

Stock Code

**6962**

# ITH Corporation

# 2025

# ANNUAL

# REPORT

Published on April 22, 2026

- ▶ Taiwan Stock Exchange Market Observation Post System:  
<https://mops.twse.com.tw/>
- ▶ Website of the Company: <https://www.ilitekholding.com/>  
(Notice to Readers: This document is prepared in accordance with the Chinese version and for reference only. If there is any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.)

**I. Name, title, telephone number, and e-mail address of the spokesman or acting spokesman :**

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 • Acting spokesman | IR Project Manager Iris Lin | TEL : (03)560-0099 | E-mail : IR@ITH.LTD

**II. Address and telephone number of headquarters, branch offices, and factories:****(I) ITH Corporation**

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**(II) Subsidiaries :****Republic of China**

1. ILI Technology Corp. | 10F-1, No. 1, Taiyuan 2nd Street, Zhubei City, Hsinchu County | +886-3-560-0099 | Website address : <https://www.ilitekholding.com/>  
 • Tainan Office | 9F-1, No. 188, Yude Rd, North District, Tainan City | +886-6-203-9307 | Website address : <https://www.ilitek.com.tw>  
 • Taipei Office | 10F-3, No.288 Station Building, Section 6, Civic Boulevard, Nangang District, Taipei City | Website address : <https://www.ilitekholding.com/>

**British Virgin Islands**

ILITEK Holding Inc.

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Tel : +886-3-560-0099

**Mainland China**

1. Granda Microelectronics (Xiamen) Ltd. | 606-5, Qiangye Building, No. 98, Xiangxing Road, Torch Hi-tech Zone (Xiang'an), Xiamen, Fujian Province | +86-592-6270660  
 2. Howdi Microelectronics (Shenzhen) Co., Ltd. | 21st Floor, Jinrun Building, No. 6019, Shennan Avenue, Tian'an Community, Shatou Street, Futian District, Shenzhen City, Guangdong Province | +86-755-82525621  
 3. Hefei Howdi Microelectronics Co., Ltd. | 1201-1204, Yuzhou Plaza, No. 1990, Xingbengbu Road, Xinzhan District, Hefei City, Anhui Province | +86-551-62626239

**III. Name, address, website, and telephone number of the agency handling shares transfer :**

• SinoPac Securities, Register & Transfer Agency Department  
 3F, No. 17, Bo' ai Rd, Zhongzheng District, Taipei City | TEL : (02)2381-6288 | <https://www.sinotrade.com.tw>

**IV. Name of CPAs, name, address, website and phone number of the accounting firm for the financial statements of the most recent year :**

• Liu Chien-Yu · Cheng Ya-Hui PwC Taiwan  
 27F, No. 333, Section 1, Keelung Road, Xinyi District, Taipei City | TEL : (02)2729-6666 | <https://www.pwc.tw>

**V. Name of the exchange where the Company's securities are traded offshore, and the method by which to access information on said offshore securities****VI. Board of Directors name list (for independent directors domiciled in Taiwan, nationality and principal job experience shall also be specified) :**

Title	Name	Nationality	Major experience (Education)
Chairman	Milehigh Investments Holding Limited	Hong Kong	Master of Chemical Engineering, Stanford University Chairman of ILI Technology Corp. Chairman of MStar Semiconductor Co., Ltd.
	Wayne Liang	Republic of China	Marketing Assistant Vice President of Taiwan Semiconductor Manufacturing Co., Ltd. Vice President of Worldwide Semiconductor Manufacturing Corporation Department Head of Winbond Electronics Corp.
Director	Nelpus Investments Limited	British Virgin Islands	Master of Business Administration, University of Michigan TPK Holding Co., Ltd.
	Hsi-Liang Liu	Republic of China	Senior Vice President / Chief Strategy Officer ASE Group -Vice President of Finance Citibank - Vice President of Unit Head
Director	ACIT Limited	British Virgin Islands	Master of Electrical Engineering, National Chung Hsing University General Manager of ILI Technology Corp.
	Bruce Chen	Republic of China	Director, Elan Microelectronics Corp.
Director	Lydia Chen	Republic of China	Master of Accounting, Soochow University Vice President and Head of Finance and Accounting, VIA Technologies, Inc. Legal representative of HLJ Technology Co., Ltd. Manager of Audit Department, Deloitte Taiwan
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. Chairman, Liangjie Technology Co., Ltd. General Manager, AzureWave Technologies, Inc. Vice President, 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, Canada Vice President, Alchip Technologies, Limited Engineer, ATI Technologies Inc.

**VII. Name, title, contact phone number, and e-mail address of the designated agent within the ROC**

• Chairman Wayne Liang | TEL : (03) 560-0099 | E-mail : IR@ITH.LTD

**VIII. The address of the company's website : <https://www.ilitekholding.com/>**

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# ■ Chapter 1 Letter to Shareholders

Dear shareholders,

2025 was a year marked by both operational challenges and transformational opportunities. Amid headwinds including geopolitical risks, tariff issues, and rising supply chain costs, the Company continued to strengthen business development and operational efficiency while maintaining a prudent and forward-looking management strategy. During the year, the Company completed the acquisition of the single-chip timing controller (TCON) business, enhancing system integration capabilities and the competitiveness of its solution offerings, thereby laying a solid foundation for the Company's medium- to long-term development.

In addition, to improve business development and operational efficiency, the manufacturing and sales operations of the subsidiary Ilitek Technology were transferred to the Company's branch for centralized management, strengthening professional division and resource integration. The Company also continued to enhance corporate governance and the effectiveness of the Board of Directors by introducing directors and institutional representatives with extensive industry experience, further optimizing the Board's professional composition for building a competitive and sustainable corporate foundation.

## I. 2025 Business Plan Implementation Results

### 1. Financial Results

In 2025, due to challenges from tariff policies, a conservative demand market in China, and rising packaging and testing costs, the Company's consolidated revenue totaled NT\$19.085 billion, a 15% decrease from NT\$22.462 billion in the previous year. Operating gross profit for 2025 was NT\$5.181 billion, down 14% from NT\$6.024 billion in 2024. Net income after tax was NT\$1.364 billion, representing a 39% decrease from NT\$2.249 billion in the prior year. Earnings per share after tax amounted to NT\$2.87, compared with NT\$5.61 in 2024, a decline of 49%. As of the end of 2025, the Company's long-term capital to property, plant, and equipment ratio was 2679%, the current ratio was 231%, and the quick ratio was 140%. Return on assets (ROA) was 5.2%, return on equity (ROE) was 6.9%, net profit margin was 7.2%, and the debt ratio stood at 21.9%, reflecting a solid overall financial structure.

### 2. Research and Development

Building upon its two core technologies, display and touch, the Company has established a comprehensive product matrix. For mobile device applications, the Company focuses on OLED algorithm development, leveraging precise

compensation techniques to improve production yield, extend product lifecycle, and provide cost-effective solutions. In the IT device segment, research and development targets highly integrated ICs, including TED, TDDI, and TCON SoC products, with an emphasis on visual enhancement and advanced power-saving technologies to improve battery life and deliver superior image performance.

For industrial applications such as home appliances, POS terminals, marine navigation, and rugged laptops, the Company is committed to optimizing user experience under harsh operating conditions. This includes developing active stylus technologies that support multiple protocols with automatic switching functions, meeting the high-precision operational requirements of industrial applications.

In automotive products, the Company aligns with the global trend toward large automotive displays, collaborating with customers to develop integrated chips that support large sizes and high resolutions, and providing TCON and Bridge solutions for smart cockpit applications.

The Company is steadily advancing toward market leadership in technology development, establishing close R&D collaboration with panel manufacturers and brand customers. By engaging deeply in the early stages of product definition, the Company addresses market pain points and captures business opportunities.

### 3. Sustainable Development

On the environmental front, the Company continues to implement green design concepts by providing low-power, high-performance products. It has also initiated greenhouse gas inventories across all sites, utilizing scientific and quantitative methods to execute carbon reduction actions.

Regarding the social pillar, in addition to fostering a diverse and inclusive workplace and strengthening talent development and retention, the Company is actively involved in philanthropic projects. These include community medical donations, support for primary and secondary school sports events, and STEAM talent cultivation for children in orphanages, all aimed at creating a positive social impact.

In terms of governance, the Company has introduced the TCFD framework into its sustainability report for the first time. This allows for the identification and disclosure of climate-related risks and opportunities, thereby strengthening risk management and enhancing information transparency and stakeholder trust.

The Company integrates ESG principles into its operational decision-making to build a highly efficient, low-carbon, and resilient operational structure, driving long-term sustainable corporate development.

## II. 2026 Business Guidelines and Strategies

### 1. 2026 Business Guidelines

Upholding a philosophy of steady management, the Company continues to enhance product differentiation, iteration speed, and system integration capabilities. By expanding into high-value-added markets, the Company optimizes its product portfolio and customer base, simultaneously improving market share and revenue quality.

In terms of operational management, the Company focuses on optimizing cost and expense structures, streamlining inventory management, promoting talent development systems, and strengthening supply chain synergy to enhance organizational efficiency and resilience. Furthermore, the Company integrates environmental protection, social responsibility, and robust governance into its core strategies to build a stable and sustainable operation.

### 2. Production and Marketing Strategies

In response to the rapid evolution of OLED panel technology, the Company has led the industry by launching 22nm process products for flagship and high-end smartphones. Furthermore, the Company was the first to introduce a new 28nm RAM-less platform, which has successfully captured market opportunities and received high acclaim. To align with industry trends, the Company is also developing OLED TDDI products to strengthen its technological competitiveness and market presence. Regarding LCD products, the Company is deploying TDDI solutions integrated with sensors to expand into niche markets beyond smartphone applications. Additionally, to address the trend toward high-resolution and large-sized tablets, the Company has launched related TDDI products to meet the entertainment demands of next-generation tablets.

As the penetration rate of OLED panels in IT equipment continues to rise, the Company's new OLED DDI products for laptops, paired with existing high-end, high-refresh-rate LCD products, provide a comprehensive portfolio for premium laptop applications. The Company's laptop touch products have been adopted by the world's top five laptop brands, maintaining steady shipping momentum. In the TCON business, the Company has obtained technology licenses through acquisitions and completed team integration, enabling us to offer integrated solutions in combination with

our driver IC and touch products. Future efforts will focus on the commercialization of OLED TCONs and the collaborative design of TCONs and DDIs to meet the performance, power consumption, and system integration requirements of mainstream high-end displays.

The Company offers comprehensive industrial touch IC and integrated TDDI solutions for diverse application scenarios. It will also launch a highly integrated SoC with active pen functionality to expand touch-related business opportunities in high-end video conferencing systems, smart educational blackboards, and learning devices with integrated active pens. In response to the growing number and size of screens in automotive smart cockpits, the Company's new bridge products have entered mass production alongside TDDI solutions. Additionally, the Company has introduced cost-effective LCD DDI schemes to enhance the completeness of cockpit applications and increase its market share in the automotive sector

### III. Future strategies, and impact by external competition, regulatory and macroeconomic environment

Looking ahead, the semiconductor industry continues to face macro-environmental challenges, including geopolitical risks, uncertainties in tariff policies, and the impact of rising memory prices on end-market demand. Despite these factors, the Company remains optimistic about the long-term technological upgrades and demand growth driven by Edge AI applications. Furthermore, the mass production of G8.6 generation panel lines is expected to accelerate OLED penetration, presenting significant business opportunities. Consequently, the Company is actively positioning itself in advanced display and touch technologies while deepening collaborations with key customers and ecosystem partners to expand its product applications and market footprint. Simultaneously, the Company utilizes lean resource allocation, flexible supply chain positioning, and a prudent investment strategy to navigate market volatility and uncertainty. By continuously promoting corporate governance and sustainable operations, the Company remains committed to creating stable, long-term interest and value for the shareholders.

We wish you all good health and happiness.

Chairman

Wayne Liang

General Manager

Bruce Chen

## ■ Chapter 2

### I. Company and Group Introduction

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	Research, design, development and sales of display-related analog application integrated circuit components
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	Research, design, development and sales of display-related analog application integrated circuit components

2019

◆ ILI Technology Holding Corporation, a Cayman Islands company, was established and registered in the Cayman Islands.

2021

◆ Established Hefei Howdi Microelectronics Co., Ltd. and Granda Microelectronics (Xiamen) Co., Ltd.

2024

◆ Implement capital increase in cash of NTD 400,000 thousand  
◆ Approved by Taiwan Stock Exchange Corporation for stock listing

2026

◆ Subsidiary ILITEK transferred its IC production and sales business to the Company to implement professional division of labor of the Group.

