocates 6% of the employee's salary to the individual labor insurance account every month. If the subsidiary is located in mainland China, it shall pay for the social insurance (including pension, unemployment, medical, childbirth, and work injury) for employees in accordance with the "Social Insurance Law of the People's Republic of China".

4. Agreements between labor and management and various measures to protect the rights and interests of employees

Through various initiatives such as communication, motivation, education, and team-building activities, the Company seeks to understand employee needs, proactively identify and address issues, and uphold labor rights and interests. All matters related to employee recruitment, resignation, retirement, and benefits are handled in accordance with applicable laws and regulations. As a result, the Company has maintained a harmonious labor-management relationship since its establishment and has not incurred any major losses due to labor disputes. The key measures for safeguarding employee rights and interests are as follows:

- (1) According to the "Regulations Governing Labor-Management Meetings", a labor-management meeting is held on a quarterly basis. Important matters are communicated and coordinated between the representatives of the labor and the management to protect the rights and interests of labors and labor-management harmony. If necessary, employees are notified via internal announcements of significant operational changes.
- (2) In order to clearly define the rights and obligations of both labor and management, the Company has formulated work rules with reference to relevant laws and regulations. The main regulatory contents include: recruitment, employment, service

discipline and communication of opinions, working hours and attendance, vacation, salary and bonus, employee benefits, assessment, promotion, rewards and punishments, resignation and retirement, occupational accident compensation, pension safety, health, and labor-management meetings.

- (3) To safeguard gender equality and employee dignity at work, the Company has established the "Regulations on Complaints and Disciplinary Measures for Sexual Harassment Prevention in the Workplace" and has also established employee complaint channels: a sexual harassment complaint hotline and email address, which will immediately take appropriate action based on the circumstances to safeguard employee rights and enhance workplace safety.

(II) The losses suffered by the Company due to labor disputes in the most recent year and up to the date of publication of the annual report, and the estimated amount that may be incurred at present and in the future and countermeasures:

- (1) On December 25, 2023, the Occupational Safety and Health Administration of the Ministry of Labor notified ITH Corporation that in addition to formulating a "Directions for Prevention and Management of Unlawful Infringement in the Performance of Duties", it should also retain implementation records for three years in accordance with the Occupational Safety and Health Facility Regulations and make improvements within three months. In addition, the unit conducted a general occupational health inspection on June 26, 2024, requiring ITH Corporation to provide all employees with education and training on prevention of illegal infringement and sexual harassment in the workplace, and to keep training records. In this regard, ITH Corporation has conducted training for all employees and kept relevant records.
- (2) The Hsinchu County Government's Labor Department conducted a labor inspection on June 19, 2024, and imposed a fine on ITH Corporation for failing to keep records of labor attendance, and required it to make improvements within a specified period of time. Since July 1, 2024, ITH Corporation has implemented a system of employees swiping their cards to and from work to implement the relevant provisions of the Labor Standards Act.

VI.Information security management

(I) Describe the information security risk management framework, information communication security policies, specific management plans, and resources invested in information security management

1. Information security risk management framework

The Company's information department is currently responsible for coordinating and implementing information security operating procedures, promoting information security information, and collecting and timely improving and adjusting the internal information security management system. The IT unit is also responsible for the procurement of relevant hardware and the implementation of routine maintenance and monitoring operations. The Company's audit unit will conduct an annual audit of information security management and report the results of the audit to the Board of Directors on a regular basis.

2. Information security policy

Formulate management policies and goals in accordance with the "Confidentiality, Integrity, and Availability" of the Information Security Management Guidelines:

- (1) Protect the Company's internal operational information, strengthen data security, prevent unauthorized access and modification of data systems, and ensure their accuracy and integrity.
- (2) Regularly update the information security system equipment and implement daily maintenance and operation monitoring to reduce unauthorized intrusions, malicious disclosure, sabotage and other attacks.
- (3) To ensure the stability and continuous operation of the Company's internal key information systems.
- (4) Regularly perform internal audits every year to ensure the effectiveness of information security control.
- (5) Regularly promote the importance of information security to strengthen employees' awareness of information security.

3. Specific management plans

- (1) The Company's resources invested in information security management mainly include IT personnel who conduct daily operations, monitor and timely evaluate and adjust the relevant information security requirements required for operations, and related management resources such as computer room construction, network equipment, software and hardware procurement, construction and maintenance required for the Company's operations. Through the investment of relevant management resources, we implement daily operations to conduct Internet security control and separate independent logical domains according to the needs of network services. Implement system data access control and perform regular backups and disaster recovery drills. Regularly update the information security system equipment, actively improve and strengthen the information security

defense mechanism, and improve information security protection to ensure the continuous operation of the Company.

- (2) Enhance information security defense capabilities: Conduct information security social engineering drills, host vulnerability scans and penetration tests regularly, and strengthen and repair them to reduce information security risks. Establish a network security incident response plan, assess the impact and loss according to the severity of the incident, and take corresponding reporting and recovery actions.
- (3) Improve network, endpoint, and application security: Remote VPN connections not only verify the account but also the device. Devices not on the whitelist cannot use VPN. Introduce MDR (Threat Detection and Response) to improve the anomaly detection and protection capabilities of endpoint devices. Integrate network NDR, import firewall logs, build a "SOC platform" and "security incident processing and response SIEM" with high security visualization and interpretability, and effectively monitor and analyze security risks.

4. Invest resources in information security management

- (1) Dedicated manpower
- (2) Education and training: Information security training for new recruits, information security announcement.
- (3) Information security inspection, regular social engineering drills, host vulnerability scanning, penetration testing, and reinforcement and repair.
- (4) Build a firewall on the network, enable anti-virus, vulnerability protection, anti-spyware, and URL filtering, and regularly update the firewall software and database. In addition to verifying the account, the remote VPN connection also verifies the device. Devices that are not on the whitelist cannot use the VPN.
- (5) For email security, we set up a mail spam to block phishing emails.
- (6) For endpoint security, install anti-virus software, anti-virus and anti-hack, and import endpoint control software to restrict USB and Bluetooth access.
- (7) Security Operation Center: Introduce MDR (Threat Detection and Response) to improve the anomaly detection and protection capabilities of endpoint devices. Integrate network NDR, import firewall logs, build a "SOC platform" and "security incident processing and response SIEM" with high security visualization and interpretability, and effectively monitor and analyze security risks.

(II) List the losses incurred due to major information security incidents in the most recent year and up to the date of publication of the annual report, the possible impacts, and the response measures. If it is impossible to reasonably estimate, the fact that it is impossible to reasonably estimate should be explained.

As of the date of publication of the annual report, the Company has not suffered losses due to major IT security incidents.

VII.Important contracts

List the parties, main contents, restrictive clauses and contract start and end dates of supply and marketing contracts, technical cooperation contracts, engineering contracts, long-term loan contracts and other important contracts that may affect shareholders' interests that are still valid and expired in the most recent year as of the publication date of the annual report:

Nature of contract	Party concerned	Start/end date of contract	Main content	Restrictive clauses
Capacity reservation contract and supplementary agreement	Company A	2022/1/12~2026/12/31 or the rights and obligations of both parties under this contract When implementation is completed	Capacity reservation	Quantity required for inputs
Capacity Reservation Agreement, and Amendments	Company B	2021/6/30~2030/11/30	Capacity reservation	Quantity required for inputs
Capacity reservation contract	Company C	2021/10/31 - Both parties have signed the contract When the rights and obligations are fulfilled	Capacity reservation	Quantity required for inputs
Capacity reservation agreement and supplementary agreement	Company D	2021/10/1 - When both parties have fulfilled their contractual rights and obligations	Capacity reservation	Quantity required for inputs
Long-Term Wafer Supply and Purchase Agreement, and Amendment	Company E	2021/9/1~2029/12/31	Capacity reservation	Quantity required for inputs

Six. Review and analysis of financial status and financial performance and risk issues

I. Financial status

- (I) The main reasons for the significant changes in assets, liabilities, and equities in the most recent two years and their effects

Unit: NT\$ Thousands

Items	2023	2024	Difference	
			Amount	%
Current assets	14,301,507	16,226,614	1,925,107	13.46
Property, plant and equipment	754,654	816,979	62,325	8.26
Other non-current assets	10,567,763	10,185,247	(382,516)	(3.62)
Total assets	25,623,924	27,228,840	1,604,916	6.26
Current liabilities	9,034,982	6,816,202	(2,218,780)	(24.56)
Non-current liabilities	1,038,142	812,742	(225,400)	(21.71)
Total liabilities	10,073,124	7,628,944	(2,444,180)	(24.26)
Share capital	4,523,966	4,923,966	400,000	8.84
Capital surplus	3,718,417	5,469,650	1,751,233	47.10
Retained earnings	7,444,032	9,207,251	1,763,219	23.69
Other equity interest	(135,615)	(971)	134,644	(99.28)
Equity attributable to owners of the parent company	15,550,800	19,599,896	4,049,096	26.04
Total equity	15,550,800	19,599,896	4,049,096	26.04

Analysis and explanation of those with a change of more than 20% and the amount of change of more than NT\$10 million in the most recent two fiscal years:

1. The decrease in current liabilities is mainly due to the repayment of short-term borrowings and the reduction of liabilities for the wafer manufacturer.
2. The decrease in non-current liabilities is mainly due to the gradual return of guarantee deposits as agreed.
3. The decrease in total liabilities is mainly due to the decrease in both current and non-current liabilities.
4. The increase in capital reserve is mainly due to the premium from capital increase in cash.
5. The increase in retained earnings is mainly due to the increase in net profit after tax in 2024.
6. The increase in other equity is mainly the employees did not earn the remuneration due to the amortization of the new employee restricted shares issued.
7. The increase in total equity is mainly due to the increase in capital reserve and retained earnings.

- (II) If the impact is significant, specify the future response plan

The above changes have not had any significant adverse impact on the Company's finance or business, and there has been no significant abnormality in the Company's overall performance, so there is no need to formulate a response plan.

II. Financial performance

- (I) Main reasons for the significant changes in operating revenue, net operating profit and net profit before tax in the most recent two years

Unit: NT\$ Thousands

Items	2023	2024	Difference	
			Amount	%
Operating revenue	22,397,637	22,461,565	63,928	0.29
Operating costs	17,850,064	16,437,777	(1,412,287)	(7.91)
Gross profit	4,547,573	6,023,788	1,476,215	32.46
Operating expenses	3,312,730	3,826,372	513,642	15.51
Net operating income	1,234,843	2,197,416	962,573	77.95
Non-operating income and expenses	380,804	1,171,349	790,545	207.60
Net income before tax	1,615,647	3,368,765	1,753,118	108.51
Net income after tax	1,101,591	2,249,289	1,147,698	104.19
Analysis and explanation of those with a change of more than 20% and the amount of change of more than NT\$10 million in the most recent two fiscal years:				
1. The increase in gross profit and net operating income was mainly due to the change in product sales mix and the reversal of the provision estimated under the capacity guarantee contract.				
2. The increase in net income from non-operating income and expenses was mainly due to the increase in foreign exchange gains compared to 2023, which led to an increase in net non-operating income.				
3. The increase in net income before and after tax is mainly due to the increase in net operating income and non-operating income.				