2021

◆ ILI Technology Holding Corporation, a Cayman Islands company, was renamed to ITH Corporation

2023

◆ Implement capital increase in cash of USD 26,895 thousand

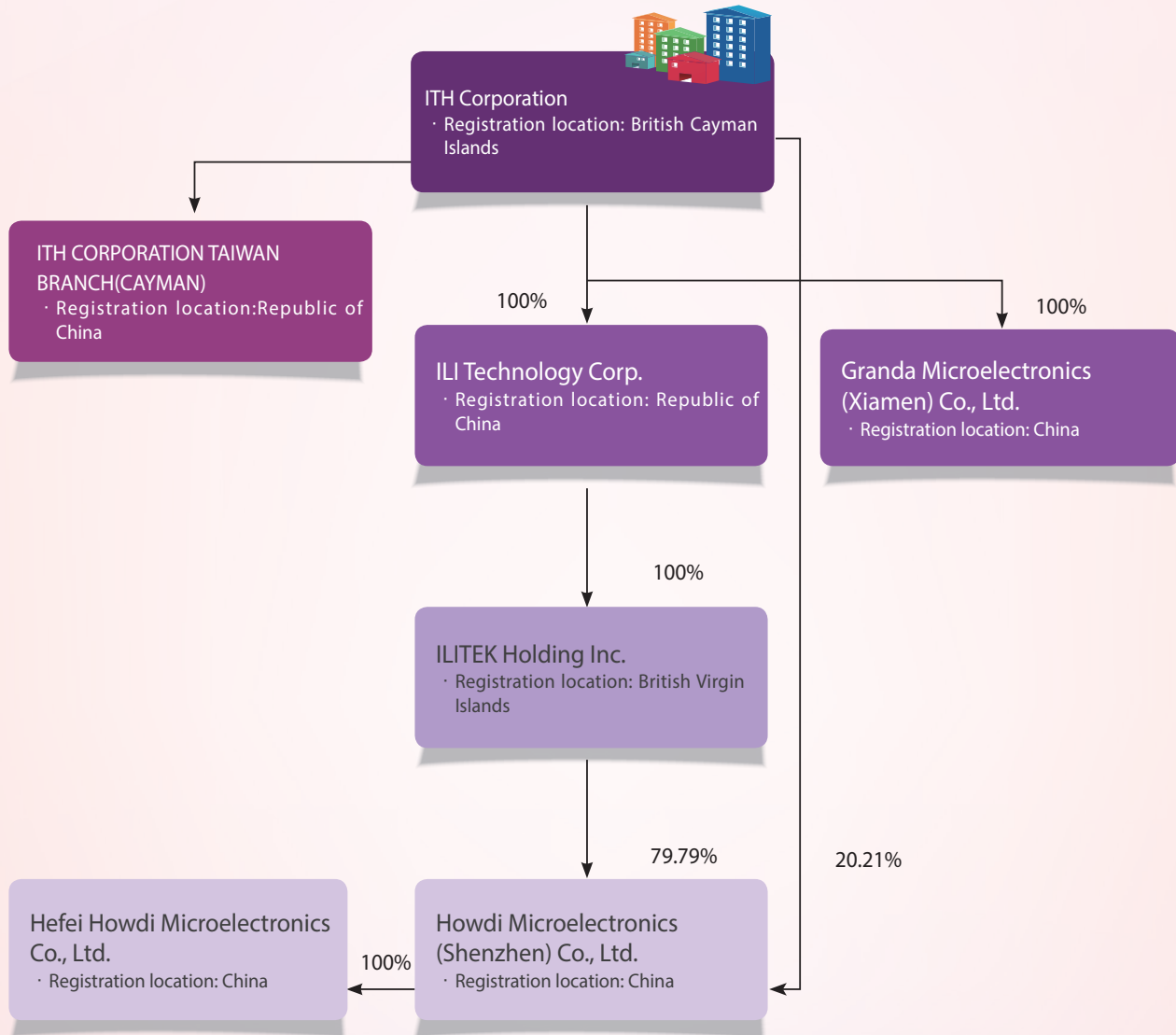
2025

◆ Subsidiary ILITEK obtained business assets and technology licenses related to Discrete TCON.



## II. Group Structure

Date: April 22, 2026



## III. Risk Items

Please refer to Chapter 6. A review and analysis of the company's financial position and financial performance, and a listing of risks" in "VI. Risk Items."



## Chapter 3. Corporate Governance Report

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## Chapter3. Corporate Governance Report

### I. Information on Directors, General Manager, Vice Presidents, Assistant Vice Presidents, and the Chiefs of all the Company's Divisions and Branch Units

#### (I) Information of Directors:

##### 1. Directors:

Date: April 20, 2026; Unit: Thousand Shares, %

Job title	Name	Gender Age	Nationality or place of registration	Date of election / appointment to current term	Date of election	Term of office	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Note
							shares	%	shares	%	shares	%	shares	%			Job title	Name	Relation	
							Chairman	Milehigh Investments Holding Limited	-	Hong Kong	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. Marketing Assistant Vice President of Taiwan Semiconductor Manufacturing Co., Ltd. Vice President of Worldwide Semiconductor Manufacturing Corporation 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	-	-	-	-	-	-	-	-	-	-

Job title	Name	Gender Age	Nationality or place of registration	Date of election / appointment to current term	Date of election	Term of office	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Note
							shares	%	shares	%	shares	%	shares	%			Job title	Name	Relation	
								Representative: Justin Wang	Male 41-50	Republic of China	December 29, 2023	December 29, 2023	3	-			-	-	-	
	Representative: Hsi-Liang Liu	Male 61-70	Republic of China	January 16, 2026	January 16, 2026	3	-	-	-	-	-	-	-	-	Master of Business Administration, University of Michigan TPK Holding Co., Ltd. Senior Vice President / Chief Strategy Officer ASE Group -Vice President of Finance Citibank - Vice President of Unit Head	Note2	-	-	-	Note1
	ACIT Limited	-	British Virgin Islands	December 29, 2023	December 29, 2023	3	14,183	2.88	14,183	2.88	-	-	-	-	-	-	-	-	-	-
Director	Representative: Bruce Chen	Male 41-50	Republic of China	December 29, 2023	December 29, 2023	3	-	-	636	0.13	237	0.05	-	-	Master of Electrical Engineering, National Chung Hsing University Director, Elan Microelectronics Corp.	General Manager, ITH Corporation General Manager, ILI Technology Corp. Director, ILITEK Holding Inc. 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	Vice President and Head of Finance and Accounting, VIA Technologies, Inc. Legal representative of HLJ Technology Co., Ltd.	-	-	-	-

Job title	Name	Gender Age	Nationality or place of registration	Date of election / appointment to current term	Date of election	Term of office	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Note
							shares	%	shares	%	shares	%	shares	%			Job title	Name	Relation	
Independent Director	Ted Lee	Male 61-70	Republic of China	December 29, 2023	December 29, 2023	3	-	-	-	-	-	-	-	-	Bachelor of Business Administration, National Taiwan University General Manager, AzureWave Technologies, Inc. Vice President, 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. Legal representative of Brillify Tech GmBH	-	-	-	-
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, Canada Engineer, ATI Technologies Inc.	Vice President, Alchip Technologies, Limited	-	-	-	-

(Note 1) The representative designated by Nelpus Investments Limited was changed from Justin Wang to Mr. Hsi-Liang Liu, effective January 16, 2026.

(Note 2) Hsi-Liang Liu's current position in this company and other company: Legal representative of Director of ILI Technology Corp., TPK Holding Co., Ltd. Legal representative /Senior Vice President / Chief Strategy Officer, Senior Vice President of the Company, TPK Touch Solutions (Xiamen) Inc.-Supervisor, TPK Glass Solutions (Xiamen) Inc.-Supervisor, Trend Technology (Xiamen) Inc.-Supervisor, TPK MasTouch Solutions(Xiamen) Inc.-Supervisor, TPK Touch Solutions (Pingtan) Inc.-Supervisor, TPK Advanced Solutions Inc.-Supervisor, TPK Film Solutions (Xiamen) Inc.-Supervisor, TPK Asia Pacific Sdn. Bhd.-Director, Optera TPK Holding Pte Ltd.-Director, XiaMen Jan Jia Optoelectronics Co., Ltd. –Supervisor, TPK Material Solutions (Xiamen) Inc.- Supervisor, TPK Trading (Xiamen) Inc.-Supervisor, TPK Precision (Xiamen) Inc.Supervisor, TPK Investment (Xiamen) Inc.- Supervisor, Silergy Corp.-Independent Director, Casual Restaurants Inc. -Director, Pou Sheng International (Holdings) Limited- Independent Non-executive Director, DS Energy Technology Co., Ltd.- Representative of Corporate Director and Sino Horizon Holdings Limited- Independent Director.

(Note 3) There is no instance where the Chairman of the Board concurrently serves as the General Manager of the Company, nor are the Chairman of the Board and the General Manager spouses or related to each other within the first degree of kinship.

(Note 4) None of the Company's Directors hold shares under the names of others. In addition, none of the Company's Directors or managerial officers are spouses or related to one another within the second degree of kinship.

2. Major Shareholders of Corporate Shareholders:

Date: April 20, 2026

Name of corporate shareholder	Major shareholders of the corporate shareholder
Milehigh Investments Holding Limited	Nelpus Investments Limited (100%)
Nelpus Investments Limited	TPK Holding Co., Ltd. (100%)
ACIT Limited	TPK Holding Co., Ltd. (100%)

3. If any Major Shareholder Listed in Form 1 is a Corporate/Juristic Person, List its Major Shareholders in this Form:

Date: April 20, 2026

Name of corporate/juristic person	Major shareholders of the corporate/juristic person
Nelpus Investments Limited	TPK Holding Co., Ltd. (100%)
TPK Holding Co., Ltd.	Max Gain Management Limited (6.20%)、Capable Way Investments Limited (5.69%)、AMBITIOUS INTERNATIONAL LIMITED (4.46%)、Michael Chao-Juei Chiang (4.36%)、High Focus Holdings Limited (3.26%)、HSBC Bank (Taiwan) Limited, as custodian for Morgan Stanley International Limited – Investment Account (2.71%)、Standard Chartered Bank (Taiwan) Limited, Business Banking Division, as custodian for JPMorgan Securities Limited – Investment Account (2.06%)、Citibank Taiwan, as custodian for Barclays Capital SBL/PB – Investment Account (1.46%)、Standard Chartered Bank (Taiwan) Limited, as custodian for Mizuho Securities Co., Ltd. – Investment Account (1.45%)、VANGUARD EMERGING MARKETS STOCK INDEX FUND A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS (1.17%) (Note)

(Note) The information is based on the shareholder register as of the book-closing date of TPK Holding Co., Ltd., April 28, 2026.

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

Qualification		Professional qualifications and experience	Independence analysis	No. of other public companies at which the person concurrently serves as an Independent Director
Name				
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 Department head of Winbond Electronics Corp., Vice President of Worldwide Semiconductor Manufacturing Corporation, Assistant Vice President 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 (Note2)	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
	Representative: Hsi-Liang Liu	Graduated from the University of Michigan with a degree in Business Administration, he previously served as Vice President of Finance at Advanced Semiconductor Engineering, Inc. and Vice President of Corporate Finance at Citibank. He currently concurrently serves as Representative Director /Senior Vice President / Chief Strategy Officer of TPK Holding Co., Ltd., Independent Director of Silergy Corp., Independent Director of Ding Gu Holdings Co., Ltd., Independent Non-Executive Director of Pou Sheng International (Holdings) Limited, and Director of Casual Restaurants Inc., and has many years of practical experience in the industry.		2
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 Corp. 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

Name	Qualification Professional qualifications and experience	Independence analysis	No. of other public companies at which the person 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.	<ol style="list-style-type: none"> <li>1. Comply with the requirements defined in Article 3 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”.</li> <li>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.</li> <li>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.</li> <li>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.</li> <li>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.</li> </ol>	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, Canada. 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 1: None of the Company’s Directors is subject to any of the circumstances set forth in Article 30 of the Company Act.

Note 2: The representative designated by Nelpus Investments Limited was changed from Justin Wang to Hsi-Liang Liu, effective January 16, 2026.

## 5. Diversity and Independence of the Board of Directors

### (1) Diversity of the Board of Directors

In accordance with Article 3 of the Company’s Procedures for Election of Directors and Article 20 of the Corporate Governance Best Practice Principles, members of the Board of Directors shall generally possess the knowledge, skills,

and professional competencies necessary for the performance of their duties. To achieve the objectives of sound corporate governance, the Board as a whole is expected to possess capabilities including operational judgment, accounting and financial analysis, business management, crisis management, industry knowledge, international market perspective, leadership, and decision-making ability. The composition of the Board emphasizes diversity; except that the number of Directors concurrently serving as managerial officers shall not exceed one-third of the total number of Board seats, the Company formulates appropriate diversity policies based on its operations, business model, and development needs, covering basic attributes and values (such as gender, age, nationality, and culture) as well as professional knowledge and skills (including legal, accounting, industry, finance, marketing, or technology expertise).

The Company's specific management objectives and achievements with respect to its diversity policy are as follows:

Management Objective	Achievement
The Board shall include at least one female Director.	Achieved
The number of Directors concurrently serving as managerial officers shall not exceed one-third of the total number of Board seats.	Achieved
At least one-third of the Board seats shall be held by Directors with expertise in the semiconductor industry, marketing, or technology.	Achieved
Neither gender shall account for less than one-third of the total number of seats on the board of Directors	Not Achieved
At least one-third of the Independent Director seats shall be held by individuals with expertise in legal, accounting/finance, or technology fields.	Achieved

The selection of Directors of the Company is based on a comprehensive consideration of their professional qualifications, experience, and diversity, without regard to factors such as gender, age, nationality, or cultural background. The Board of Directors is composed of Directors with diverse backgrounds to make appropriate decisions in support of the Company's sustainable development.

The implementation of Board diversity for the year 2025 is as follows:

Job title	Name of Director	Basic Requirements and Values						Industry experience/Professional ability						
		Nationality	Gender	Current positions in the Company	Age			Operational judgment	Accounting and financial analysis	Business management	Crisis management	Industry knowledge	International market outlook	Leadership decision
					41~50 years old	51~60 years old	61~70 years old							
Chairman	Milehigh Investments Holding Limited	Hong Kong	-	-	-	•	•	•	•	•	•	•	•	•

	Representative: Wayne Liang	Republic of China	Male											
Director	Nelpus Investments Limited	British Virgin Islands	-											
	Representative: Justin Wang(Note1)	Republic of China	Male	-	•	-	-	•	•	•	•	•	•	•
Director	ACIT Limited	British Virgin Islands	-	•	-	•	-	•	-	•	•	•	•	•
	Representative: Bruce Chen	Republic of China	Male											
Director	Lydia Chen	Republic of China	Female		-	•	-	•	•	•	•	•	•	•
Independent Director	Ted Lee	Republic of China	Male		-	-	•	•	•	•	•	•	•	•
Independent Director	Sam Chen	Republic of China	Male		-	•	-	•	•	•	•	•	•	•
Independent Director	Peter Teng	Republic of China, Canada	Male		•	-	-	•	-	•	•	•	•	•

Note 1: The representative designated by Nelpus Investments Limited was changed from Justin Wang to Hsi-Liang Liu, effective January 16, 2026.

## (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. 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, Vice Presidents, Assistant Vice Presidents, and the Chiefs of all the Company's Divisions and Branch Units:

Date: April 20, 2026; Unit: Thousand Shares, %

Job title	Nationality	Name	Gender	Date of appointment (employment)	Shares held		Shares held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Remarks
					No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio			Job title	Name	Relationship	
General Manager	Republic of China	Bruce Chen	Male	January 16, 2024	636	0.13	237	0.05	-	-	Master of Electrical Engineering, National Chung Hsing University Director, Elan Microelectronics Corp.	General Manager of ILI Technology Corp. Director, ILITEK Holding Inc. Director of Granda Microelectronics (Xiamen) Co., Ltd. Director of Howdi Microelectronics (Shenzhen) Co., Ltd. Director, Hefei Howdi Microelectronics Co., Ltd.	-	-	-	-
Vice President	Republic of China	Kenny Shen	Male	May 6, 2025	-	-	-	-	-	-	Department of Art, William Woods University Director, MediaTek Inc. Director, MStar Semiconductor, Inc.	Vice President, ILI Technology Corp.	-	-	-	-

Job title	Nationality	Name	Gender	Date of appointment (employment)	Shares held		Shares held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Remarks
					No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio			Job title	Name	Relationship	
Assistant Vice President	Republic of China	Anson Lee	Male	January 16,2024	609	0.12	-	-	-	-	Department of Electrical Engineering, National Chung Hsing University SYNTEK SEMICONDUCTOR CO., LTD. Project Engineer	Assistant Vice President, ILI Technology Corp.	-	-	-	-
Assistant Vice President	Republic of China	Tom Cheng	Male	March 14,2024	585	0.12	-	-	-	-	Computer Science Department, Massachusetts State University Department of Business Administration, National Chengchi University Broadcom Technology Co., Ltd. Technical marketing manager	Assistant Vice President, ILI Technology Corp.	-	-	-	-

Job title	Nationality	Name	Gender	Date of appointment (employment)	Shares held		Shares held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Remarks
					No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio			Job title	Name	Relationship	
Chief Financial Officer	Republic of China	Eric Lin	Male	November 5, 2025	-	-	-	-	-	-	Master of Finance, National Taiwan University CFO, Arizon RFID Technology (Cayman) Co., Ltd. Senior Vice President, WELLTEND TECHNOLOGY CORPORATION	Senior Director, Finance and Accounting Division, ITH Corporation. Independent Director, DAIKEN BIOMEDICAL CO., LTD.	-	-	-	-
Corporate Governance Officer	Republic of China	Louise Cheng	Female	January 16, 2024	67	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, ILI Technology Corp.	-	-	-	-

Note 1: Refers to managers in office as of the date of publication of the annual report.

Note 2: Professional experience related to the current position, such as employment at the auditing CPA firm or an affiliated enterprise during the aforementioned period, including job titles and responsibilities: None.

Note 3: Where the General Manager or person of an equivalent level (the highest-ranking manager) and the Chairman of the Board are the same person, spouses, or relatives within the first degree of kinship, the reason, reasonableness, necessity, and measures adopted in response (such as increasing the number of Independent Directors, and ensuring that more than half of the Directors do not concurrently serve as employees or managers) shall be disclosed: None.

## II. Remuneration of Directors, General Manager and Vice Presidents in the Most Recent Fiscal Year

### (I) Remuneration to Ordinary 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 companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	Cash amount	Stock amount	Cash amount	Stock amount	The Company	All companies included in the financial statements	
Chairman	Milehigh Investments Holding Limited	2,000	2,000	-	-	10,912	10,912	280	280	13,192	13,3192	1,355	21,575	-	108	9,523	-	9,684	-	24,070	44,559	-
	Representative: Wayne Liang																					
Director (Note1)	Nelpus Investments Limited																					
	Representative: Justin Wang																					
Director	ACIT Limited																					
	Representative: Bruce Chen																					
Director	Lydia Chen																					
Independent Director	Ted Lee	3,600	3,600	-	-	4,484	4,484	210	210	8,294	8,294	-	-	-	-	-	-	-	8,294	8,294	-	
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: Nelpus Investments Limited reappointed its representative from Mr. Li-Wei Wang to Mr. Shih-Liang Liu on January 16, 2026.

Note 2: Refers to the remuneration information of Directors (including Independent Directors) who held office during fiscal year 2025.

Note 3: Refers to the remuneration paid to Directors in fiscal year 2025.

Note 4: Refers to the remuneration for Directors approved by the Board of Directors on February 25, 2026, which is expected to be reported at the 2026 Annual General Meeting of Shareholders.

Note 5: Refers to relevant business execution expenses (including travel allowances) of Directors for fiscal year 2025, paid to the natural person representatives of the corporate Directors.

Note 6: Refers to the salary, bonuses, and special allowances, etc., for Directors concurrently serving as employees in fiscal year 2025.

Note 7: Refers to the amount contributed to government agencies for Directors concurrently serving as employees in fiscal year 2025.

Note 8: Refers to the employee remuneration approved by the Board of Directors on February 25, 2026, which is expected to be reported at the 2026 Annual General Meeting of Shareholders.

Note 9: Net income refers to the net income after tax as stated in the 2025 consolidated financial report.

Note 10: The remuneration content disclosed in this table is based on a different concept from "income" under the Income Tax Act. Therefore, this table is intended for information disclosure purposes only and not for taxation purposes.

### Remuneration Range Table

Ranges of remuneration paid to each of the Company's Directors	Names of Directors			
	Sum of A+B+C+D		Total remuneration for the first seven items (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)	Nelpus Investments Limited 、 ACIT Limited 、 Lydia Chen, Ted Lee, Sam Chen, Peter Teng	Nelpus Investments Limited 、 ACIT Limited 、 Lydia Chen, Ted Lee, Sam Chen, Peter Teng	Nelpus Investments Limited 、 ACIT Limited 、 Lydia Chen, Ted Lee, Sam Chen, Peter Teng	Nelpus Investments Limited 、 ACIT Limited 、 Lydia Chen, Ted Lee, Sam Chen, Peter Teng
NTD 3,500,000 (inclusive) - NTD 5,000,000 (exclusive)	Milehigh Investments Holding Limited	Milehigh Investments Holding Limited	Milehigh Investments Holding Limited	Milehigh Investments Holding Limited 、 Milehigh Investments Holding Limited Representative: Wayne Liang (Note 1)
NTD 5,000,000 (inclusive) - NTD 10,000,000 (exclusive)			-	-

Ranges of remuneration paid to each of the Company's Directors	Names of Directors			
	Sum of A+B+C+D		Total remuneration for the first seven items (A+B+C+D+E+F+G)	
	The Company	All consolidated entities	The Company	All consolidated entities
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)	-	-	-	ACIT Limited Representative: Bruce Chen (Note 1)
NTD 30,000,000 (inclusive) - NTD 50,000,000 (exclusive)	-	-	-	-
NTD 50,000,000 (inclusive) - NTD 100,000,000 (exclusive)	-	-	-	-
NTD 100,000,000 or above	-	-	-	-
Total	7 people (including 3 legal representatives)	7 people (including 3 legal representatives)	7 people (including 3 legal representatives)	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 to General Manager(s) and Assistant Vice President(s)

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	2,477	12,517	0	396	0	26,972	13,035	0	13,571	0	15,512 1.14	53,456 3.92	-
Vice President	Kenny Shen													
Assistant Vice President	Anson Lee													
Assistant Vice President	Tom Cheng													

Note 1: Refers to the remuneration information of the General Manager, Vice Presidents, and Assistant Vice Presidents who held office during fiscal year 2025.

Note 2: Refers to the remuneration paid in fiscal year 2025 (including salary, duty allowances, and severance pay).

Note 3: Refers to the amount contributed to government agencies in fiscal year 2025.

Note 4: Refers to various bonuses, incentives, travel allowances, special allowances, various stipends, and the provision of physical assets such as dormitories and company cars, as well as other remuneration amounts for employees in fiscal year 2025.

Note 5: Refers to the employee remuneration for fiscal year 2025 in the amount of NT\$15,395,869, as approved by the Board of Directors on February 25, 2026, which is expected to be reported at the 2026 Annual General Meeting of Shareholders.

Note 6: Net income refers to the net income after tax as stated in the 2025 consolidated financial report.

### Remuneration Range Table

Ranges of remuneration paid to each of the Company's general manager(s) and assistant general manager(s)	Name of General Manager, Vice President and Assistant V.P.	
	the Company	All companies included in the financial statements
Less than NTD 1,000,000	Kenny Shen 、Tom Cheng	
NTD 1,000,000 (inclusive) - NTD 2,000,000 (exclusive)	Bruce Chen 、Anson Lee	
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)	Kenny Shen 、Tom Cheng	
NTD 10,000,000 (inclusive) - NTD 15,000,000 (exclusive)	Anson Lee	
NTD 15,000,000 (inclusive) - NTD 30,000,000 (exclusive)	Bruce Chen	
NTD 30,000,000 (inclusive) - NTD 50,000,000 (exclusive)		
NTD 50,000,000 (inclusive) - NTD 100,000,000 (exclusive)		
Over NTD 100,000,000		
Total	4 people	

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

Unit: December 31, 2025 NTD thousands, %

Job title		Name (Note1)	Stock amount	Cash amount (Note2)	Total	Total as a percentage of net income after tax (%) (Note3)
Managerial officers	General manager	Bruce Chen	-	15,396	15,396	15,396 1.13%
	Vice President	Kenny Shen (Note4)				
	Assistant Vice President	Anson Lee				
	Assistant Vice President	Tom Cheng				
	Chief Financial Officer	Sandra Chen (Note5)				
	Chief Financial Officer	Eric Lin (Note5)				
	Corporate Governance Officer	Louise Cheng				

Note 1: Refers to executives who held positions during fiscal year 2025.