- (II) Expected sales volume and the basis, possible impact on the Company's future finance and business, and response plan

1. Expected sales volume and basis

The Company sets annual targets based on the estimated demand of customers, taking into account the overall market environment, production capacity planning and past historical experience. The Company continues to be committed to developing new products to meet the market's demand for innovative products, thereby expanding product lines and increasing revenue sources. The Company will also continue to adjust its operating strategy to match sales forecasts and product development plans, and further control reasonable inventory levels.

2. The possible impact on the Company's future finance and business and the response plan

Based on the estimated sales information provided by the business marketing department, combined with the order scheduling and quality control engineering yield information under production operations, costs and expenses are estimated to further effectively utilize production capacity and financial funds to meet the needs of business growth.

III. Cash flows

(I) Analysis of cash flow changes in the most recent year

Unit: NT\$ Thousands

Items	2023	2024	Difference	
			Amount	%
Cash inflow from operating activities	2,121,708	3,299,118	1,177,410	55.49
Cash outflow from investing activities	(817,572)	(550,444)	267,128	(32.67)
Cash inflow (outflow) from financing activities	(3,860,232)	103,387	3,963,619	(102.68)
Analysis of changes:				
1. The increase in cash inflow from operating activities is mainly due to the continued disposal of inventory in 2024.				
2. The decrease in cash outflow from investing activities is mainly due to reduction in the deposit for reserved production capacity in 2024.				
3. The increase in cash inflow from financing activities is mainly due to the redemption of financial liabilities measured at amortized cost in 2023, but not this year.				

(II) Improvement plan for insufficient liquidity

The Company's net profit before tax in 2024 was NT\$3,368,765 thousand, and the business is still in the growth and profit stage. The net cash inflow from operating activities in 2024 was NT\$3,299,118 thousand, and there is no shortage of liquidity, so it is not applicable.

(III) Cash flow analysis for the coming year

The Company had a consolidated cash balance of NT\$7,072,138 thousand at the end of 2024, and it is expected that operating activities will continue to generate net cash inflows in 2025 due to continued profitability.

IV. The impact of major capital expenditures in the most recent year on financial operations

Unit: NT\$ Thousands

Planned items	Actual or expected source of funds	Total funds required (2025)	Actual or intended use of funds
			2025
R&D equipment, expertise and technology licensing	Self-owned capital	4,980,750	4,980,750
Based on the above capital expenditure, the Company has acquired the operating assets and technology licenses related to Discrete TCON, creating more sources of revenue. Therefore, it is assessed that this capital expenditure has no significant impact on the Company's financial operations.			

V. The policy on reinvestments in the most recent year, the main reason for profit or loss, improvement plans, and investment plans for the year ahead

(I) The Company's investment policy:

The Company manages its investment businesses in accordance with the Company's internal control system, the supervision and management regulations for subsidiaries, and the "Rules Governing the Financial and Operation of Related Parties". The main purpose is to obtain relevant financial information and management reports of the reinvestment businesses on a regular basis, and to send personnel to the reinvested companies regularly or irregularly to understand their operating conditions. If there are any related investment plans in the future, they will be handled in accordance with the above regulations.

(II) The main reasons for the profit or loss of reinvestment in the most recent year, and the improvement plan:

Unit: NT\$ Thousands

Investee companies	2024		Main reason for profit or loss	Improvement plan
	Ratio of direct (indirect) investment (%)	Investment gain and loss recognized in the current period		
ILI Technology Corp.	100	2,933,992	Good operating condition	Not applicable
ILITEK Holding Inc.	100	22,462	Investment gain and loss recognized by the holding company	Not applicable
W1 Technology Co., Ltd.	100	16,531	Good operating condition	Not applicable
Granda Microelectronics (Xiamen) Co., Ltd.	100	(10,626)	Below the operational scale	Proactive customer expansion
Howdi Microelectronics (Shenzhen) Co., Ltd.	100	28,192	Good operating condition	Not applicable
Hefei Howdi Microelectronics Co., Ltd.	100	(54,798)	Below the operational scale	Proactive customer expansion

(III) Investment plans for the coming year:

The Company currently has no investment plans. In the future, it will consider market trends, business strategies and financial conditions, and propose them to the Board of Directors when necessary.

VI. Risk items

(I) Impacts of changes in interest rates, exchange rates and inflation on the Company's profit or loss, and future countermeasures:

1.The impact of changes in interest rates on the Company's income and future countermeasures

The Company's interest income is mainly generated from deposit interest income from financial institutions; interest expenses are mainly from interest on loans and lease liabilities from financial institutions. The Company's interest income in 2023 and 2024 was NT\$310,250 thousand and NT\$223,618 thousand, respectively, accounting for 1.39% and 1.00% of the consolidated net operating revenue in each period, respectively; interest expenses were NT\$19,430 thousand and NT\$10,547 thousand, respectively, accounting for 0.09% and 0.05% of the consolidated net operating revenue in the current period, respectively, indicating that the impact of interest rate changes on the Company's operations was still limited.

Responsive measures:

The Company has established a long-term and good interactive relationship with financial institutions and continues to pay attention to future interest rate trends. If there is a significant fluctuation in interest rates, the Company will make appropriate fund utilization plans based on the changes in interest rates in the financial market and will periodically evaluate bank loan interest rates. In the future, the Company will adjust fund utilization in a timely manner based on changes in interest rates of financial institutions to reduce the impact of interest rate changes on the Company's profit or loss.

2.The impact of exchange rate fluctuations on the Company's income and future countermeasures

Unit: NT\$ Thousands

	2023	2024
Net foreign exchange gain (loss) (A)	143,910	912,645
Operating revenue (B)	22,397,637	22,461,565
As a percentage of operating revenue (A/B)	0.64%	4.06%

Source: Financial statements audited and certified by CPAs

The Company's sales and purchases are settled in U.S. dollars, and natural hedging is mainly used to avoid exchange rate risks. The exchange gains and losses in 2023 and 2024 were \$143,910 thousand and \$912,645 thousand, respectively, accounting for 0.64% and 4.06% of the consolidated net operating revenue of each period, and accounting for 8.91% and 27.09% of the net profit before tax, respectively, indicating that exchange rate changes have a considerable impact on the Company's revenue and profit or loss.

Responsive measures:

As the current operations of the Company are significantly affected by exchange rate fluctuations, in response to the risks of exchange rate fluctuations, the following measures are taken to cope with the impact of exchange rate fluctuations on the Company's profit or loss:

- (1)The Company's finance department maintains close contact with financial institutions and arranges dedicated personnel to regularly collect information on exchange rate

changes, continuously monitor international political and economic situations and financial exchange markets, and regularly monitor exchange rate trends and changes to reduce the risks of exchange rate fluctuations arising from the Company's operations.

- (2) The Company's finance department regularly assesses and maintains appropriate foreign exchange positions based on exchange rate trends, and adjusts foreign currency positions and engages in forward foreign exchange contracts at appropriate times to hedge related exchange rate risks.

3. The impact of inflation on the Company's income and future countermeasures:

Unit: NT\$ Thousands

Year \ Items	2022		2023		2024	
	Amount	Amount	Growth rate	Amount	Growth rate	
Operating revenue	22,187,806	22,397,637	0.95%	22,461,565	0.29%	

Source: Financial statements audited and certified by CPAs

In recent years, due to the uncertain economic situation and the rapid changes in the global economic environment, the Company has not yet experienced any significant impact on its profit or loss due to inflation or deflation crisis as of the date of publication of the annual report.

Responsive measures:

In the future, the Company will continue to maintain close and good relations with suppliers, and pay close attention to fluctuations in raw material prices and inflation at any time, and adjust procurement strategies and product prices in a timely manner to reflect cost price fluctuations in a timely manner, in order to reduce the impact of inflation changes on the Company's profits and losses.

- (II) Policies on engaging in high-risk and highly leveraged investments, loans to others, endorsements and guarantees, and derivative commodity transactions, the main reasons for the profit or loss, and future countermeasures:

Based on the principle of conservatism, the Company focuses on the operation of its core business. As of the date of publication of the annual report, the Company has not engaged in any derivative financial product transactions such as high-risk and high-leverage investments. The Company has established the "Operational Procedures for Lending Funds to Others" and "Procedures for Making Endorsements and Guarantees" as the basis for the Company and its subsidiaries to follow in engaging in related activities. As of the publication date of the annual report, the Company has not loaned funds to others or provided guarantees for others, except for loans to subsidiaries due to capital needs, and has not made public announcements and reports in accordance with relevant laws and regulations.

(III) Future R&D plans and expected R&D expenses to be invested:

1. Future R&D plans

(1) R&D direction of new medium and large IC

- A. Driver IC for high-end gaming laptops, supports high resolution and high refresh rate up to 480Hz
- B. eDP Tcon Embedded Integrated Driver IC
- C. OLED NB Driver Solution
- D. In cell Touch Solution

(2) R&D direction of small size

- A. Support high-resolution products, such as WQHD, 4K2K resolution
- B. Development of new display application products, such as AMOLED and wearable products
- C. In-cell Touch Driver IC
- D. 2 port MIPI interface, CPHY MIPI interface development
- E. Sub pixel rendering, Scaling up, Dynamic CR Enhancement and other image algorithm development
- F. Low power application
- G. Data compression technology

(3) R&D direction of touch IC

- A. Development of new platform with high channel count, such as AIO, IWB and ultra-large-size touch screen solutions
- B. Development of electronic paper application products
- C. Development of laptop application products
- D. High SNR and improved Noise Immunity, the highlight of innovative products
- E. Low power design
- F. Simultaneous Pen and Touch Solution

(4) R&D direction of automotive chips

- A. Compliant with automotive ISO26262 and AEC-Q100
- B. TDDI Solution for 1920 Channel & 1440 Channel
- C. Support the development of larger size and high resolution products, such as LTDI integrated chips
- D. Timing Controller and Bridge for Local dimming, Interface transferring(LVDS to eDP) & High Resolution
- E. OLED Driver Solution

2. Estimated R&D expenses

The Company's R&D expenses in the last three years were NT\$2,484,416 thousand, NT\$2,180,452 thousand and NT\$2,526,041 thousand, respectively, accounting for 11.20%, 9.74% and 11.25% of the operating revenue in each period, respectively. In order to maintain its industry competitiveness, the Company expects that its R&D expenses will remain above a certain amount in the future, and will continue to improve as

operating conditions improve, so as to maintain the competitive advantage of the Company's products.

(IV) Impacts of important domestic and foreign policies and legal changes on the Company's financial operations, and responsive measures:

The Company is registered in the British Cayman Islands. The Cayman Islands has financial services as its main economic activity, an open economy with no foreign exchange controls, and a stable political and economic environment. The main place of operation is Taiwan. The Company's business operations are conducted in accordance with the key policies and legal requirements of the respective countries or regions in which it operates. The Company also closely monitors the development of major policies and any legal changes. In the event of any changes, the Company consults with lawyers, CPAs, or other relevant parties, or engages them to evaluate and plan appropriate response measures, enabling the Company to respond to market changes in a timely and effective manner.

As of the publication date of this annual report, there have been no significant impacts on the Company's financial or business operations due to major policy or legal changes in the aforementioned regions..

(V) Impacts of technological changes (including information security risks) and industry changes on the Company's financial operations, and countermeasures:

The Company always pays attention to changes in the industry in which it operates and grasps the latest market information to keep abreast of changes in industry-related technology and techniques. It also works closely with suppliers and customers and strengthens the Company's own research and development capabilities to respond to the impact of technological and industrial changes on the Company's operations. As of the date of publication of the annual report, technological changes (including information security risks) and industrial changes have no significant impact on the Company's finance and business.

(VI) Impacts of changes in corporate image on corporate crisis management and countermeasures:

Since its establishment, the Company has focused on its core business, complied with relevant laws and regulations, actively strengthened internal management and improved management quality, continued to research and develop technology and strived to improve customer service. Externally, it has continued to maintain a good corporate image and maintain long-term and stable cooperative relationships with international manufacturers.

(VII) Expected benefits and possible risks of mergers and acquisitions, and countermeasures:

As of the date of publication of the annual report, the Company has no plans to acquire other companies. However, if there are any acquisition plans in the future, they will be handled in accordance with relevant laws and regulations and relevant management

regulations formulated by the Company to protect the interests of the Company and its shareholders.

(VIII) Expected benefits and possible risks associated with any factory expansion, and countermeasures:

As of the publication date of the annual report, the Company has no factory expansion plan.

(IX) Risks associated with any concentration of purchases or sales, and mitigation measures being or to be taken:

1. Risks associated with concentrated purchases, and mitigation measures being or to be taken

The Company belongs to IC design industry. The main raw material of our main product, driver IC, is wafers. Due to the characteristics of the industry, in addition to the specifications required by customers and the characteristics of their own circuit layout, our products also need to consider factors such as process technology, wafer quality, price, stability of wafer supply, delivery schedule coordination and product confidentiality. IC design companies try to choose wafer foundries with the same system process for production. Therefore, concentrated purchases are a common phenomenon among IC design companies. However, when cooperating with wafer foundries, the Company often considers more than two suppliers to maintain long-term cooperative relationships in order to reduce the risk of concentrated purchases.

2. Risks associated with sales concentration and countermeasures

The company's main products are display driver ICs, and its main sales targets are panel manufacturers and module factories of world-renowned mobile phone brands. Among the top ten sales customers in 2024, the sales ratio to a single customer is less than 20%, and long-term cooperative relationships are maintained with each customer, and there is no risk of sales concentration. However, due to recent changes in the global trade environment, there is a high degree of uncertainty about the tariff range, exemption conditions and implementation time, which may affect the shipment strategies and regional layout of end customers. The Group will continue to pay attention to policy changes, flexibly adjust its product and customer structure, and enhance supply chain flexibility to reduce the impact of changes in the external environment.

(X) Potential impact and risks associated with sales of significant numbers of shares by the Company directors, supervisors and major shareholders who own 10% or more of the Company total outstanding shares:

As of the publication date of the annual report, the Company did not have directors or major shareholders holding more than 10% of the shares transferred to others in a large amount.

(XI) Impacts and risks to the Company due to change in management rights, and countermeasures:

As of the date of publication of the annual report, the Company has no changes in the management rights that affect its operations.

(XII) Litigation or non-litigation events shall list the major litigation, non-litigation or administrative disputes that have been determined or are still under judgment by the Company and its directors, general manager, actual person in charge, major shareholders with a shareholding ratio of more than 10%, and affiliated companies. If the results may have a significant impact on shareholders' equity or securities prices, the facts in dispute, the subject amount, the start date of the litigation, the main parties involved in the litigation, and the handling status as of the publication date of the annual report shall be disclosed:

No such situation as of the date of publication of the annual report.

(XIII) Other important risks and countermeasures:

The Company is registered in the Cayman Islands and its main place of operation is in Taiwan. Therefore, changes in the overall economic and political environment of the place of registration and fluctuations in foreign exchange will affect the Company's operations. In addition, the laws of the Cayman Islands, where the Company is registered, are very different from those of Taiwan, including the Company Act. Although the Company has amended its Articles of Incorporation in accordance with the "Checklist of Shareholder Rights Protection Matters in the Country of Incorporation of Foreign Issuers" stipulated by the Taiwan Stock Exchange, there are still many differences in the laws of the two places regarding the regulation of the Company's operations. Investors still need to fully understand and consult experts about the risks of related investments.

Responsive measures:

The Company has fully disclosed the changes in the overall economic and political environment and foreign exchange fluctuations in the place of registration, as well as the differences between the current Articles of Incorporation and the shareholder rights protection checklist. If there are major legal changes in the British Cayman Islands, the place of registration in the future, the Company will also disclose relevant information in accordance with and cooperate with the relevant laws and regulations of Taiwan to ensure that Taiwanese investors, creditors and other information users have sufficient and appropriate information to make decisions.

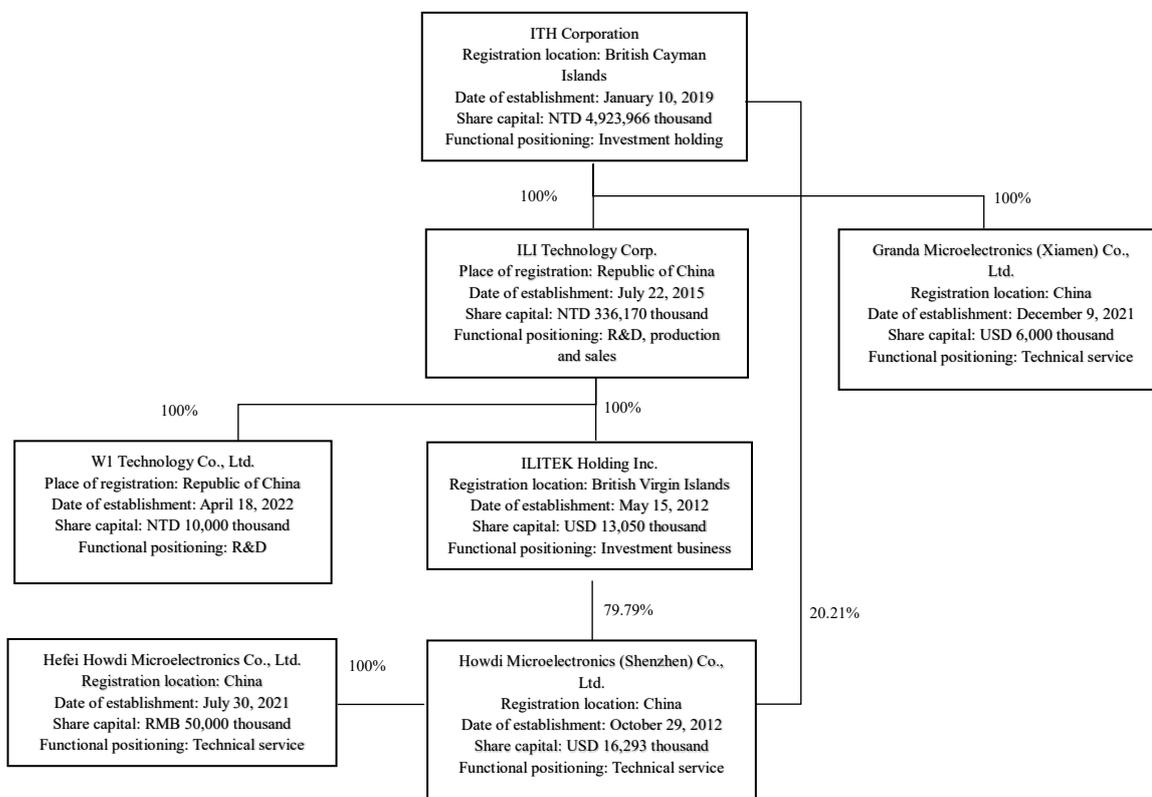
VII. Other important matters

None.

Seven. Special notes

I. Information on affiliated companies

(I) Organizational chart of affiliated companies:



(II) Basic information of each affiliated company

As of March 31, 2025 Unit: NTD thousands/In thousands of foreign currency

Name of related party	Date of establishment	Address	Paid-up capital	Main business or production items
ITH Corporation (hereinafter referred to as: the Company)	2019/1/10	British Cayman Islands	NTD 4,923,966	Investment holding
ILI Technology Corp.	2015/7/22	Republic of China	NTD 336,170	Research, design, development and sales of display-related analog application integrated circuit components
Granda Microelectronics (Xiamen) Co., Ltd.	2021/12/9	China	USD 6,000	Sales, related technical consulting and after-sale services of electronic products
W1 Technology Co., Ltd.	2022/4/18	Republic of China	NTD 10,000	IC research, design and development
ILITEK Holding Inc.	2012/5/15	British Virgin Islands	USD 13,050	General investment
Howdi Microelectronics (Shenzhen) Co., Ltd.	2012/10/29	China	USD 16,293	Sales, related technical consulting and after-sale services of electronic products
Hefei Howdi Microelectronics Co., Ltd.	2021/7/30	China	RMB 50,000	Sales, related technical consulting and after-sale services of electronic products

Note: The exchange rate on the reporting date was USD1 = 33.205, RMB1 = 4.573

(III) Those presumed to have control and subordinate relationship: None.

(IV) Industries covered by the overall business of the affiliates

The businesses operated by the Company and its affiliates include integrated circuit production management, design, research and development, sales and investment. The business of the Company's affiliates includes the research, development, design, production, manufacturing and sales of display driver ICs, touch ICs and timing control IC products.