Note 2: Refers to employee compensation in the amount of NT\$15,396 thousand, resolved and approved by the Board of Directors on February 25, 2026, and scheduled to be reported at the 2026 Annual Shareholders' Meeting.

Note 3: Net profit after tax refers to the net profit after tax as reported in the consolidated financial statements for fiscal year 2025.

Note 4: Appointment approved by the Board of Directors on May 6, 2025.

Note 5: Resolved and approved by the Board of Directors on November 5, 2025: Chief Financial Officer Sandra Chen retired, and Eric Lin was appointed as successor.

(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, Vice President and Assistant V. P. 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, Vice President and Assistant V. P. in the last two years to the net profit after tax in the parent company only or individual financial reports:

Unit: NT\$ Thousands

Item Title	the Company				All companies included in the consolidated financial statements			
	2025		2024		2025		2024	
	Total	Total remuneration as a percentage of net income (%)	Total	Total remuneration as a percentage of net income (%)	Total	Total remuneration as a percentage of net income (%)	Total	Total remuneration as a percentage of net income (%)
Director	32,364	2.37%	46,126	2.05%	43,169	3.16%	70,655	3.14%
General manager, Vice President and Assistant Vice President	15,512	1.14%	21,647	0.96%	53,456	3.92%	60,380	2.68%
Net income	1,364,287	100.00%	2,249,289	100.00%	1,364,287	100.00%	2,249,289	100.00%

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, Vice President and Assistant V.P.

The remuneration of General Manager, Vice President and Assistant 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 7 (A) meetings in 2024. The attendance of directors was as follows:

Job title	Name	Number of actual attendance (B)	Number of attendances by proxy	Actual attendance (listing) rate (B/A)	Note
Chairman	Milehigh Investments Holding Limited Representative: Wayne Liang	7	-	100%	
Director	Nelpus Investments Limited Representative: Justin Wang	7	-	100%	Reassigned to Mr. Liu, Shih-Liang effective January 16, 2026.
Director	ACIT Limited Representative: Bruce Chen	7	-	100%	
Director	Lydia Chen	7	-	100%	
Independent Director	Ted Lee	7	-	100%	
Independent Director	Sam Chen	7	-	100%	
Independent Director	Peter Teng	7	-	100%	

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
2025/1/16	Bruce Chen (Representative of ACIT Limited)	Monthly remuneration and year-end bonus payments to managers within the Group	Director and 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.
2025/3/14	Wayne Liang (Representative of Milehigh Investments Holding Limited)	Removal of non-compete restrictions on representatives of corporate Director	Director holding concurrent positions and competing related party	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.
2025/5/6	Bruce Chen (Representative of ACIT Limited)	Distribution of 2024 employee remuneration to managers of the Company	Stakeholder receiving the 2024 employee remuneration distribution	Based on the principle of avoidance of conflict of interest, managers voluntarily recused themselves from the discussion and voting. The proposal was approved as proposed without objection from other Directors present.
2025/8/21	Bruce Chen (Representative of ACIT Limited)	Salary adjustment for managers within the Group for 2025	Stakeholder of salary adjustments for managers within the Group	Based on the principle of avoidance of conflict of interest, managers voluntarily recused themselves from the discussion and voting. The proposal was approved as proposed without objection from other Directors present.
2025/8/21	Wayne Liang (Representative of Milehigh Investments Holding Limited) 、Justin Wang (Representative of Nelpus Investments Limited) 、Bruce Chen (Representative of ACIT Limited) 、Lydia Chen 、Ted Lee 、Sam Chen 、Peter Teng	Distribution of individual remuneration to Directors for fiscal year 2024	Stakeholders receiving remuneration as Directors or Independent Directors	All Directors and Independent Directors who were stakeholders in the remuneration amounts voluntarily recused themselves from the discussion and voting. The proposal was approved as proposed without objection from other Directors present.
2025/8/21	Wayne Liang (Representative of Milehigh Investments Holding Limited) 、Justin Wang (Representative of Nelpus Investments Limited) 、Bruce Chen (Representative of ACIT Limited)	Engagement of an external auditing institution	Stakeholders of the external audit engagement	Based on the principle of avoidance of conflict of interest, the Director voluntarily recused himself/herself from the discussion and voting. The proposal was approved as proposed without objection from other Directors present.
2025/11/5	Bruce Chen (Representative of ACIT Limited)	2025 remuneration distribution to managers within the Group	Stakeholders receiving 2025 managers' employee remuneration	Based on the principle of avoidance of conflict of interest, the managers voluntarily recused themselves from the discussion and voting. The proposal was approved as proposed without objection from other Directors present.

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	2025/1/1 ~ 2025/12/31	1. Board of Directors	1. Internal self-evaluation of the Board of Directors	<ul style="list-style-type: none"> <li>Performance evaluation of the Board of Directors: <ul style="list-style-type: none"> <li>Degree of participation in the Company's operations.</li> <li>Improving the quality of the board's decision making.</li> <li>Composition and structure of the Board of Directors.</li> <li>Election and continuing education of Directors.</li> <li>Internal control.</li> </ul> </li> </ul>

		2. Individual board members	2. Self-evaluation of the board members	<ul style="list-style-type: none"> <li>• Performance evaluation of board members: <ul style="list-style-type: none"> <li>Understanding of the Company's goals and mission.</li> <li>Awareness of the duties of Directors.</li> <li>Degree of participation in the Company's operations.</li> <li>Management of internal relationship and communication.</li> <li>The professionalism and continuing education of the Directors.</li> <li>Internal control.</li> </ul> </li> </ul>
		3. Audit Committee	3. Self-evaluation of the Audit Committee	<ul style="list-style-type: none"> <li>• Performance evaluation of the Audit Committee: <ul style="list-style-type: none"> <li>Degree of participation in the Company's operations.</li> <li>Recognition of the duties of the functional committee.</li> <li>Improving the quality of decision making by the functional committee.</li> <li>Composition of the functional committee and election of its members.</li> <li>Internal control.</li> </ul> </li> </ul>
		4. Remuneration Committee	4. Self-evaluation by the Remuneration Committee	<ul style="list-style-type: none"> <li>• Remuneration Committee's performance evaluation: <ul style="list-style-type: none"> <li>Degree of participation in the Company's operations.</li> <li>Recognition of the duties of the functional committee.</li> <li>Improving the quality of decision making by the functional committee.</li> <li>Composition of the functional committee and election of its members.</li> <li>Internal control.</li> </ul> </li> </ul>

Remarks:

Evaluation result: (Internal evaluation from January 1, 2025 to December 31, 2025: to be completed in February 2026)

The performance evaluation results of the Company's Board of Directors, individual Directors, Audit Committee and Remuneration Committee for 2025 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 February 25, 2026, 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.

(V) Members of the Board of Directors continue to participate annually in training programs covering topics related to corporate governance beyond their areas of professional expertise, including finance, risk management, operations, business, legal affairs, accounting, and sustainable development, as well as internal control systems and responsibilities related to financial reporting, in order to enhance their awareness and implementation of corporate governance. Details of Directors' continuing education are provided in this Annual Report.

## (II) Operation of the Audit Committee:

The Company's Audit Committee held a total of 8 meetings (A) in 2025, and the attendance of Independent Directors was as follows:

Job title	Name	Number of actual attendance (B)	Number of attendances by proxy	Actual attendance rate (B/A)	Note
Independent Director	Ted Lee	8	-	100%	
Independent Director	Sam Chen	8	-	100%	
Independent Director	Peter Teng	8	-	100%	

Note:

The actual attendance (or attendance as proxy) rate (%) is calculated based on the number of Board meetings convened during the Director's term of office and the Director's actual attendance.

### I. Annual Key Work Focus and Duties of the Audit Committee:

- Supervising the effective implementation of the internal control system.
- Reviewing significant asset transactions, loans of funds, endorsements or guarantees, and matters involving conflicts of interest of Directors.
- Appointment, dismissal, remuneration, independence, and performance evaluation of the certified public accountants.
- Supervising and reviewing the fair presentation of the Company's financial statements.
- Supervising the Company's compliance with relevant laws and regulations as well as the management of existing or potential risks.

II. The professional qualifications and experience of the members of the Audit Committee are detailed in this Annual Report.

III. If any of the following circumstances occurs in the operation of the Audit Committee, the Company shall disclose the Audit Committee meeting date, term, agenda items, dissenting opinions, reservations or major recommendations expressed by Independent Directors, the resolutions of the Audit Committee, and the Company's handling of the Audit Committee's opinions:

(I). Matters as stipulated in Article 14-5 of the Securities and Exchange Act.

Date/Period	Proposal content	Resolution of the Audit Committee	The Company's handling of the Audit Committee's opinions
2025/1/16 7th meeting of the 1st term	2025 business plan.	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
2025/2/7 8th meeting of the 1st term	The Company's wholly owned subsidiary, ILI Technology Corp., plans to acquire TCON business-related assets, including intangible assets and technology licenses.		
2025/3/14 9th meeting of the 1st term	The Company's 2024 business report and financial reports.		
	The Company's 2024 earnings distribution.		
	Evaluation of the Company's CPAs' independence, competence, appointment and remuneration		
	Approval of the 2024 internal control system effectiveness assessment and statement.		
2025/5/6 10th meeting of the 1st term	Proposal for the release of Directors from non-competition restrictions.		
2025/5/6 10th meeting of the 1st term	The Company's Q1 2025 consolidated financial statements.		

2025/8/21 11th meeting of the 1st term	The Company's Q2 2025 consolidated financial statements.	by all Directors present.
	Endorsement and guarantee of USD 6 million for the Company's subsidiary, ILI Technology Corp.	
	Engagement of an external auditing institution.	
2025/9/16 12th meeting of the 1st term	Proposal for appointing an independent expert to provide a fairness opinion report.	
2025/10/14 13th meeting of the 1st term	Proposal to acquire the IC product manufacturing and sales business and related operations to be spun off from ILI Technology Corp.	
2025/11/5 14th meeting of the 1st term	The Company's Q3 2025 consolidated financial statements.	
	The Company's 2026 audit plan.	
	Personnel matters of the Company.	
	Release of managers from concurrent positions and non-compete restrictions.	

(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.

IV. 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.

V. 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.

VI. 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
2025/3/14	Report on the implementation of internal audit activities for Q4 2024 Issuance of the Internal Control System Statement.	Audit scope of the fiscal year 2024 audited financial statements, the auditor's report, audit materiality, key audit focus areas, and the auditor's independence report.
2025/5/6	Report on the implementation of internal audit activities for Q1 2025.	Review scope of the reviewed consolidated financial statements for the first quarter of fiscal year 2025, the auditor's review report, review materiality, and review focus.
2025/8/21	Report on the implementation of internal audit activities for Q2 2025.	Audit scope, auditor's report, audit materiality, key audit matters, and auditor's independence report for Q2 2025 audited financial statements.
2025/11/5	Report on the implementation of internal audit activities for Q3 2025. Amendments to the internal control system. 2026 audit plan	Audit scope, auditor's report, audit materiality, key audit matters, and auditor's independence report for Q3 2025 reviewed financial statements.

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	
<p>III. Composition and duties of the Board of Directors</p> <p>(I) Does the Board of Directors have a diversity policy, concrete management goals, and implementation?</p> <p>(II) In addition to the Remuneration Committee and the Audit Committee, has the Company established other functional committees voluntarily?</p> <p>(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?</p> <p>(IV) Does the Company evaluate the independence of CPAs on a regular basis?</p>	v		<p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(IV) The Company regularly evaluates the independence of the CPAs and has obtained the 2025 Independence Statement and Audit Quality Indicators (AQIs) of the CPAs. In January 2026, the Audit Committee discussed and approved the independence and suitability of the CPAs and the resolution was approved by the Board of Directors.</p>	<p>No significant difference.</p> <p>No significant difference.</p> <p>No significant difference.</p> <p>No significant difference.</p>
<p>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.)?</p>	v		<p>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 2025.</p>	<p>No significant difference.</p>
<p>V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees,</p>	v		<p>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</p>	<p>No significant difference.</p>

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		(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.	No significant difference.  No significant difference.
		v	(III) The Company announces and reports its financial reports before the deadline as required by laws and regulations.	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.