(V) Information on directors, supervisors, and general managers of affiliated companies

December 31, 2024

Name of related party	Job title	Name or representative	Shareholding	
			Number of shares	Shareholding ratio
ILI Technology Corp.	Chairman	Wayne Liang	ITH Corporation holds 100% of the shares	100%
	Director	Justin Wang		
	Director	Bruce Chen		
	General manager	Bruce Chen		

Name of related party	Job title	Name or representative	Shareholding	
			Number of shares	Shareholding ratio
Granda Microelectronics (Xiamen) Co., Ltd.	Chairman	Bruce Chen	ITH Corporation holds 100% of the shares	100%
	General manager	Corry Chen		
	Supervisor	Justin Wang		
W1 Technology Co., Ltd.	Chairman	Bruce Chen	ILI Technology Corp. holds 100% of the shares	100%
	General manager	Bruce Chen		
ILITEK Holding Inc.	Director	Bruce Chen	ILI Technology Corp. holds 100% of the shares	100%
Howdi Microelectronics (Shenzhen) Co., Ltd.	Chairman	Bruce Chen	ILITEK Holding Inc. holds 79.79% of the shares	79.79%
	General manager	Corry Chen		
	Supervisor	Sandra Chen	ITH Corporation holds 20.21% of the shares	20.21%
Hefei Howdi Microelectronics Co., Ltd.	Chairman	Bruce Chen	Howdi Microelectronics (Shenzhen) Co., Ltd. holds 100% of the shares	100%
	General manager	Corry Chen		
	Supervisor	Sandra Chen		

(VI) Overview of the operation of affiliated companies

December 31, 2024; unit: NTD thousands

Name of related party	Capital amount	Total asset	Total liabilities	Net worth	Operating revenue	Operating profit	Profit (loss) for the period (after tax)	Earnings (loss) per share (NTD)
ILI Technology Corp.	336,170	27,728,300	7,346,227	20,382,073	22,461,565	2,259,736	2,931,945	14.40
Granda Microelectronics (Xiamen) Co., Ltd.	176,850	147,853	2,523	145,330	25,283	(22)	(10,626)	Note
W1 Technology Co., Ltd.	10,000	63,796	22,057	41,739	222,584	20,235	16,531	Note
ILITEK Holding Inc.	399,927	1,136,372	0	1,136,372	0	(96)	22,462	1.72
Howdi Microelectronics (Shenzhen) Co., Ltd.	486,262	1,493,907	70,750	1,423,157	515,640	24,505	28,192	Note
Hefei Howdi Microelectronics Co., Ltd.	220,202	234,391	45,283	189,109	663,609	(72,881)	(54,798)	Note

Note: It is a limited company.

(VII) Consolidated financial statements of affiliates:

The companies that should be included in the preparation of the consolidated financial statements of affiliates in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" for 2024 (from January 1, 2024 to December 31, 2024) are the same as the companies that should be included in the preparation of the parent-subsidary consolidated financial statements in accordance with International Financial Reporting Standard No. 10. The relevant information that should be disclosed in the consolidated financial statements of affiliates has been disclosed in the aforementioned parent-subsidary consolidated financial statements. Therefore, we do

not prepare a separate set of consolidated financial statements of affiliates.

(VIII)Affiliation report: The Company is not a subsidiary of another company, so it is not required to prepare an affiliation report.

II. Private placement of securities in the recent year up till the publication date of this annual report: None.

III. Other required supplementary information: None.

IV. Any event that has a significant impact on shareholders' equity or securities prices as defined in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act that occurred during the most recent year and up to the date of publication of the annual report: None.

V. Description of the significant deviation from Taiwan's regulations on protection of shareholders' rights and interests

The Company has amended its Articles of Incorporation in accordance with the important matters regarding the protection of shareholders' rights and interests listed in the "Checklist of Shareholder Rights Protection Matters in the Country of Incorporation of Foreign Issuers" (hereinafter referred to as the "Checklist of Shareholder Rights Protection Matters") as amended by the Taiwan Stock Exchange Corporation on May 2, 2024. However, due to slight inconsistencies between the laws of the Cayman Islands and the laws of Taiwan, some of the important matters regarding the protection of shareholders' rights and interests listed in the Checklist of Shareholder Rights Protection Matters are not necessarily applicable to the Company. The following table explains the differences between the Company's currently effective Articles of Incorporation (hereinafter referred to as the "Articles of Incorporation") and the Checklist of Shareholder Rights Protection Matters due to the provisions of the laws of the Cayman Islands, as well as the provisions of the Articles of Incorporation.

Discrepancy item	Articles of Incorporation	Reasons and explanations for the differences
One. Formation and changes of capital		
1. A company may not cancel its shares unless the capital is reduced pursuant to a resolution of a shareholders' meeting; capital reduction shall be in proportion to the shares held by the shareholders. 2. When a company reduces its capital, it may return share capital with property other than cash; the property to be returned and the amount to be used as offset shall be subject to a resolution of the shareholders' meeting and the	Article 10.7 of the Articles of Incorporation: "Notwithstanding the provisions of Articles 10.1 to 10.6, the Company may, by ordinary resolution of a general meeting of shareholders, forcibly redeem or repurchase the Company's shares and cancel them, provided that it does not violate the laws, the Articles of Incorporation, the memorandum, and the provisions of the public company laws. Such redemption or repurchase shall be made in proportion to the shares held by the shareholders. Payment for such	1. Article 14 of the Cayman Islands Companies Act (hereinafter referred to as the " Cayman Companies Act "), the country of incorporation of the foreign issuer, allows a company to reduce its issued capital, but this must be done by a special resolution of the shareholders' meeting and confirmed by the Cayman Islands Court. 2. Except as provided for in Article 14 of the Cayman Islands Companies Act, the issued capital

Discrepancy item	Articles of Incorporation	Reasons and explanations for the differences
<p>consent of the shareholder receiving the property.</p> <p>3. The value of the property and the amount of offset referred to in the preceding paragraph shall be submitted by the Board of Directors to a CPA of the Republic of China for review and certification prior to the shareholders' meeting.</p>	<p>redemption or repurchase (if any) shall be made by pursuant to an ordinary resolution for such redemption or repurchase, in cash or by distribution of specific property of the Company, provided that (a) the relevant shares shall be cancelled upon redemption or repurchase and shall not be treated as treasury shares of the Company, and (b) in the case of distribution to shareholders in property other than cash, its type, value and offset amount shall be (i) audited and certified by a CPA of the Republic of China before the Board of Directors submits the resolution to the shareholders' meeting, and (ii) approved by the shareholders receiving the property. After the Company becomes a public company, the aforementioned matters shall be handled in accordance with the relevant provisions of the public company laws that the Company should comply with.</p> <p>Article 14.1 of the Company's Articles of Incorporation: Without violating any laws, public company laws and the Articles of Incorporation, the Company shall, by special resolution of the general meeting of shareholders:</p> <p>(a) Change its name;</p> <p>(b) Amendments or additions to the Articles of Incorporation;</p> <p>(c) Amendments or additions to the memorandum with respect to the objectives, powers or other matters specifically stated;</p> <p>(d) Decrease in its capital and capital redemption reserve; and</p> <p>(e) In accordance with the resolution of the Company at the general meeting, increase the share capital or cancel any shares which have not been acquired or agreed to be acquired by any person on the date of the resolution. However, if the authorized capital is to be changed, the Company shall approve the amendment to the Articles of Incorporation at the shareholders' meeting.</p>	<p>of a company may only be eliminated if it is bought out, surrendered or redeemed in accordance with Article 37 or 37B of the Cayman Islands Companies Act.</p> <p>3. According to Article 37 of the Cayman Islands Companies Act, a company may buy back its own shares in accordance with the Articles of Incorporation or the methods and conditions approved by the shareholders' meeting. Except as provided in Article 37, the Cayman Islands Companies Act does not provide that: (1) shares should be repurchased in proportion to the shares held by shareholders, (2) the return of shares in property other than cash should be approved, or (3) the value of the property to be returned should be assessed. However, such provision may be provided in the Company's Articles of Incorporation.</p> <p>4. Article 10.7 of the Company's Articles of Incorporation is slightly different from the following important matters regarding the protection of shareholders' interests. According to the Cayman Islands Companies Act, the reduction of issued shares must go through the share repurchase procedure before it can be cancelled. The Company does not have the right to cancel the shares still held by shareholders. In view of this difference, Articles 14.1 and 10.7 of the Company's Articles of Incorporation stipulate that the Company's capital reduction procedure is carried out through share repurchases. These differences arise from the provisions of the Cayman Islands Companies Act, but the Company's Articles of Incorporation do not restrict the Company's capital reduction procedure.</p>

Discrepancy item	Articles of Incorporation	Reasons and explanations for the differences
<p>1. Procedures for entering into a stock option contract with the Company's employees or issuing employee stock option certificates.</p> <p>2. Employee stock option certificates may not be transferred, except to successors.</p>	<p>Article 11.1 of the Company's Articles of Incorporation: "Except for the restricted stock provisions of Article 8.7, the Company may, by resolution of the Board of Directors at a meeting of more than two-thirds of the directors present and approved by a majority of the directors present, approve incentive measures and issue shares or options, stock warrants or other similar instruments to employees of the Company and its subsidiaries. The rules and procedures governing such incentive plans shall be consistent with the policies formulated by the Board of Directors, and shall comply with laws and regulations, the memorandum and the Articles of Incorporation. After the Company becomes a public company, the aforesaid matters shall not be handled in accordance with the relevant laws and regulations governing public companies to be complied by the Company.</p> <p>Article 11.2 of the Articles of Incorporation: "The options, stock warrants or other similar instruments issued in accordance with the aforementioned Article 11.1 shall not be transferred, except for successors.</p> <p>Article 11.3 of the Company's Articles of Incorporation: The Company may enter into relevant contracts with its employees and employees of its subsidiaries in accordance with the incentive plan set forth in Article 11.1 above, stipulating that within a certain period of time, the employees may subscribe for a specific number of shares of the Company. The restrictions imposed on the relevant employees by the terms of these contracts shall not be less than the conditions set out in the applicable incentive plan.</p> <p>Article 11.4 of the Company's Articles of Incorporation: "Directors of the Company and its subsidiaries are not eligible for the issuance of restricted stock under Article 8.7 of these Articles of Incorporation and the employee incentive plan under Article 11 of these Articles of Incorporation. However, if a director is also an</p>	<p>The Cayman Islands Companies Act does not contain any specific provisions regarding employee stock option agreements or the procedures for issuing employee stock option certificates. The issuance of employee stock option certificates and whether such certificates may be transferred shall be stipulated in the employee stock option contract.</p> <p>Please note that although Articles 11.1 to 11.4 of the Company's Articles of Incorporation have been amended in accordance with the following important matters regarding the protection of shareholders' interests, in accordance with the provisions of the laws of Cayman Islands, any wish to restrict the transfer of employee stock options should still be stipulated in the employee stock option agreement or stock option certificate.</p>

Discrepancy item	Articles of Incorporation	Reasons and explanations for the differences
	employee of the Company or its subsidiaries, the director may participate in the subscription of restricted stock or the employee incentive plan based on his/her status as an employee (not as a director)."	
Shares issued by the Company shall not be converted into shares with no par value; shares issued with no par value shall not be converted into shares with par value.	According to Article 5 of the Company's memorandum, the face value of each share is NT\$10 and shall be a par value share.	It is expected that Article 3.4 of the Company's Articles of Incorporation will be amended at the 2025 general meeting of shareholders as follows: "Par value shares adopted by the Company shall not be converted into no-par value shares; no-par value shares adopted shall not be converted into par value shares".
Two. Procedures for convening shareholders' meetings and resolution methods		
<ol style="list-style-type: none"> 1. The general shareholders' meeting shall be convened at least once a year; the meeting shall be convened within six months after the end of each fiscal year. Shareholders' meetings are convened by the Board of Directors. 2. The Company's Articles of Incorporation may specify that the shareholders' meeting shall be convened by video conference or other methods announced by the competent authority under the Company Act of the Republic of China. However, due to natural disasters, accidents or other force majeure, the competent authority of the Company Act of the Republic of China may announce that a company may hold meetings by video conference or other means of public announcement within a certain period of time without the provisions of the Articles of Incorporation. 3. When a shareholders' meeting is held by video conferencing, shareholders who participate in the meeting via video conferencing shall be deemed to be present in person. 4. The Company shall comply with the conditions, operating procedures and other matters to be complied with by way of video conference. The requirements of the Securities 	<p>Article 16.2 of the Company's Articles of Incorporation: After the Company becomes a public company, the Company shall hold a general meeting of shareholders within six months after the end of each fiscal year as an annual general meeting of shareholders, and shall specify the details in the notice of convening the general meeting of shareholders. At the shareholders' meeting, the Board of Directors shall make relevant reports (if any).</p> <p>Article 16.3 of the Articles of Incorporation: "The Company shall hold an annual general meeting once a year."</p> <p>Article 16.4 of the Articles of Incorporation: "Shareholders' meetings shall be convened at the time and place designated by the Board of Directors, or by video conference, or in accordance with the methods prescribed by the public company laws. Except as otherwise provided by laws and regulations or this article, after the Company becomes a public company, the physical shareholders' meeting shall be convened within the territory of the Republic of China. After a company has become a public company, if it holds a physical shareholders' meeting outside the Republic of China, the Company shall report it to the Stock Exchange or the OTC Market for approval within two days after the</p>	<ol style="list-style-type: none"> 1. Items 1 to 6, 8 and 9 below on the left-hand side of the Company's important matters for the protection of shareholders' rights and interests did not differ from the Articles of Incorporation. 2. There are slight differences between Article 16.8 of the Articles of Incorporation and the seventh item on the list below regarding important matters concerning the protection of shareholders' rights and interests, which are explained as follows: According to the Taiwan Stock Exchange's letter No. 0991701319 dated April 13, 2010: "Description: II. (III) Foreign issuers shall, without violating the laws of the place of incorporation, stipulate in their Articles of Incorporation that minority shareholders have the right to request the convening of an extraordinary shareholders' meeting. The part regarding the competent authority that authorizes the convening of the meeting shall be deleted." Therefore, Article 16.8 of the Articles of Incorporation: "If the Board of Directors does not notify the convening of an extraordinary shareholders' meeting within fifteen days after the aforementioned shareholder submits a request, the shareholder who submitted the request may convene an extraordinary

Discrepancy item	Articles of Incorporation	Reasons and explanations for the differences
<p>and Exchange Act of the Republic of China shall be followed.</p> <p>5. The physical shareholders' meeting of the Company shall be held in the territory of the Republic of China. If a physical shareholders' meeting is to be held outside the Republic of China, the shareholders' meeting shall be reported to the Stock Exchange for approval within two days after the resolution of the Board of Directors or the shareholders' approval from the competent authority.</p> <p>6. Shareholders holding one percent or more of the total number of issued shares may propose to the Company's regular shareholders' meeting in writing or by way of electronic transmission. The Board of Directors shall list as a proposal, except those that are not a resolution of the shareholders' meeting, the proposing shareholder holds less than 1% of the shares, the proposal is made outside the announcement acceptance period, the proposal exceeds 300 words or there is more than one proposal. Shareholder proposals urging the Company to promote public interest or fulfill its social responsibilities may still be included in the agenda of the Board of Directors.</p> <p>7. A shareholder who has been a shareholder for more than one year and holds more than 3% of the total number of issued shares may request the Board of Directors to convene an extraordinary meeting of shareholders stating the proposed matters and the reasons in writing. If the Board of Directors does not give notice for convening a meeting within fifteen days after the request is made, the shareholders may request the competent authority to convene on their own.</p> <p>8. Shareholders who hold more than one-half of the total number of</p>	<p>resolution of the Board of Directors or the shareholders obtain the permission to convene the meeting from the competent authority. In addition, when holding a physical shareholders' meeting outside the Republic of China, the Company shall appoint a professional stock affairs agency in the Republic of China to handle the stock affairs and administrative matters of such shareholders' meeting (including but not limited to handling shareholders' proxy voting).</p> <p>Article 16.5 of the Articles of Incorporation: "The Board of Directors may convene a shareholders' meeting; an extraordinary shareholders' meeting shall be convened immediately upon the shareholders' request under Article 16.6."</p> <p>Article 16.6 of the Articles of Incorporation: "Shareholders who may request to convene a shareholders' meeting referred to above are shareholders who hold more than 3% of the total number of issued shares for more than one year."</p> <p>Article 16.7 of the Articles of Incorporation: "The shareholder's request referred to in the preceding article must be in writing, specifying the proposed matter and the reasons for it, signed by the person making the request, and delivered to the Company. It may consist of several documents of similar format, each signed by one or more requestors."</p> <p>Article 16.8 of the Articles of Incorporation: "If the Board of Directors does not notify the convening of an extraordinary shareholders' meeting within fifteen days after the aforementioned shareholder submits a request, the shareholder who submitted the request may convene an extraordinary shareholders' meeting on his/her own in accordance with the provisions of the public company laws."</p> <p>Article 16.9 of the Articles of Incorporation: A shareholder who holds more than half of the total</p>	<p>shareholders' meeting on his own in accordance with the provisions of the public company laws."</p>

Discrepancy item	Articles of Incorporation	Reasons and explanations for the differences
<p>issued shares for three months or more may convene an extraordinary shareholders' meeting on their own. The calculation of the shareholder's shareholding period and number of shares shall be based on the shareholding at the time of share transfer suspension.</p> <p>9. The following matters shall be listed and their main contents shall be explained in the reasons for convening the shareholders' meeting and shall not be proposed as extraordinary motions. Their main contents may be placed on the website designated by the securities regulatory authority or the Company, and the website address shall be stated in the notice:</p> <p>(1) Election and dismissal of directors;</p> <p>(2) Amendment to the Articles of Incorporation;</p> <p>(3) Capital reduction;</p> <p>(4) Application to stop the public offering;</p> <p>(5) Company dissolution, merger, share conversion, and spin off;</p> <p>(6) Conclusion, modification or termination of contracts for leasing the entire business, entrusting the operation or co-operating with others;</p> <p>(7) Transfer the whole or any substantial part of its business or assets;</p> <p>(8) The transfer of all business or property of another person has a significant impact on the Company's operations;</p> <p>(9) Private placement of equity securities;</p> <p>(10) Permission for directors to engage in non-competition</p>	<p>number of issued shares for a period of three months or more may convene an extraordinary shareholders' meeting. The calculation of the shareholder's shareholding period and number of shares shall be based on the shareholding at the time of share transfer suspension.</p> <p>Article 17.5 of the Company's Articles of Incorporation: "(a) election or removal of directors, (b) amendment of the Articles of Incorporation, (c) reduction of capital, (d) application for suspension of public offering, (e) (i) dissolution, merger (excluding simplified merger), share conversion (excluding simplified share conversion) or spin off (excluding simplified spin off), (ii) conclusion, modification or termination of a contract for leasing the entire business of the Company, or entrusting the operation of the Company, or for joint operation with others, (iii) assignment of the entire or substantial part of the business or property of the Company, (iv) transfer of the entire business or property of others that has a significant impact on the operation of the Company, (f) The acts of directors for themselves or others in the business scope of the Company, (g) the distribution of all or part of the Company's dividends and bonuses by issuing new shares, (h) the distribution of statutory surplus reserves and capital reserves obtained from the premium of stock issuance or the receipt of gifts to original shareholders by issuing new shares or in cash, and (i) the Company's private placement of equity securities, etc., shall be stated in the notice of shareholders' meeting and its main contents shall be explained, and it shall not be proposed as an extraordinary motion; its main contents may be placed on the website designated by the securities regulatory authority of the Republic of China or the Company, and its website address shall be stated in the notice.</p> <p>Article 18.9 of the Company's Articles of Incorporation: In accordance with</p>	

Discrepancy item	Articles of Incorporation	Reasons and explanations for the differences
<p>activities;</p> <p>(11) Distribution of dividends and bonuses in whole or in part in the form of new shares;</p> <p>(12) The statutory surplus reserve and the capital reserve obtained from the premium of stock issuance or the receipt of gifts are distributed to the original shareholders by issuing new shares or in cash.</p>	<p>the provisions of the public company laws, shareholders who hold 1% or more of the total number of issued and distributed shares before the relevant shareholder register is closed for transfer may submit proposals for the Company's general meeting in writing or electronically within the scope of the rules of procedure for shareholders' meetings established by the Board of Directors and approved by ordinary resolution of the shareholders' meeting. The Board of Directors shall list shareholder proposals as resolutions except in the following circumstances: (a) the proposing shareholder holds less than 1% of the total issued shares, (b) the resolution is not a resolution of the shareholders' meeting, (c) the proposing shareholder proposes more than one item, (d) the resolution exceeds 300 words, or (e) the resolution is proposed outside the public notice acceptance period. However, the Board of Directors may include shareholders' proposals for urging the Company to promote public interest or fulfill its social responsibilities.</p> <p>Article 18.11 of the Company's Articles of Incorporation: Shareholders' meetings may be held by video conference or in other ways as directed or required by FSC or TWSE. When a shareholders' meeting is held by video conferencing, shareholders who participate in the meeting via video conferencing shall be deemed to be present in person. If the shareholders' meeting is held by video conference, it shall comply with the provisions of the public company laws.</p> <p>Article 35 of the Articles of Incorporation: "Subject to the provisions of Article 14.2(d), the board may capitalize any balance standing to the provisions of the Company (including share premium and capital redemption reserve) or standing to the profit and loss account or otherwise available for distribution and distribute such balance to the</p>	

Discrepancy item	Articles of Incorporation	Reasons and explanations for the differences
	<p>members in the same proportions as if the surplus had been distributed by way of dividends, and the members shall be entitled to receive such balance as shall be deemed to be fully paid up in respect of any unissued shares available for distribution and such shares shall be distributed to the members in the same aforementioned proportions. In such event, the board shall do all the things necessary to give effect to such capitalization and shall have the power to prescribe such rules as it deems appropriate so that shares will not be distributed in units smaller than the smallest unit (including providing that the rights to such distribution of shares shall belong to the Company rather than to the shareholder). The Board of Directors may authorize a third party to enter into a contract with the Company on behalf of the interested shareholder to provide for the capitalization and related matters. The contract signed under this authorization is effective and binding on the relevant person.</p>	
<ol style="list-style-type: none"> 1. When the Company holds a shareholders' meeting, it shall be listed as one of the channels for exercising voting rights by electronic means. 2. When the Company exercises voting rights by correspondence or electronic means, the method of exercising the voting rights shall be specified in the shareholders' meeting notice. Shareholders casting their votes by correspondence or electronic means shall be deemed to have attended the meeting in person. However, they shall be deemed their abstention on any extraordinary motions and amendments to the original motions. 3. If a shareholder exercises his/her voting rights in written or electronic form, his/her expression of intention shall be delivered to the Company two days before the shareholders' meeting. In the event of duplicate expressions of intention, the one delivered first 	<p>Article 19.6 of the Articles of Incorporation: "Before a company becomes a public company, the Board of Directors may decide whether the voting rights at a shareholders' meeting may be exercised by written ballot or electronic means. After a company becomes a public company, when it convenes a shareholders' meeting, it shall include electronic means as one of the channels for exercising voting rights, and may also adopt the exercise of voting rights in written form. If voting rights are exercised by written vote or electronic means, the method of exercising voting rights shall be stated in the shareholders' meeting notice sent to shareholders, and the intention to exercise voting rights by written vote or electronic means shall be delivered to the Company two days before the shareholders' meeting. In the event of duplicate expressions of intention, the earliest delivery shall prevail. Shareholders who exercise their voting rights in the manner described above shall be deemed to have</p>	<ol style="list-style-type: none"> 1. Shareholders may not exercise their voting rights at shareholders' meetings in writing or electronically. However, if the Articles of Incorporation of the Company so provide, shareholders may appoint proxies in writing or by way of electronic transmission to exercise the voting rights of their shares at meetings. 2. Shareholders who cast their votes by proxy will not be deemed to have attended the shareholders' meeting in person. 3. The Company's Articles of Incorporation may provide for the delivery of power of attorney. 4. The Cayman Islands Companies Act has no provision for shareholders to revoke the proxy form. However, according to the principles of common law, regardless of any contrary provisions in the Company's Articles of Incorporation, shareholders who personally attend the shareholders' meeting