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 the stock exchange on November 26, 2024, and was therefore not included among the companies evaluated in the 2024 Corporate Governance Evaluation. However, in order to protect shareholders' interests and pursue sustainable corporate development, the Company has proactively enhanced its corporate governance practices in accordance with the evaluation indicators for the 2025 Corporate Governance Evaluation. The results of the 2025 evaluation are scheduled to be announced in late April 2026. As of the publication date of this Annual Report, the relevant evaluation results have not yet been released.</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

Evaluation Result: Compliance with Independence and Competence  YES  NO

(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 Name	Professional qualifications and experience	Independence	Number of companies in which the individual serves as a member of the Remuneration Committee of other public companies
Convener	Sam Chen	<ol style="list-style-type: none"> <li>1. Possessed work experience in commerce, legal affairs, finance, and operational management capabilities required by the Company's business operations.</li> <li>2. Currently serves as the Supervisor of Shanglin Investment Co., Ltd.</li> <li>3. Not having any of the circumstances stated in Article 30 of the Company Act.</li> </ol>	<ol style="list-style-type: none"> <li>1. Comply with the requirements defined in Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".</li> <li>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.</li> </ol>	None
Member	Ted Lee	<ol style="list-style-type: none"> <li>1. Possessed work experience in commerce, legal affairs, finance, and operational management capabilities required by the Company's business operations.</li> <li>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, Legal Representative of Brillify Tech GmBH.</li> <li>3. Not having any of the circumstances stated in Article 30 of the Company Act.</li> </ol>	<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> </ol>	2
Member	Peter Teng	<ol style="list-style-type: none"> <li>1. Possessed work experience in commerce, legal affairs, finance, and operational management capabilities required by the Company's business operations.</li> <li>2. Currently serves as the Vice President of Alchip Technologies, Limited.</li> <li>3. Not having any of the circumstances stated in Article 30 of the Company Act.</li> </ol>	<ol style="list-style-type: none"> <li>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.</li> </ol>	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 5 meetings (A) in 2025, with the attendance of the members as follows:

Job title	Name	Number of actual attendance (B)	Number of attendances by proxy	Actual attendance rate (B/A)	Note
Independent Director (Convener)	Sam Chen	5	-	100%	
Independent Director (Member)	Ted Lee	5	-	100%	
Independent Director (Member)	Peter Teng	5	-	100%	

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 2025 and its handling status:

Remuneration Committee Date/Period	Proposal content	Resolution result	The Company's handling of the opinions of the Remuneration Committee
2025/1/16 8th meeting of the 1st term	Monthly remuneration and year-end bonus payments to managers within the Group.	Agreed by all committee members after deliberation	Submitted to the board meeting and approved by all Directors present at the meeting.
2025/3/14 9th meeting of the 1st term	Proposal for approving the distribution of employee remuneration and Directors' remuneration for fiscal year 2024.		
2025/5/6 10th meeting of the 1st term	Proposal for the distribution of employee remuneration to managers of the Company for fiscal year 2024.		
	Proposal regarding personnel matters of the Company.		
2025/8/21 11th meeting of the 1st term	Proposal for salary adjustment for managers within the Group for fiscal year 2025.		
	Proposal for the distribution of individual Directors' remuneration for fiscal year 2024.		
2025/11/5 12th meeting of the 1st term	Proposal regarding personnel matters of the Company.		
	Proposal for the distribution of remuneration to managers within the Group for fiscal year 2025.		

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

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

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
I. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the Board of Directors authorized senior management to handle related matters under the supervision of the board?	v		<p>The Company resolved at a meeting of the Board of Directors on November 7, 2024 to establish a Sustainable Development Committee and approved the list of committee members, thereby establishing a sustainability governance framework and strengthening the Company’s ESG strategy and execution capabilities.</p> <p>The Sustainable Development Committee is chaired by the Chairman of the Board, with the Chief Sustainability Officer responsible for overall coordination. An Executive Secretary has also been appointed to assist in the promotion of sustainability strategies, project implementation, and performance management. The Committee’s primary responsibilities include promoting sustainability policies and plans, tracking implementation effectiveness, and reviewing sustainability reports and related disclosures.</p> <p>Under the Committee, three task forces have been established—Corporate Governance, Environmental Sustainability, and Social Responsibility. These task forces are respectively responsible for matters such as regulatory compliance and risk management, environmental management and climate change response, as well as human rights and employee-related systems. Each task force reports the status of its implementation to the Board of Directors on a regular annual basis.</p>	No significant difference
II. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	v		<p>The scope of the Company’s risk assessment covers the Company and its subsidiaries. Should there be any changes to the disclosure scope or data boundaries in the future, such changes will be explained under the relevant topics. The Company has established a comprehensive risk management framework that integrates risks related to governance, strategy, operations, finance, and regulatory compliance, and manages such risks effectively in a cost-efficient manner.</p> <p>Sustainability-related risks are managed through action plans implemented by respective operating units, encompassing the stages of risk identification, analysis, response, and control.</p>	No significant difference.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			<p>Relevant management units and the internal audit function conduct regular oversight to strengthen organizational resilience and enhance risk awareness and control.</p> <p>The Company periodically conducts sustainability materiality assessments with reference to international trends, industry characteristics, and stakeholder opinions, and formulates corresponding strategies and action plans based on the assessment results. During the current year, the Company enhanced its materiality assessment process in accordance with the updated GRI Standards. The comprehensive results of the assessment will be disclosed in the 2025 Sustainability Report to improve the quality of sustainability information and strengthen responsiveness to stakeholders.</p> <p>In accordance with the requirements of the competent authority, the Company has incorporated sustainability information management into its internal control system and has adopted the Sustainable Development Best Practice Principles as the basis for managing the Company's economic, environmental, and social risks and impacts. In addition, the Company has established a Sustainable Development Committee, convened by the Chairman of the Board, to provide oversight. A Chief Sustainability Officer has been appointed to execute sustainability initiatives and to report major decisions or key performance indicators to the Board of Directors on a regular basis. Through these institutionalized mechanisms, the Company strengthens governance at the management level and ensures the sustainable operation of the organization.</p>	
<p>III. Environmental Issues</p> <p>(I) Has the Company set an environmental management system designed to industry characteristics?</p>	v		<p>(I) All of the Company's operating sites are managed in compliance with applicable environmental regulations in their respective locations, with ongoing efforts to minimize the environmental impact of business operations. As a fabless IC design company, the Company's headquarters is located in a shared office building at Taiyuan Technology Park and generates only general domestic waste. Such waste is sorted and properly managed in accordance with the Waste Disposal Act, and recycling is implemented in compliance with the park's regulations.</p>	No significant difference.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
(II) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	v		<p>The Company outsources wafer fabrication, packaging, and testing processes to external professional foundries. Industrial waste generated from these processes is handled, treated, and recycled or reused by the entrusted contractors in accordance with applicable laws and regulations, thereby fulfilling environmental protection responsibilities.</p> <p>Although the Company's direct environmental impact is limited, it continues to enhance energy efficiency through concrete actions. These initiatives include the implementation of an Energy Management System (EMS), which improves air-conditioning energy efficiency through intelligent controls, as well as the promotion of energy-efficient office lighting and paper reduction measures in daily operations to strengthen environmental governance.</p> <p>Starting in 2025, the Company completed greenhouse gas (GHG) inventories covering all operating sites across the Group in accordance with the ISO 14064-1 framework, enabling data-driven management of carbon emissions and serving as a basis for formulating carbon reduction strategies and concrete action plans. The Company plans to carry out third-party verification of the inventory data in phases. At the current stage, verification efforts are prioritized for operating sites in Taiwan, and verification processes for the current year have been initiated. In the future, the scope of verification will be gradually expanded to overseas operating sites to further enhance the credibility of GHG information and the effectiveness of environmental governance.</p>	No significant difference.
			(II) In terms of energy management, the Company continues to review the operation of major energy-consuming equipment, enhance the efficiency of air-conditioning systems, and introduce intelligent monitoring systems to evaluate energy-saving effectiveness.	
			Regarding energy consumption, starting from 2025, the scope of inventory was expanded to cover all entities across the Group. The total energy consumption	

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
(III) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	v		<p>amounted to 12,181,610 megajoules, and the increase compared to the previous period was primarily attributable to the expansion of the inventory scope rather than increased energy consumption at existing sites. Energy sources include purchased electricity and fuel used for official vehicles.</p> <p>The Company currently does not utilize recycled materials; however, it remains attentive to their potential applications in the semiconductor industry. The Company will continue to evaluate opportunities for green industry investments and the feasibility of adopting renewable energy in order to reduce the overall environmental impact of its operations.</p> <p>(III) The Sustainable Development Committee serves as the dedicated unit responsible for climate change risk management. It oversees the management of climate-related risks and opportunities, regularly evaluates the effectiveness of strategy implementation, and continuously collects information on climate change- and energy-related risks and opportunities. A comprehensive review is conducted biennially.</p> <p>In managing climate-related risks and opportunities, the Sustainable Development Committee considers transition risks (including policy and regulatory, market, technology, and reputation risks), physical risks (both chronic and acute), as well as factors such as resource efficiency, energy sources, products and services, markets, and adaptive capacity. Risk and opportunity assessments are conducted for potential events, taking into account factors such as the magnitude of financial impact, time horizon (short-, medium-, and long-term), affected parties across the value chain, and the likelihood of occurrence.</p> <p>The Company has identified moderate to high-level risks, including changes in domestic and international policies and regulations, increasing customer demand for low-carbon solutions, rising negative feedback from stakeholders, and an increasing frequency of extreme weather events. Identified opportunities include growing demand for low-power-consumption products and the rapid</p>	No significant difference.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
(IV) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	v		<p>expansion of applications related to new energy vehicles.</p> <p>To address the identified risks and opportunities, the Company continues to implement various strategies, such as improving energy efficiency, developing and designing low-carbon products, strengthening supply chain management, and enhancing climate resilience across the Group. Going forward, the Company will continue to monitor global climate change trends and international response initiatives, incorporate climate change issues into its material topics for sustainable development, and carry out ongoing analysis and risk management.</p> <p>(IV) The Company’s Scope 1 greenhouse gas (GHG) emissions for fiscal years 2024 and 2025 were 2.07 and 72.83 metric tons of CO<sub>2</sub>e, respectively, while Scope 2 emissions were 1,354.61 and 1,669.34 metric tons of CO<sub>2</sub>e, respectively. Total GHG emissions amounted to 1,356.68 metric tons of CO<sub>2</sub>e in 2024 and 1,742.16 metric tons of CO<sub>2</sub>e in 2025. During the same periods, total water consumption was 14.24 and 13.31 million liters, respectively, and total waste generated (including industrial waste) amounted to 18.86 and 20.85 metric tons, respectively. The increase in emissions and emission intensity in 2025 compared to the previous period was primarily attributable to the expansion of the inventory scope from the Taiwan office to include operating sites in China, rather than an increase in emissions from existing locations.</p> <p>The Company designated 2025 as the base year and has set a target to reduce Scope 2 GHG emissions by 10% from the base-year level by 2030 (Note). To advance carbon reduction efforts, the Company continued to implement the “Office Lighting Energy Efficiency Improvement Program” in 2025. The Tainan office completed the replacement of existing conventional T5 louver light fixtures, totaling 270 units, with LED recessed panel lights, achieving 100% LED lighting coverage in office areas. The project involved an investment of NT\$447,000 and has not only improved lighting quality and extended equipment service life, but also</p>	No significant difference.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			<p>generated significant energy-saving benefits. In parallel, the Company continues to promote paperless management practices to reduce paper consumption and overall resource use.</p> <p>Starting in 2025, the Company has conducted GHG inventories in accordance with ISO 14064-1, covering all entities across the Group, to strengthen environmental management mechanisms and enhance data reliability. Relevant strategies are subject to ongoing review to ensure the achievement of emission reduction targets.</p> <p>Note: The Company originally set a carbon reduction target of 15% based on the estimated benefits from the introduction of energy-efficient equipment. Following the expansion of the inventory scope to cover the entire Group, the Company reassessed its energy structure and emission reduction potential based on actual inventory data and accordingly revised the target to 10%.</p>	
<p>IV. Social Issues</p> <p>(I) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?</p>	v		<p>(I) The Company supports and respects internationally recognized human rights, including the Universal Declaration of Human Rights issued by the United Nations, the UN Guiding Principles on Business and Human Rights, and the Responsible Business Alliance (RBA) Code of Conduct. The Company's human rights policy encompasses the following core principles:</p> <ol style="list-style-type: none"> <li>1. Eliminating employment discrimination and ensuring equal employment opportunities.</li> <li>2. Creating a friendly and safe working environment and strictly prohibiting any form of inhumane treatment.</li> <li>3. Safeguarding employees' physical and mental health by proactively identifying and addressing occupational health and safety risks.</li> <li>4. Strictly prohibiting all forms of forced labor and the employment of child labor.</li> <li>5. Respecting employees' rights to freedom of association and assembly.</li> <li>6. Strengthening stakeholder communication mechanisms by providing confidential grievance channels to ensure fair and transparent handling of complaints.</li> </ol> <p>This policy applies to all employees and</p>	No significant difference.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
(II) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	v		<p>suppliers of the Company and is promoted and supervised by the Social Responsibility Task Force under the Sustainable Development Committee.</p> <p>In fiscal year 2025, the Company conducted education and training programs related to human rights and occupational health and safety, with a total of 1,508 attendances and 2,038 training hours. Among these, 1,345 attendances participated in human rights training courses, totaling 1,669 hours, while 163 attendances participated in occupational health and safety training courses, totaling 369 hours. These initiatives aim to enhance employees' awareness and response capabilities regarding human rights and workplace safety issues. Going forward, the Company will continue to expand the scope and depth of such training programs to further integrate human rights risk management into daily operations.</p>	No significant difference.
			<p>(II) The Company's overall compensation policy is formulated by the Remuneration Committee. In accordance with the Articles of Incorporation, when the Company generates profits in a given year, a certain percentage shall be allocated as employee remuneration. This mechanism links business performance and operating results to employee compensation, and employee remuneration is distributed based on performance evaluation results in accordance with internal management regulations, ensuring a clear connection between performance and rewards.</p> <p>The Company is committed to promoting workplace diversity. Salary determination is based on consistent evaluation criteria, including individual education, experience, professional capabilities, and job requirements, and does not differ on the basis of gender. In 2025, female employees accounted for 19.2% of the total workforce, and female supervisors accounted for 14.4%. Changes in these ratios were primarily attributable to the acquisition of technical teams and the uneven distribution of talent within the industry. The Company adheres to the principle of placing the right people in the right positions and ensures clear and unobstructed performance evaluation and</p>	