Discrepancy item	Articles of Incorporation	Reasons and explanations for the differences
<p>shall prevail. However, this limitation does not apply to those who expressed their intention before revoking the statement.</p> <p>4. If a shareholder wishes to attend a shareholders' meeting in person after exercising his/her voting rights in writing or electronically, he/she shall revoke his intention to exercise his/her voting rights in the preceding paragraph two days before the shareholders' meeting in the same manner as he exercised his/her voting rights. If he/she revokes his/her intention after the deadline, the voting rights exercised in writing or electronically shall prevail.</p> <p>5. If a shareholder has exercised voting rights in writing or electronically, and has also appointed a proxy to attend the shareholders' meeting, the votes cast by the proxy at the meeting shall prevail.</p>	<p>designated the chairperson of the general meeting of shareholders as their proxies and shall exercise the voting rights of their shares in the shareholders' meeting in accordance with the instructions in written or electronic documents. However, such appointment shall not be construed as an appointment under the public company laws. The chairperson acting as a proxy shall not be entitled to exercise the voting rights of such shareholders on any matters not mentioned or stated in the written or electronic document, nor shall he/she exercise the voting rights on any amendments to the original proposals or any extraordinary motions proposed at the shareholders' meeting. Shareholders exercising their voting rights in this manner shall be deemed to have waived their rights to be notified of and to vote on extraordinary motions and/or amendments to the original proposals of the shareholders' meeting. If the chairperson of the shareholders' meeting fails to exercise voting rights on behalf of such shareholders in accordance with their instructions, the number of shares shall not be counted in the number of votes of shareholders present, but shall be counted in the number of shares used to calculate the minimum number of attendees of the shareholders' meeting.</p> <p>Article 19.7 of the Company's Articles of Incorporation: If a shareholder wishes to revoke his/her intention to exercise his/her voting rights in writing or electronically after delivering it to the Company in accordance with Article 19.6, he/she shall revoke such intention two days before the shareholders' meeting in the same manner as the exercise of his/her voting rights. Such revocation shall be deemed to be a revocation of his/her intention to appoint the chairperson of the general meeting of shareholders as his/her proxy in accordance with Article 19.6 of the Articles of Incorporation. If a shareholder expresses his/her intention to exercise his/her voting</p>	<p>to vote shall have priority. However, the Articles of Incorporation of the Company may still provide for the revocation of proxy when the shareholders are not attending the shareholders' meeting in person.</p> <p>5. Same as the description in 1. above.</p> <p>6. However, attention should be paid to Article 19.6 of the Company's Articles of Incorporation: "(omitted) Shareholders who exercise their voting rights in the manner described above shall be deemed to have appointed the chairperson of the general meeting as their proxies and shall exercise the voting rights of their shares in the general meeting in accordance with the instructions in written or electronic documents. (Omitted). Although the laws of Cayman Islands holds that a shareholder who exercises his voting rights in this way will not be deemed to be present in person at the shareholders' meeting, such shareholder can enjoy all the rights of a shareholder who exercises his/her voting rights in writing or electronically in accordance with the laws of the Republic of China, and there should be no substantial impact on the interests of the Company's shareholders.</p>

Discrepancy item	Articles of Incorporation	Reasons and explanations for the differences
	<p>rights in writing or electronically in accordance with Article 19.6 but withdraws it after the prescribed time limit, he/she shall not be deemed to have appointed the chairperson of the general meeting of shareholders as his/her agent under Article 19.6 and the chairperson of the general meeting of shareholders shall exercise the voting rights of his/her shares on his/her behalf in accordance with the instructions of the shareholder.</p> <p>Article 19.8 of the Articles of Incorporation: "If a shareholder has appointed the chairperson as a proxy to exercise voting rights in writing or electronically in accordance with Article 19.6, and still appoints another proxy to attend the shareholders' meeting by proxy, the subsequent appointment of another proxy shall be deemed to have revoked the appointment of the chairperson as a proxy in accordance with Article 19.6."</p> <p>Article 20.7 of the Articles of Incorporation: If a shareholder votes in writing or by way of electronic transmission, and appoints a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy at the meeting shall prevail. If a shareholder wishes to attend the shareholders' meeting in person or to exercise voting rights in writing or electronically after appointing a proxy to attend the shareholders' meeting, he or she shall notify the Company in writing of the revocation of the appointment two days before the shareholders' meeting. In case of late revocation, the voting right exercised by the proxy attending the meeting shall prevail.</p>	
<p>1. The Company shall, 30 days before a regular shareholders' meeting or 15 days before an extraordinary shareholders' meeting, publicly announce the notice of the shareholders' meeting, the form of proxy, the reasons for and explanatory materials for various proposals such as approval proposals,</p>	<p>Article 17.3 of the Company's Articles of Incorporation: After the Company becomes a public company, thirty days before the regular shareholders' meeting or fifteen days before the extraordinary shareholders' meeting, the Company shall announce the notice of the shareholders' meeting, the form of proxy, the reasons for and explanations of various proposals such</p>	<p>It is expected that Article 17.3 of the Company's Articles of Incorporation will be amended at the 2025 general meeting of shareholders. The revised provisions are as follows: "After the company becomes a public company, thirty days before the general meeting of shareholders or fifteen days before the extraordinary meeting of shareholders, the notice of the</p>

Discrepancy item	Articles of Incorporation	Reasons and explanations for the differences
<p>discussion proposals, and the election or dismissal of directors.</p> <p>2. If the Company's shareholders' meeting is to exercise voting rights in writing, the documents referred to in the preceding paragraph and the written voting rights shall be sent to the shareholders.</p> <p>3. When a company convenes a shareholders' meeting, it shall prepare a shareholders' meeting handbook and shall announce the handbook and other meeting materials 21 days before a regular shareholders' meeting or 15 days before an extraordinary shareholders' meeting. However, if the paid-in capital of the Company as of the end of the most recent fiscal year is NT\$2 billion or more, or if the Company held a general meeting of shareholders in the most recent fiscal year and the total shareholding ratio of foreign and mainland investors recorded in the shareholder list is 30% or more, the Company shall complete the transmission of the aforementioned electronic files 30 days before the general shareholders' meeting.</p>	<p>as approval proposals, discussion proposals, and the election or dismissal of directors, and transmit the electronic files of such information to the MOPS in accordance with the public company Laws. If the Company's shareholders' meeting is to exercise written voting rights, the aforementioned information and the written voting rights shall be sent to the shareholders. The Board of Directors shall prepare a shareholders' meeting handbook and supplementary materials in accordance with the public company laws 21 days before the regular shareholders' meeting (or 15 days before the extraordinary shareholders' meeting), mail it or make it available to all shareholders in other ways, and transmit it to the MOPS. However, if the paid-in capital of the Company as of the end of the most recent fiscal year is NT\$10 billion or more, or if the Company held a general shareholders' meeting in the most recent fiscal year and the total shareholding ratio of foreign and mainland investors recorded in the shareholder list is 30% or more, the Company shall complete the transmission of the aforementioned electronic files 30 days before the general shareholders' meeting.</p>	<p>shareholders' meeting, the form of proxy, the reasons and explanatory materials for various proposals such as approval proposals, discussion proposals, and the election or dismissal of directors shall be announced together, and the electronic files of such materials shall be transmitted to the MOPS in accordance with the public company laws. If the Company's shareholders' meeting is to exercise written voting rights, the aforementioned information and the written voting rights shall be sent to the shareholders. The Board of Directors shall prepare a shareholders' meeting handbook and supplementary materials in accordance with the public company laws 21 days before the regular shareholders' meeting (or 15 days before the extraordinary shareholders' meeting), mail it or make it available to all shareholders in other ways, and transmit it to the MOPS. However, if the paid-in capital of the Company as of the end of the most recent fiscal year is NT\$2 billion or more, or if the Company held a general meeting of shareholders in the most recent fiscal year and the total shareholding ratio of foreign and mainland investors recorded in the shareholder list is 30% or more, the Company shall complete the transmission of the electronic files 30 days before the general meeting of shareholders.</p>
<p>1. The Company's Articles of Incorporation may specify that the earnings distribution or loss allowance shall be made at the end of each quarter or half of the fiscal year.</p> <p>2. The proposal for profit distribution or loss compensation for the first three quarters or first half of the Company's fiscal year shall be submitted to the supervisor or the audit committee for review together with the business report and financial statements before being submitted to the Board of Directors for resolution.</p>	<p>The Articles of Incorporation do not allow for the distribution of earnings or loss allowance at the end of each quarter or half of the fiscal year.</p>	<p>The Cayman Islands Companies Act does not provide for the profit distribution or loss off-setting mechanism of the Company. The Articles of Incorporation may provide for related matters.</p>

Discrepancy item	Articles of Incorporation	Reasons and explanations for the differences
<p>3. When a company distributes earnings in accordance with the preceding paragraph, it shall first estimate and retain payable taxes, make up losses in accordance with the law, and set aside legal reserves. However, when the legal reserve has reached the amount of paid-in capital, this shall not apply.</p> <p>4. When a company distributes earnings by issuing new shares in accordance with the provisions of the second paragraph, shareholders representing more than two-thirds of the total number of issued shares shall be present and the distribution shall be approved by a majority of the voting rights of the shareholders present. If the total number of shares held by the attending shareholders is less than the aforementioned quota, the meeting may be carried out with the attendance of shareholders representing more than half of the total number of issued shares and the consent of more than two-thirds of the voting rights of the attending shareholders; cash distribution shall be subject to the resolution of the Board of Directors.</p> <p>5. When the Company distributes earnings or offsets losses in accordance with the preceding four paragraphs, it shall be in accordance with the financial statements that have been audited or reviewed by CPAs.</p>		
<p>The following proposals involving major shareholder interests shall be approved with the attendance of shareholders representing more than two-thirds of the total number of issued shares and with the approval of a majority of the voting rights of the shareholders present. If the total number of shares held by the attending shareholders is less than the aforementioned quota, the meeting may be carried out with the</p>	<p>Article 1.1 of the Articles of Incorporation (the definition of a "special resolution"): A resolution approved by more than two-thirds of the votes of shareholders entitled to exercise voting rights at the general meeting. The shareholder may exercise the voting right in person or appoint a fully authorized proxy to exercise the voting right on his behalf (if the appointment of a proxy is allowed, it must be stated in the notice</p>	<p>1. Pursuant to Article 60 of the Cayman Islands Companies Act, a special resolution is a resolution passed by voting at a shareholders' meeting with the consent of not less than two-thirds of the votes of shareholders who are entitled to exercise their voting rights at the meeting and who exercise their voting rights in person or by proxy (if the shareholders' meeting permits</p>

Discrepancy item	Articles of Incorporation	Reasons and explanations for the differences
<p>attendance of shareholders representing more than half of the total number of issued shares and the consent of more than two-thirds of the voting rights of the attending shareholders:</p> <ol style="list-style-type: none"> 1. The Company enters into, amends or terminates a contract regarding the leasing of all operations, entrusting operations or co-operation with others, assigning all or a major part of operations or property, or acquiring all operations or property from others, which has a significant impact on the Company's operations. 2. Amendments to the Articles of Incorporation. 3. Any changes to the Articles of Incorporation that impair the rights of the shareholders of preferred shares shall require a resolution of the shareholders' meeting of the preferred shares. 4. Distributing dividends and bonuses in whole or in part by issuing new shares. 5. Resolutions on dissolution, merger or spin off. 6. Share conversion. 	<p>of convening the shareholders' meeting that it is a special resolution).</p> <p>Article 12.1 of the Articles of Incorporation: Regardless of whether the company is in liquidation proceedings or not, if at any time the company's capital is divided into different classes of shares, the rights of that class of shares may only be changed by a special resolution of a general meeting of shareholders of that class of shares, unless the conditions for the issuance of that class of shares provide otherwise. Notwithstanding the aforesaid provisions, if the amendment or change of the Articles of Incorporation impairs the priority rights for the shares of any class, such amendment or change shall be approved by a special resolution and by a special resolution of the individual shareholders' meeting of that class of shares.</p> <p>Article 14.1(b) of the Articles of Incorporation: "Amendment or addition to the Articles of Incorporation;"</p> <p>Article 14.1(d) of the Articles of Incorporation: "Decrease of its capital and capital redemption reserve; and"</p> <p>Article 14.2(e) of the Articles of Incorporation: "In accordance with the provisions of Article 34.2, all or part of the capital reserve shall be distributed as new shares or cash in proportion to the original shareholding ratio of shareholders."</p> <p>Article 14.2(f) of the Articles of Incorporation: A merger (other than a simple merger) or a spin off (other than a simple spin off), provided that if such merger is a "merger" as defined in the Act, it shall also comply with the provisions of the Act;</p> <p>Article 14.2(g) of the Company's Articles of Incorporation: "Conclude, amend or terminate an agreement concerning the Company's leasing of all its business, entrusting its business to others or co-operating with others</p>	<p>proxy letters) (if the Articles of Incorporation provide for a higher number of voting rights, such provisions shall prevail). In the Articles of Incorporation of a general Cayman company, it is usually stipulated that the notice of the shareholders' meeting should state that the proposal should be made by way of a special resolution. If authorized by the Articles of Incorporation, the written resolution signed by all shareholders may be deemed as a special resolution. When it is necessary to use a counting of votes as a voting method to calculate whether a resolution is a majority vote, the Company's Articles of Incorporation may stipulate the number of votes that each shareholder is entitled to.</p> <ol style="list-style-type: none"> 2. According to the Cayman Islands Companies Act, the matters that shall be subject to a special resolution include but are not limited to: <ol style="list-style-type: none"> (i) Amendment or addition of the Articles of Incorporation (Article 24); (ii) Amendment or addition of items in the memorandum or Articles of Incorporation regarding the objectives, powers, or other special matters (Article 10); (iii) For reasons other than the inability to repay its debts when they become due, and the company was dissolved voluntarily (Articles 90 and 116). (iv) Merger or consolidation with another company (Article 233). <p>Matters requiring a special resolution under the Cayman Islands Companies Act shall not be passed by a lesser majority.</p> 3. For matters other than those listed above, the Cayman Islands Companies Act does not require a specific majority, but it can be regulated in the Company's Articles of Incorporation.

Discrepancy item	Articles of Incorporation	Reasons and explanations for the differences
	<p>on a regular basis;"</p> <p>Article 14.2(h) of the Company's Articles of Incorporation: "to transfer the whole or a substantial part of its business or property, but the foregoing provision shall not apply to a transfer made upon dissolution of the Company; and"</p> <p>Article 14.3 of the Company's Articles of Incorporation: Without violating the provisions of laws, the Articles of Incorporation and the public company laws, the procedures for dissolution of the Company shall be:</p> <p>(a) If the company decides to dissolve voluntarily due to its inability to pay its debts when due, the company shall do so by a special (major) resolution of the general meeting of shareholders; or</p> <p>(b) If the company resolves to dissolve voluntarily due to reasons other than those set out in Article 14.3(a) above, the company shall do so by a special resolution of the general meeting of shareholders.</p>	<p>Some provisions of the Company's Articles of Incorporation are slightly different from the following important matters regarding the protection of shareholders' rights and interests, which are described as follows:</p> <p>1. Article 1.1 of the Articles of Incorporation</p> <p>(1) Articles of Incorporation Article 1.1 of the Company's Articles of Incorporation provides that a special resolution is: "a resolution approved by more than two-thirds of the votes of shareholders entitled to exercise voting rights at the general meeting". The shareholder may exercise the voting right in person or appoint a fully authorized proxy to exercise the voting right on his behalf (if the appointment of a proxy is allowed, it must be stated in the notice of convening the shareholders' meeting that it is a special resolution). Matters that should be subject to a special resolution shall include, but are not limited to, the following according to the Cayman Islands Companies Act: (i) amendment or addition to the Company's Articles of Incorporation (Article 24 of the Cayman Companies Act); (ii) amendment or addition to the memorandum with respect to its objects, powers or other matters specifically stated therein (Article 10 of the Cayman Islands Companies Act); and (iii) voluntary dissolution for reasons other than inability to pay its debts when due (Articles 90 and 116 of the Cayman Islands Companies Act). (iv) Merger or consolidation with other companies (Article 233 of the Cayman Islands Companies Act). In addition, Article 18.1 of the Company's Articles of Incorporation provides that "No resolution may be passed</p>

Discrepancy item	Articles of Incorporation	Reasons and explanations for the differences
		<p>at a shareholders' meeting unless the number of shares represented by the shareholders present reaches the statutory number of shares present". Unless otherwise provided by laws, Articles of Incorporation and public company laws, the attendance in person or by proxy of shareholders representing more than half of the total number of issued shares shall constitute the quorum for attendance at a shareholders' meeting. In other words, if a company wishes to make a special resolution, at least shareholders representing more than half of the total number of issued shares of the company must be present in person or by proxy, and the resolution must be approved by more than two-thirds of the votes of shareholders present (including those attending by proxy with a power of attorney) and exercising their voting rights.</p> <p>(2) Reason for difference Special resolutions are provided for in the Cayman Islands Companies Act. According to the Cayman Islands Companies Act, matters that should be subject to special resolutions should be made by shareholders through special resolutions in accordance with the Articles of Incorporation. Resolutions on such matters shall not be made at a level lower than the special resolution threshold stipulated in the Cayman Islands Companies Act. Therefore, among the major resolutions stipulated in the Company's Articles of Incorporation regarding important matters concerning the protection of shareholders' interests, those that should be resolved by special resolution in accordance with the</p>

Discrepancy item	Articles of Incorporation	Reasons and explanations for the differences
		<p>Cayman Islands Companies Act will still be retained as "special resolutions" in the Articles of Incorporation, and other major resolutions stipulated in the Company's Articles of Incorporation regarding important matters concerning the protection of shareholders' interests will be added as "special (Supermajority Resolutions)" in the Company's Articles of Incorporation.</p> <p>2. Article 14.3 of the Articles of Incorporation</p> <p>(1) Articles of Incorporation Article 14.3 of the Company's Articles of Incorporation: The company's dissolution process shall be carried out without violating the provisions of laws, Articles of Incorporation and public company laws.</p> <p>(a) If a company resolves to dissolve voluntarily because it is unable to pay its debts when due, the company should do so by a special (major) resolution of the shareholders' meeting; or</p> <p>(b) If the company resolves to dissolve voluntarily due to reasons other than those set out in Article 14.3(a) above, the company shall do so by a special resolution of the general meeting of shareholders. The difference between the above two important matters regarding the protection of shareholders' rights and interests is that the Company's Articles of Incorporation have different requirements for resolutions on dissolution, such as "special (major) resolutions" and "extraordinary resolutions", depending on the reasons for the resolution on dissolution.</p>

Discrepancy item	Articles of Incorporation	Reasons and explanations for the differences
		<p>In comparison, the following important matters regarding the protection of shareholders' rights and interests all require "special (major) resolutions" to be made.</p> <p>(2) Reason for difference: Under the Cayman Islands Companies Act, if a company resolves to dissolve voluntarily for reasons other than its inability to pay its debts when due, it must do so by special resolution, while if a company resolves to dissolve voluntarily for reasons other than its inability to pay its debts when due, it only needs to do so by ordinary resolution. It can be seen from the above that such differences are due to the laws of the Cayman Islands. The Company's Articles of Incorporation stipulate that "if a company is unable to repay its debts when due and resolves to dissolve voluntarily", it must be done by a special (major) resolution. Matters other than those specified in Article 14.3(a) are still reserved as "special resolution matters" in accordance with the Cayman Islands Companies Act.</p>
<p>Where a company is terminated from listing due to post-merger dissolution, general assignment, share conversion or split, and the surviving, assigned, existing or newly established company is a non-listed (OTC) company, the termination shall be effected with the consent of shareholders of not less than two-thirds of the total number of issued shares of such company.</p>	<p>Article 14.6 of the Company's Articles of Incorporation. The Articles of Incorporation: "Under the circumstances that do not violate laws and regulations and the public company laws, the Company shall make the following matters at the shareholders' meeting with the consent of shareholders representing more than two-thirds of the total number of issued shares of the Company".</p>	<p>The Cayman Islands Companies Act has relevant provisions on company mergers, acquisitions, merger arrangements or cash-out mergers, and Cayman companies should comply with the relevant provisions. Therefore, if the laws in the Cayman Islands have stricter resolution methods for specific matters, they should still be handled in accordance with the provisions of the Cayman Islands law. The difference should have no significant adverse impact on the shareholders' equity of the Company.</p>
<p>Three. Powers and responsibilities of directors</p>		
<p>The remuneration of directors, which is not specified in the Articles of Incorporation, shall be determined by</p>	<p>Article 30.1 of the Company's Articles of Incorporation: "A director (except an independent director) may</p>	<p>The Cayman Islands Companies Act does not specify how directors' remuneration is determined, but it</p>