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
(III) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	v		<p>promotion channels. Going forward, the Company will continue to implement workplace-friendly initiatives and fair performance evaluation mechanisms to support the retention of female talent amid organizational expansion and to actively address diversity-related challenges.</p> <p>With respect to the retirement system, the Company has established a defined contribution pension plan in accordance with the Labor Pension Act, which applies to all Taiwanese employees of the Company (there are currently no employees subject to the former pension scheme). Each month, the Company contributes 6% of employees' salaries to individual pension accounts managed by the Bureau of Labor Insurance.</p> <p>For operating sites in China, employees participate in the local social insurance pension system in accordance with applicable laws and regulations. Through the continuous optimization of compensation management and workplace diversity policies, the Company seeks to ensure that its talent development mechanisms uphold principles of fairness and equity while supporting sustainable corporate growth.</p> <p>(III) The Company has appointed qualified occupational safety and health management personnel in accordance with relevant laws and regulations, and has established the Safety and Health Work Rules and Emergency Response Plan. Responsibilities at all organizational levels are clearly defined to comprehensively implement risk management and disaster prevention measures throughout business operations. The Company has also issued written statements on the Prohibition of Sexual Harassment in the Workplace and the Prevention of Illegal Workplace Violence, explicitly prohibiting sexual harassment, physical and psychological abuse, bullying, and other improper conduct. Dedicated grievance email mailboxes and hotline numbers have been established to ensure that complaints are handled in a confidential and impartial manner, with absolute prohibition of any form of retaliation against complainants.</p> <p>In 2025, the Company conducted</p>	No significant difference.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
(IV) Has the Company established effective career development training programs for employees?	v		<p>occupational safety education and training programs for new employees, with a total of 103 attendances and 309 training hours. These initiatives aim to enhance employees' awareness of occupational safety and foster a safe working environment for all staff. With respect to employee health promotion, the Company has established a "Health Station" and formed long-term partnerships with medical institutions to regularly disseminate health-related information. A variety of healthy meal options are provided each week, and annual influenza vaccination programs are organized. The Company also offers annual health examinations exceeding statutory requirements and continues to allocate resources and subsidies to assist employees in monitoring their health conditions and strengthening self-managed health practices. In addition, the Employee Welfare Committee actively organizes various sports events, which are well received by employees, encouraging regular physical exercise and collectively fostering a healthy workplace culture.</p> <p>(IV) The Company continues to promote a diversified learning and development program by designing tailored training schemes based on job functions and development needs, and by providing abundant learning resources to foster a positive learning environment, shorten learning curves, and enhance organizational effectiveness.</p> <p>Training programs are categorized into four major types. Onboarding courses are provided to all new employees to facilitate rapid integration into the organization. General courses are open to all employees to strengthen a shared knowledge base. Professional courses are designed for employees in specific functional units to further develop professional and technical expertise. Management courses are targeted at managers at and above the mid-level to enhance leadership and management capabilities. In fiscal year 2025, the number of attendances for each category was 1,168、1,402、434 and 929, respectively. Total course hours for the year amounted to 698.5 hours, with an aggregate of 7,581.5</p>	No significant difference.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
(V) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	v		<p>training hours delivered. In addition to formal training programs, the Company provides online learning resources and encourages individual departments to independently organize professional courses and seminars to strengthen knowledge sharing and succession.</p> <p>With respect to management capabilities, the Company conducted multiple management training programs in 2025, covering topics such as performance management, problem analysis, and decision-making skills, while also enhancing cross-departmental communication and collaboration. The Company further partnered with external consultants to host strategic planning workshops, focusing on cascading strategic objectives and KPI setting, to strengthen management's strategy execution capabilities. Through the continuous development of a competency-based training framework, the Company supports sustainable talent development.</p>	No significant difference.
			(V) The Company is an IC design company. Upon completion of product design, chip manufacturing and shipment are outsourced to third-party contractors. We place great importance on customer needs and feedback, and are able to respond promptly to customer product information and comments, striving to provide stable and high-quality products and services. To ensure product quality and safety, the Company implements rigorous quality management measures and works closely with suppliers to establish abnormal event handling mechanisms, thereby effectively controlling quality risks. In addition, customer satisfaction surveys are conducted on a regular annual basis and serve as a basis for continuous improvement, ensuring that customer rights and interests are properly safeguarded. At the same time, the Company places strong emphasis on the protection of customer data and confidential business information. Comprehensive information security policies have been established, and information security training is provided to all employees to enhance cybersecurity awareness. In fiscal year 2025, the Company	

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
(VI) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	v		<p>did not receive any complaints related to customer privacy or relevant information security policies.</p> <p>The Company requires its suppliers to obtain internationally recognized certifications such as ISO 9001, ISO 14001, or IATF 16949, and continues to conduct annual supplier evaluations as well as conflict minerals surveys. All outsourced manufacturing suppliers have obtained ISO 9001 certification and have completed confirmation of conflict-free minerals use. To further strengthen sustainable supply chain management, the Company has formulated the Supplier Sustainability Management Operating Procedures and the Supplier Code of Conduct, covering areas including environmental protection, occupational health and safety, labor and human rights, business ethics, and information and communication security. These policies define an execution framework for supplier selection review, risk assessment, and tiered management. The Company plans to formally implement these measures starting in 2026, with the aim of gradually establishing a systematic and comprehensive sustainable supply chain management mechanism.</p>	No significant difference.
V. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?	v		The Company's Sustainability Report has been prepared with reference to the Global Reporting Initiative (GRI) Standards (2021). To enhance the overall credibility of sustainability reporting and ensure information quality, the Company plans to gradually implement third-party assurance. At the current stage, priority has been given to the verification of greenhouse gas inventory data, and the scope of assurance will be expanded in accordance with future progress.	No significant difference.
<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 established a dedicated ESG section on its website and will disclose relevant information thereon in accordance with actual operational conditions.</p>				

## (VI) Climate-Related Information of TWSE/TPEX Listed Company

### 1. Implementation of climate-related information

Items	Implementation status									
<p>1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.</p>	<p>Climate-related risks and opportunities are managed by the Sustainable Development Committee and are incorporated into the Company's overall risk management policy. The Sustainable Development Committee regularly reports the implementation results of climate risk management to the Board of Directors on an annual basis. The Board of Directors exercises oversight of climate-related risks and opportunities in accordance with the Risk Management Best Practice Principles. An independent unit under the Board, the Internal Audit Office, assists in supervising and auditing the implementation of climate risk management measures and provides recommendations for improvements to risk monitoring, thereby ensuring that such management measures comply with 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 Company categorizes the identified risks and opportunities into transition risks, physical risks, and opportunities, which are further classified into low, medium, and high levels based on the magnitude of financial impact and the likelihood of occurrence. Transition risks primarily arise from policy and regulatory changes, technological developments, and reputational impacts, which may lead to increased research and development, management, and production costs. These risks are assessed as low to medium in severity. Physical risks mainly stem from extreme weather events and rising temperatures, which may cause operational disruptions or increased energy consumption, and are also assessed as low to medium in severity. Opportunities arise from the growing demand for low-power-consumption products and the rapid expansion of applications related to new energy vehicles. These trends are conducive to optimizing product design and expanding market opportunities and are assessed as medium to high in opportunity level. For more detailed information, please refer to Chapter 4: Environmental Sustainability of the Company's 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="549 1552 1412 2018"> <thead> <tr> <th colspan="2" data-bbox="549 1552 903 1585">Types of risks</th> <th data-bbox="903 1552 1412 1585">Overview of risks</th> </tr> </thead> <tbody> <tr> <td data-bbox="549 1585 746 2018" rowspan="3">Transformation risks</td> <td data-bbox="746 1585 903 2018" rowspan="3">Policies, laws, and regulations</td> <td data-bbox="903 1585 1412 1709">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="903 1709 1412 1861">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="903 1861 1412 2018">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> </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.
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.
	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.
	Physical risks	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.
		Slow 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.	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. 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.	
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.	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. 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. 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. 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 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>The Company pays close attention to the global climate change trends 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&amp;D and design of low-carbon products: In response to the low-carbon transformation trend, the R&amp;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 currently use internal carbon pricing as a planning or management tool. Going forward, the Company will evaluate the adoption of internal carbon pricing based on actual operational needs, environmental considerations, and regulatory requirements.</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 designated 2025 as the base year and completed greenhouse gas (GHG) inventories covering all operating sites across the Group. Based on the results, the Hsinchu headquarters was identified as the priority site for implementation measures, including the replacement of high-emission equipment, the installation of an Energy Management System (EMS), and the promotion of employee energy-saving initiatives, with the aim of continuously enhancing energy use efficiency. Based on the aforementioned inventory results, the Company has set a target to reduce Scope 2 greenhouse gas emissions by 10% by 2030 compared to the base year (Note). Greenhouse gas emission data will be tracked on an annual basis and reported regularly to the Board of Directors as a reference for subsequent strategy adjustments.</p> <p>At present, the Company does not utilize carbon offsets or Renewable Energy Certificates (RECs) as measures to achieve its emission reduction targets. Going forward, the Company will adopt a rolling approach to adjusting its carbon reduction strategies and targets in response to implementation results and developments in the external policy environment.</p> <p>Note: The Company originally set a carbon reduction target of 15% based on the estimated benefits from the introduction of energy-efficient equipment. After expanding the inventory scope to cover the entire Group, the Company reassessed its energy structure and emission reduction potential based on actual inventory data and accordingly revised the target to 10%.</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 CO<sub>2</sub>e), intensity (metric tons of CO<sub>2</sub>e/NTD million), and data coverage in the last two years.

In 2025, the scope of greenhouse gas inventory was expanded from the Company's Taiwan offices (Hsinchu, Taipei, and Tainan) to include operating sites in China (Xiamen, Shenzhen, and Hefei). The inventory was conducted in accordance with the ISO 14064-1 framework, resulting in improved data accuracy compared to previous periods. Accordingly, the increase in emissions for the current period primarily reflects the expansion of the inventory scope and enhancements to inventory methodologies.

Category/Year	2024	2025
Direct emissions (Category 1)	2.07	72.83
Energy indirect emissions (Category 2)	1,354.61	1,669.34
Metric tons CO <sub>2e</sub>	1,356.68	1,742.17
Revenue (NT\$ million)	22,461.57	19,085.07
Scope 1 and Scope 2 Greenhouse Gas Emission Intensity (CO <sub>2e</sub> / NT\$ million)	0.060	0.091

Note 1: The electricity emission factors used in this table are calculated with reference to the annual electricity emission factors published by the Energy Administration, Ministry of Economic Affairs. Emission factors for other energy consumption are based on the Greenhouse Gas Emission Factors Management Table announced by the Ministry of Environment. Greenhouse gas emissions presented in this table are expressed in carbon dioxide equivalent (CO<sub>2e</sub>) and are calculated using the aforementioned emission factors, which incorporate the impacts of various greenhouse gases in accordance with internationally accepted methodologies and are converted using Global Warming Potential (GWP). The GWP factors are referenced from the IPCC Sixth Assessment Report (AR6), 2021.

Note 2: In 2024, the scope of the greenhouse gas inventory covered the Company's Taiwan offices, including Hsinchu, Taipei, and Tainan. In 2025, the inventory was expanded to cover all operating sites across the Group, including operating sites in Taiwan and China (Xiamen, Shenzhen, and Hefei).

## (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.

In accordance with the Company's sustainability roadmap, the Company initiated greenhouse gas (GHG) inventory activities covering all entities across the Group in fiscal year 2025. A phased verification approach has been adopted, under which the Company engaged an external professional institution to conduct third-party verification in accordance with ISO 14064-1:2018 for the inventory information of its operating sites in Taiwan.

As of the publication date of this Annual Report, the relevant verification procedures are still in progress; therefore, no assurance statement is available for disclosure at this time. The complete verification results and related information for the Taiwan operating sites will be disclosed in the Company's 2025 Sustainability Report.

## (3) Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.

In accordance with the Action Plan for Sustainable Development of TWSE/TPEX Listed Companies, the Company, as a listed company with paid-in capital of less than NT\$5 billion, is required to disclose its carbon reduction targets, strategies, and specific action plans for the year following the base year, which is established based on the greenhouse gas inventory information of the consolidated financial statements.

The Company designated 2025 as the base year and completed greenhouse gas (GHG) inventories covering all operating sites across the Group. The Hsinchu headquarters was identified as a priority site for implementation measures, including the replacement of major high-emission equipment, the installation of an Energy Management System (EMS), and the promotion of employee energy-saving initiatives, with the aim of continuously improving energy efficiency.

Based on the foregoing inventory results, the Company has set a target to reduce Scope 2 greenhouse gas emissions by 10% by 2030 compared to the base year (Note). The Company will track GHG emission data on an annual basis and report such data regularly to the Board of Directors as a reference for subsequent strategy adjustments.

Note: The Company originally set a carbon reduction target of 15% based on the estimated benefits of introducing energy-efficient equipment. Following the expansion of the inventory scope to cover all entities across the Group, the Company reassessed its energy structure and emission reduction potential based on actual inventory data and accordingly revised the target to 10%.

(VII) Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons:

Evaluation items	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
I. Establishment of ethical corporate management policies and programs				
(I) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	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.
(II) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?	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.
(III) Does the Company clearly define operating procedures, behavioral guidelines, disciplinary measures for violations, and complaint systems in its plan to prevent	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	No significant difference.

Evaluation items	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
unethical behavior, and does it implement them and regularly review and revise the above-mentioned plan?			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.	
<b>II. Implementing ethical corporate management</b>				
(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.
(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.
(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	No significant difference.

Evaluation items	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			opportunity to make full statements before the Company makes a formal disciplinary decision.	
(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 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.	No significant difference.
(V) Does the Company organize internal and external training on ethical corporate management on a regular basis?	V		(V) The Company arranges relevant courses on corporate governance and ethical management as part of the annual continuing education programs for directors and will gradually extend such training to company executives and other personnel. In 2025, the principles of ethical management were incorporated into the orientation and training programs for new employees. The training topics covered the Company's operational overview, personnel policies, internal regulations, and the fundamental professional and ethical principles that employees are required to observe during their employment, with the aim of enhancing employees' awareness of and commitment to	No significant difference.

Evaluation items	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			ethical conduct. In 2025, a total of 53 participants attended the ethical management training programs, with cumulative training hours reaching 53 hours.	
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 well-defined and accessible reporting and whistleblowing mechanisms and channels. Employees who become aware of any improper conduct may file reports or complaints through the prescribed channels. A designated unit is responsible for overseeing the investigation and handling procedures, and, where necessary, the relevant matters will be reported to the competent judicial or law enforcement authorities in accordance with applicable local laws and regulations.	No significant difference.
(II) Does the Company establish standard operating procedures for the investigation of whistleblowing matters, the follow-up measures to be taken after the investigation is completed, and the related confidentiality mechanism?	V		(II) The Company primarily focuses on the collection and verification of relevant evidence during its investigations. Where material violations of law are involved, the matters will be reported to the competent law enforcement authorities for further investigation. The personal information and reporting materials provided by whistleblowers during the investigation process shall be kept strictly confidential in accordance with applicable laws and regulations, and the Company shall implement appropriate protective measures to safeguard the rights and interests of whistleblowers.	No significant difference.
(III) Has the Company taken measures to protect the	V		(III) The Company has stipulated in its Ethical Corporate	No significant

Evaluation items	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
whistleblower from improper treatment due to their whistleblowing?			Management Best Practice Principles that appropriate protective measures shall be implemented to safeguard whistleblowers.	difference.
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 implementation of ethical management through its corporate website and other channels. In addition, an independent internal mailbox has been established within the Investor Relations section of the website to facilitate reporting, with the aim of fulfilling the Company's commitment to ethical management through multiple channels.	No significant difference.
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 adopted the Ethical Corporate Management Best Practice Principles upon approval by the Board of Directors on December 11, 2023, clearly stipulating the standards of conduct that Company personnel are required to observe.				
VI. Other important information helpful to understand the Company's ethical corporate management: <ol style="list-style-type: none"> <li>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.</li> <li>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.</li> </ol>				

(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, with a focus on maintaining a professional, diverse, stable, and effective governance framework. To further enhance the Board's functions and support sustainable operations, the Company has appointed a Corporate Governance Officer and continues to promote continuing education and training for directors and senior management.

With respect to succession planning for Board members, the Company promotes a 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 mechanism. Directors are required to possess integrity, relevant industry experience, and professional expertise (including finance, accounting, technology, and business management), while due consideration is given to gender balance and a reasonable age structure. In addition, the results of Board performance evaluations are used as reference for reappointment and nomination, thereby gradually establishing a pool of qualified director candidates.

Furthermore, the Company's human resources department actively plans internal training programs for senior executives. Through a dual-track approach combining digital learning and in-person training, the Company enhances management's leadership, communication, coordination, and organizational development capabilities as part of its succession planning framework. In 2025, the executive continuing education programs covered topics including leadership, communication, performance management, organizational governance, workplace laws, and financial management. A total of 19 courses were offered, with 929 cumulative participants and aggregate training hours totaling 3,139 hours, demonstrating the Company's commitment to establishing a sound and sustainable talent succession system.

All directors of the Company completed at least six hours of continuing education in 2025, in compliance with Article 4 of the Guidelines for the Continuing Education of Directors of Listed and OTC Companies. In addition, the Corporate Governance Officer completed 12 hours of continuing education during the year, in accordance with Article 24 of the Guidelines for the Establishment and Exercise of Powers by Boards of Directors of Listed and OTC Companies.

The external continuing education undertaken by directors and senior executives in 2025 is summarized in the table below:

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	2025/12/8	Taiwan Corporate Governance Association	Legal Issues to Be Noted in Insider Shareholding Management and Share Transactions	3	6
		2025/12/15	Taiwan Corporate Governance Association	Technology and Trends: AI Innovative Applications and Risk Management	3	
Director	Nelpus Investments Limited Representative: Justin Wang	2025/12/8	Taiwan Corporate Governance Association	Legal Issues to Be Noted in Insider Shareholding Management and Share Transactions	3	6
		2025/12/15	Taiwan Corporate Governance Association	Technology and Trends: AI Innovative Applications and Risk Management	3	
Director	ACIT Limited Representative: Bruce Chen	2025/12/8	Taiwan Corporate Governance Association	Legal Issues to Be Noted in Insider Shareholding Management and Share Transactions	3	6
		2025/12/15	Taiwan Corporate Governance Association	Technology and Trends: AI Innovative Applications and Risk Management	3	
Director	Lydia Chen	2025/8/28	Securities and Futures Institute of the Republic of China	The Digital Finance Revolution: Principles of Stablecoins and Development Trends of Blockchain-Based Virtual Assets	3	6
		2025/9/18	Securities and Futures Institute of the Republic of China	Trends and Risk Management of Digital Technology and Artificial Intelligence	3	
Independent Director	Ted Lee	2025/11/17	Taiwan Corporate Governance Association	Current Global Economic Conditions and the Impact of New Trump Policies	3	6

Job title	Name	Duration of continuing education	Organizer	Course name	Duration of continuing education	Total hours of continuing education in the current year
		2025/12/19	Taiwan Corporate Governance Association	Corporate Mergers and Acquisitions: Strategies and Planning	3	
Independent Director	Sam Chen	2025/12/8	Taiwan Corporate Governance Association	Legal Issues to Be Noted in Insider Shareholding Management and Share Transactions	3	6
		2025/12/15	Taiwan Corporate Governance Association	Technology and Trends: AI Innovative Applications and Risk Management	3	
Independent Director	Peter Teng	2025/10/30	Taiwan Corporate Governance Association	Cryptocurrencies and Blockchain: Regulatory Trends and Emerging Corporate Opportunities	3	6
		2025/10/30	Taiwan Corporate Governance Association	Practices in Corporate Performance Management and Compensation Mechanisms	3	
Assistant Vice President	Anson Lee	2025/12/8	Taiwan Corporate Governance Association	Legal Issues to Be Noted in Insider Shareholding Management and Share Transactions	3	3
Chief Financial Officer	Eric in	2025/9/3	Accounting Research and Development Foundation of the Republic of China	Enhancing Internal Control Effectiveness Through the Application of Robotic Process Automation (RPA)	6	12
		2025/12/24	Accounting Research and Development Foundation of the Republic of China	Legal Liabilities for Employee Fraud and Practices in Internal Control and Internal Audit	6	
Corporate Governance Officer	Louise Cheng	2025/8/8	Securities and Futures Institute of the Republic of China	2025 Legal Compliance Briefing on Insider Equity Trading	3	12
		2025/11/13	Securities and Futures Institute of the Republic of China	Shareholders' Meetings, Control Rights, and Equity Strategies	3	
		2025/12/8	Taiwan Corporate Governance Association	Legal Issues to Be Noted in Insider Shareholding	3	

Job title	Name	Duration of continuing education	Organizer	Course name	Duration of continuing education	Total hours of continuing education in the current year
				Management and Share Transactions		
		2025/12/15	Taiwan Corporate Governance Association	Technology and Trends: AI Innovative Applications and Risk Management	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	Overview and Preventive Measures for Information Security Incidents	2.5	
		2025/2/16	Taiwan Academy of Banking and Finance	Guidelines on Information and Communication Security Governance for Listed and OTC 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 2025, the Company fulfilled its corporate social responsibility through concrete actions spanning healthcare, education, care for disadvantaged groups, and employee participation in community engagement initiatives.

In the area of healthcare, the Company donated NT\$1.5 million to China Medical University Hsinchu Hospital to support the procurement of a da Vinci operating room 3D imaging output system. This system enables switching between 2D and 3D displays, thereby enhancing surgical precision and further strengthening the quality of healthcare services in the Hsinchu region.

- (2) In the areas of education and social support, the Company has continued to collaborate with multiple public welfare organizations to create positive change within local communities. In 2025, the Company donated NT\$400,000 to the Taiwan Lezuo Social Innovation Association to support the continued development of the Lecheng Community long-term care facility. In addition, approximately NT\$80,000 was donated to St. Francis Home for Children to fund educational courses and activities, assisting children aged 2 to 13 from disadvantaged families in developing independent living skills and self-confidence.
- (3) In the area of youth technology development, the Company provided NT\$160,000 in sponsorship to the Chien Kuo High School robotics team to support its participation in the international FIRST Robotics Competition (FRC). In August 2025, the Company further collaborated with the team to conduct STEM engineering education programs at St. Francis Home for Children, guiding the children to learn scientific principles through hands-on engineering toy projects and fostering a positive cycle of giving back to society.
- (4) With respect to the provision of educational resources in rural areas, the Company donated more than NT\$200,000 to the baseball team of De-Fu-Lan Elementary School in Heping District, Taichung City. The donation was used to purchase uniforms and training equipment for 30 indigenous student-athletes, supporting them in fostering discipline and self-confidence through sports participation and teamwork.
- (5) In addition to corporate contributions, the Company actively encourages employees to participate in public welfare initiatives. During the Children's Day period, the Company launched a donation and goods collection campaign, with participation from 202 employees, raising nearly NT\$500,000 in donations along with daily necessities. All proceeds were donated to the Taiwan Caring Fund to support early intervention programs and subsidies for tuition and miscellaneous expenses, benefiting more than 19 disadvantaged children.