Discrepancy item	Articles of Incorporation	Reasons and explanations for the differences
<p>the shareholders' meeting and shall not be ratified afterwards.</p>	<p>concurrently hold any other paid position in the Company during his term as a director, the term, conditions and remuneration of which shall be determined by the Remuneration Committee on its recommendation and submission to the Board for decision”.</p> <p>Article 30.2 of the Articles of Incorporation: The directors' remuneration may only be paid in cash. The amount of such remuneration shall be recommended by the Remuneration Committee and submitted to the board for decision, and shall be paid in consideration of the scope and value of the director's services to the Company and the standards of domestic and foreign peers. The Company shall pay travel expenses, accommodation and other related expenses to directors for attending meetings of the Board of Directors, committees, regular meetings or other meetings related to the business of the Company, and/or pay the directors' remuneration recommended by the Remuneration Committee and determined by the Board of Directors. Such decisions shall be made in accordance with the public company laws.</p> <p>Article 32.10 of the Articles of Incorporation: The Board of Directors shall establish a Remuneration Committee in accordance with the public company laws. The number of members of the Remuneration Committee, their professional qualifications, restrictions on shareholding and concurrent employment, and the determination of their independence shall be in accordance with the provisions of the public company laws. The number of members shall not be less than three, and one of them shall serve as the convener of the Remuneration Committee. The rules and procedures of the Remuneration Committee shall be in accordance with the policies proposed by the members of the Remuneration Committee and approved by the Board of Directors.</p>	<p>may be regulated in the Company's Articles of Incorporation. Although the Company has not specified the directors' remuneration in its Articles of Incorporation, or stipulated that it should be determined by the shareholders' meeting, the Company's Board of Directors has established a remuneration committee in accordance with the interpretation of the Ministry of Economic Affairs No. 09302030870 dated March 8, 2004, and the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange". Therefore, the following provisions should not have an adverse impact on the interests of the Company's shareholders.</p>

Discrepancy item	Articles of Incorporation	Reasons and explanations for the differences
	<p>Such policies shall comply with the provisions of laws, the memorandum, the Articles of Incorporation, the public company laws and the instructions and requirements of the Financial Supervisory Commission or the Stock Exchange or the Taiwan Stock Exchange (as applicable). The Board of Directors shall establish the organizational charter of the Remuneration Committee in accordance with the resolutions, the Articles of Incorporation and the provisions of the public company laws.</p> <p>Article 32.11 of the Articles of Incorporation: The remuneration in the preceding article shall include the salaries, stock options and other incentives of directors and managers. Unless otherwise provided in the public company laws, the managers referred to in Article 32.9 shall mean the managers as defined in the Remuneration Committee Charter.</p>	
<p>If a director, in the performance of his duties, engages in conduct that caused material damage the Company or violates major laws or the Articles of Incorporation, and the shareholders' meeting does not resolve to remove him/her, shareholders holding 3% or more of the total issued shares of the Company may, within thirty days after the shareholders' meeting, petition the court to remove him/her, and the Taipei District Court in Taiwan shall be the court of first instance.</p>	<p>Article 28.2(m) of the Company's Articles of Incorporation provides that unless otherwise provided by laws and regulations, the Articles of Incorporation or the public company laws, if a director, in the course of his duties, has committed an act which has caused material damage to the Company or has seriously violated any applicable law and/or regulation or Articles of Incorporation, but the Company has not removed him by a special (major) resolution, then shareholders holding more than 3% of the total number of issued shares shall have the right, within thirty days from the date of the shareholders' resolution, to apply to a court of competent jurisdiction to remove such director at the Company's expense, and such director shall be removed upon the final judgment of the court of competent jurisdiction to remove such director. For the avoidance of doubt, if a relevant court has jurisdiction to adjudicate all the foregoing matters in a single proceeding or a series of proceedings, then for the purpose of this clause, final judgment shall mean the final</p>	<ol style="list-style-type: none"> 1. The Cayman Islands Companies Act does not specifically stipulate that minority shareholders may apply to the Cayman Islands Court for the dismissal of directors. 2. In general, the procedures for dismissal of directors are stipulated in the Articles of Incorporation of the Company, and it is usually stipulated that an ordinary resolution of the shareholders' meeting shall be required. 3. Under the common law provisions on shareholder remedies, in a lawsuit alleging that a director has committed an offence against the company, the formally qualified plaintiff should be the company itself, not an individual shareholder or a minority shareholder. Only in a few exceptions, such as when the actions of the directors constitute fraud against minority shareholders and the person committing the fraud is the controller of the company, can the defrauded minority

Discrepancy item	Articles of Incorporation	Reasons and explanations for the differences
	<p>judgment rendered by such court having jurisdiction.</p>	<p>shareholders bring a lawsuit in court.</p> <p>4. Such a provision in the Company's Articles of Incorporation may be unenforceable under the laws of Cayman Islands because the Cayman Islands Court cannot recognize and enforce a foreign judgment for a non-monetary award without re-examining the legal basis of the dispute at issue. A director may be removed by following the procedures set forth in the Articles of Incorporation.</p> <p>Article 28.2(m) of the Articles of Incorporation slightly differs the following provisions on the left, as follows:</p> <p>(1) The Articles of Incorporation provides: Article 28.2(m) of the Company's Articles of Incorporation provides that unless otherwise provided by laws and regulations, the Articles of Incorporation or the public company laws, if a director, in the course of his duties, has committed an act which has caused material damage to the Company or has seriously violated any applicable law and/or regulation or Articles of Incorporation, but the Company has not removed him by a special (major) resolution, then shareholders holding more than 3% of the total number of issued shares shall have the right, within thirty days from the date of the shareholders' resolution, to apply to a court of competent jurisdiction to remove such director at the Company's expense, and such director shall be removed upon the final judgment of the court of competent jurisdiction to remove such director. For the avoidance of doubt, if a relevant court has jurisdiction to adjudicate all the foregoing matters in a single proceeding or a series of proceedings, then for the purpose of this clause, final judgment shall</p>

Discrepancy item	Articles of Incorporation	Reasons and explanations for the differences
		<p>mean the final judgment rendered by such court having jurisdiction. There are slight differences from the important matters regarding protection of shareholders' rights and interests listed on the left.</p> <p>(2) Reason for difference: Since the Cayman Islands Law Court will not recognize and enforce foreign judgments other than monetary judgments without conducting a substantive trial of the dispute in question, even if the following important matters regarding the protection of shareholders' rights and interests are included in the Company's Articles of Incorporation,, a judgment or ruling on the dismissal of a director made by the Taipei District Court of Taiwan may not be recognized and enforced by the Cayman Islands Court. In view of this, the Company's Articles of Incorporation stipulates that shareholders should file a lawsuit in a court of competent jurisdiction. These differences arise from the provisions of laws of Cayman Islands regarding the recognition and enforcement of foreign judgments, and shareholders can still remove directors in accordance with the Company's Articles of Incorporation.</p>
<ol style="list-style-type: none"> 1. The directors of a company shall faithfully perform their duties and fulfill the duty of care of a good manager. If they violate these duties and cause damage to the company, they shall be liable for damages. If the act is performed by oneself or another person, the shareholders' meeting may resolve that the income from the act shall be deemed as the income of the company. 2. If a director of a company violates any law in the execution of the company's business and causes damage to others, he/she shall be jointly and severally liable to compensate others together with the company. 	<p>Article 26.5 of the Articles of Incorporation: A director shall faithfully perform its duties and exercise the duty of care of a good manager. If a director has violated the rules, he/she shall bear liability for damages caused to the company. The Company may, by ordinary resolution of a general meeting of shareholders, to the maximum extent permitted by law, treat the proceeds from a breach of duty committed by itself or others as proceeds of the Company if the breach of duty had been committed in the interests of the Company. If a director causes damage to the Company due to violation of laws in the performance of the Company's business, the director shall be liable to</p>	<ol style="list-style-type: none"> 1. The Cayman Islands Companies Act does not specifically stipulate the obligations of directors. Under common law principles applicable in the Cayman Islands, directors owe to the company (1) fiduciary duties and (2) a duty of care. The Company may claim compensation from any director who has breached the aforesaid obligations. In addition, if a director breaches his or her obligations and thereby gains benefits from the breach, the Company may attribute such benefit to the Company. 2. According to the principles of the common law, the acts of directors on behalf of the Company in the

Discrepancy item	Articles of Incorporation	Reasons and explanations for the differences
<p>3. The Company's managers shall bear the same liability for damages as the directors of the Company when performing their duties.</p>	<p>compensate the Company to the maximum extent permitted by the law. If a director of a company violates any law in the execution of the company's business and causes damage to others, he/she shall be jointly and severally liable to compensate others together with the company. The obligations referred to above shall also apply to managers.</p>	<p>conduct of its business are deemed to be the acts of the Company itself. If his/her actions cause damage to any third party, the Company, not the director, shall be responsible to the third party for his/her actions. A third party seeking damages cannot make such a request based on the Company's Articles of Incorporation, nor can obligations be imposed on shareholders, and a third party who is not a shareholder cannot enforce the Company's Articles of Incorporation. When the Company is liable for damages to a third party due to a director's breach of duty, the Company may demand compensation from the director who caused the damage.</p> <p>3. Managers do not have fiduciary duties to the Company. Since the managers are not a party to the Articles of Incorporation, even if the Articles of Incorporation provides for them, they will not be enforceable. The above obligations shall be agreed upon with the manager in the form of a contract.</p> <p>4. Regarding Article 26.5 of the Company's Articles of Incorporation, if a director violates his duty of loyalty in the implementation of the Company's business and causes damage to others, others may not have a basis for a claim against the director under the Cayman Law, but can directly sue for damages. Even if the Articles of Incorporation stipulate that the director and the Company are jointly and severally liable for compensation to others, this cannot create a basis for such a claim.</p> <p>5. In addition, although Article 26.5 of the Articles of Incorporation has stipulated that this obligation also applies to the manager, it should still be agreed upon with the manager in the form of a contract in accordance with the laws of Cayman Islands.</p>

Discrepancy item	Articles of Incorporation	Reasons and explanations for the differences
		Therefore, if the Company wishes to implement the manager's responsibilities for protecting shareholders' rights and interests, the Company and the manager should make a special agreement in a contract.

Eight. Matters that have a significant impact on shareholders' equity or securities prices

During the most recent year and as of the publication date of this year, the Company did not have any events that would significantly affect shareholders' equity or securities prices as defined in Article 36, Paragraph 2, Subparagraph 2 of the Securities and Exchange Act.

The background features a complex geometric design. Large, overlapping triangles in shades of purple, blue, and white create a sense of depth. In the lower-left and lower-right corners, there are detailed circuit board patterns with lines and nodes in orange, green, and blue. A series of small, white and blue dots forms a diagonal path across the lower right. The overall aesthetic is clean, modern, and tech-oriented.

ITH Corporation