During the Mid-Autumn Festival, the Company organized the "Mid-Autumn Season of Giving – Double the Happiness" campaign, integrating a local farmers' market with charitable donations. A total of 417 employees participated, raising close to NT\$450,000, which was donated to support elderly individuals living alone affected by typhoons and individuals with spinal cord injuries.

In addition, the Company organized a public welfare blood donation drive, with 61 employees contributing a total of 89 units of blood. The Company also hosted a public welfare screening of the documentary *The Taiwan Superhero*, attended by 242 employees and family members, to raise awareness of positive social issues and further cultivate a spirit of humanistic care.

Although these efforts may seem small in scale, they have gradually accumulated into a profound impact within the community. Looking ahead, the Company will continue to stay attentive to community development needs and trends, creating greater warmth and hope for society through concrete actions and local engagement, while fulfilling its commitment to sustainable corporate development.

## (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. shareholders' meeting

Date	Shareholders' meeting resolutions	Implementation status
2025/6/10 2025 General shareholders' meeting	● Proposal on 2024 business report and financial statements.	Approved as proposed
	● Proposal on 2024 earnings distribution.	Approved as proposed
	● Proposal on amendment of partial clauses of the Company's Articles of Incorporation.	Approved as proposed
	● Proposal to lift non-compete restrictions for corporate Directors' representatives.	Approved as proposed

2. Board of Directors

Date Session	Resolutions of the Board of Directors
2025/1/16 4th term 11th meeting	<ul style="list-style-type: none"> <li>●2025 Operating Plan.</li> <li>●Directors' Liability Insurance.</li> <li>●Group Management Compensation and Bonuses.</li> </ul>
2025/2/7 4th term 12th meeting	<ul style="list-style-type: none"> <li>●Acquisition of TCON Operating Assets by Wholly Owned Subsidiary.</li> </ul>
2025/3/14 4th term 13th meeting	<ul style="list-style-type: none"> <li>●Approval of 2024 Employee and Director Compensation Distribution.</li> <li>●Approval of the 2024 Business Report and Financial Statements.</li> <li>●Approval of the 2024 Earnings Distribution.</li> <li>●Evaluation of Independence, Competence, Appointment, and Remuneration of the External Auditor.</li> <li>●Approval of the Assessment of the Effectiveness of the 2024 Internal Control System and the Internal Control Statement.</li> <li>●Amendment to the Articles of Incorporation.</li> <li>●Amendment to the Company's Management Policies.</li> <li>●Change of the Company's Stock Short Name.</li> <li>●Establishment of a Branch in Taiwan.</li> <li>●Discussion of Personnel Matters.</li> <li>●Release of Directors from Non-Competition Restrictions.</li> <li>●Convening the 2025 Annual General Meeting of Shareholders.</li> </ul>
2025/5/6 4th term 14th meeting	<ul style="list-style-type: none"> <li>●Approval of the Consolidated Financial Statements for the 2025Q1.</li> <li>●Proposal for Distribution of 2024 Employee Compensation to Management.</li> <li>●Discussion of Personnel Matters.</li> <li>●Establishment of the Company's Management Policies.</li> </ul>
2025/8/21 4th term 15th meeting	<ul style="list-style-type: none"> <li>●2024 Sustainability Report.</li> <li>●Approval of the Consolidated Financial Statements for the 2025Q2.</li> <li>●Designation of Official Company Seals for Endorsements and Guarantees and Appointment of Custodians.</li> <li>●Guarantee of USD 6,000,000 for Subsidiary ILI Technology Corp.</li> </ul>

Date Session	Resolutions of the Board of Directors
	<ul style="list-style-type: none"> <li>●Group Management Salary Adjustment for Fiscal Year 2025.</li> <li>●Distribution of Individual Director Compensation for Fiscal Year 2024.</li> <li>●External Audit of the Company.</li> </ul>
2025/10/14 4th term 16th meeting	<ul style="list-style-type: none"> <li>●Proposed Acquisition of IC Manufacturing and Sales Business Assets from the Spin-Off of ILI Technology Corp.</li> </ul>
2025/11/5 4th term 17th meeting	<ul style="list-style-type: none"> <li>●Approval of the Consolidated Financial Statements for the 2025Q3.</li> <li>●2026 Audit Plan.</li> <li>●Personnel Matters.</li> <li>●Release of Managers from Concurrent Positions and Non-Competition Obligations.</li> <li>●Distribution of Management Compensation Within the Group for Fiscal Year 2025.</li> </ul>
2026/1/27 4th term 18th meeting	<ul style="list-style-type: none"> <li>●2026 Operating Plan.</li> <li>●Change of External Accounting Firm and Certified Public Accountants Effective From the 2026Q1.</li> <li>●Release of Non-Competition Restrictions for the New Representative of the Juristic-Director.</li> </ul>
2026/2/25 4th term 19th meeting	<ul style="list-style-type: none"> <li>●Application by the Taiwan Branch for Comprehensive Credit Facilities from Banks (ITH CORPORATION TAIWAN BRANCH(CAYMAN)).</li> <li>●Approval of 2025 Employee and Director Compensation Distribution.</li> <li>●Approval of the 2025 Business Report and Financial Statements.</li> <li>●Approval of the 2025 Earnings Distribution.</li> <li>●Approval of the Assessment of the Effectiveness of the 2025 Internal Control System and the Internal Control Statement.</li> <li>●Amendment to the Articles of Incorporation.</li> <li>●Amendment to the Internal Control System and Management Policies.</li> <li>●Nomination Matters for the Comprehensive Re-election of Directors (Including Independent Directors).</li> <li>●Convening the 2026 Annual General Meeting of Shareholders.</li> </ul>

(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	2025/1/1-2025/12/31	3,500	4,100	7,600	Non-audit services include internal control special audits, transfer pricing, tax attestation, and advisory services related to securities regulations and business spin-offs.
	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

- (I) Information regarding the former CPAs :

Date of replacement	2026/1/27		
Reason for replacement and explanation	In accordance with the group's operational policies and internal management requirements.		
Describe whether the Company terminated or the CPAs terminated or did not accept the engagement	Circumstances \ Parties	CPAs	The Company
	Terminated the engagement	N/A	V
	No longer accepted (discontinued) the engagement	N/A	N/A
If the CPAs issued an audit report expressing any opinion other than an unqualified opinion during the 2 most recent years, specify the opinion and the reasons	None.		
Disagreement with the Company?	Yes	-	Accounting principles or practices
		-	Disclosure of financial reports
		-	Audit scope or steps
		-	Other
	No	V	
	Specify details		
Other disclosures (Any matters required to be disclosed under sub-items d to g of Article 10.6.A)	None.		

(II) Information Regarding the Successor CPAs :

Name of accounting firm	Deloitte Taiwan
Names of CPAs	Chia Huang, Hu Chun-Hung, Chen
Date of engagement	2026/3/3
Subjects discussed and results of any consultation with the CPAs prior to the engagement, regarding the accounting treatment of or application of accounting principles to any specified transaction, or the type of audit opinion that might be issued on the company's financial report	None.
Successor CPAs' written opinion regarding the matters of disagreement between the Company and the former CPAs	None.

(III) The reply letter from the former CPA regarding the Company's disclosures regarding the matters under Article 10.6.A and 10.6.B(c) of the Regulations : 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 20, 2026; Unit: Thousand shares

NAME	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
	shares	%	shares	%	shares	%	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%	-	-	-	-	MILEHIGH INVESTMENTS HOLDING LIMITED、BANDED AGATE LIMITED、ACIT LIMITED、KASOS GLOBAL INVESTMENTS LIMITED	The same shareholder	(Note 1)
Representative of corporate shareholder: Michael Chao-Juei Chiang	-	-	-	-	-	-		Director	-
Milehigh Investments Holding Limited	24,378	4.95%	-	-	-	-	NELPUS INVESTMENTS LIMITED	Parent and subsidiary	(Note 1)
Representative of corporate shareholder: Michael Chao-Juei Chiang	-	-	-	-	-	-		Director	-
Banded Agate Limited	22,624	4.59%	-	-	-	-	NELPUS INVESTMENTS LIMITED、MILEHIGH INVESTMENTS HOLDING LIMITED、KASOS GLOBAL INVESTMENTS LIMITED	The same shareholder	(Note 1)
Representative of corporate shareholder: Michael Chao-Juei Chiang	-	-	-	-	-	-		Director	-
ACIT Limited	14,183	2.88%	-	-	-	-	NELPUS INVESTMENTS LIMITED、MILEHIGH INVESTMENTS HOLDING LIMITED、BANDED AGATE LIMITED、KASOS GLOBAL INVESTMENTS LIMITED	The same shareholder	(Note 1)
Representative of corporate shareholder: Michael Chao-Juei Chiang	-	-	-	-	-	-		Director	-
Huang Min-Hsun	13,618	2.77%	-	-	-	-	-	-	-
Kasos Global Investments Limited	9,419	1.91%	-	-	-	-	NELPUS INVESTMENTS LIMITED、MILEHIGH INVESTMENTS HOLDING LIMITED、BANDED AGATE LIMITED、ACIT LIMITED	The same shareholder	(Note 1)
Representative of corporate shareholder: Michael Chao-Juei Chiang	-	-	-	-	-	-		Director	-
Trust property account of the Employee Stock Trust Management Committee of ILI Technology Corp in the custody of Bank SinoPac	6,021	1.22%	-	-	-	-	-	-	-
CTBC Bank Co., Ltd. in Trust as Custodian for Silicon Capital VCC - Alpha Fund	5,000	1.02%	-	-	-	-	-	-	-
Abico Asia Excellence Transformation Growth Limited Partnership	4,885	0.99%	-	-	-	-	-	-	-

(Note 1) Controlled by the same parent company, TPK Holding Co., Ltd.

**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, 2026 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
Granda Microelectronics (Xiamen) Co., Ltd. (Note2)	-	100.00	-	-	-	100.00
Howdi Microelectronics (Shenzhen) Co., Ltd. (Note2)	-	20.21	-	79.79	-	100.00
Hefei Howdi Microelectronics Co., Ltd. (Note2)	-	-	-	100.00	-	100.00

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

Note 2: It is a limited liability company with no share capital structure.



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## Chapter 4. Fundraising

### I. Capital and shares

#### (I) Source of share capital

##### 1. Source of share capital

Date: April 22, 2026; 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: April 22, 2026; 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 20, 2026; 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
ACIT Limited		14,183	2.88
Huang Min-Hsun		13,618	2.77
Kasos Global Investments Limited		9,419	1.91
Trust property account of the Employee Stock Trust Management Committee of ILI Technology Corp. in the custody of Bank SinoPac		6,021	1.22
CTBC Bank Co., Ltd. in Trust as Custodian for Silicon Capital VCC - Alpha Fund.		5,000	1.02
Abico Asia Excellence Transformation Growth Limited Partnership		4,885	0.99

## (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 February 25, 2026, the Company's Board of Directors resolved to distribute cash dividends of NT\$1.0 per share, totaling NT\$492,396,565, and plans to propose a resolution at the 2026 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 February 25, 2026, the Company's Board of Directors resolved to allocate NT\$15,395,869 as employee remuneration and NT\$15,395,869 as Director remuneration for 2025, 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 2024 financial report	Actual distribution in 2025	Difference
Employees' cash remuneration	25,765	25,765	-
Remuneration to Directors	25,765	25,765	-

(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.

Types of new restricted employee restricted shares	First meeting in 2021 New employee restricted shares
Restricted rights of new employee restricted shares	<p>(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:</p> <ol style="list-style-type: none"> <li>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.</li> <li>2. After the lock-up period expires and before the Company's shares are listed, subscribers shall hold the subscribed shares 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.</li> </ol> <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</p>

Types of new restricted employee restricted shares	First meeting in 2021 New employee restricted shares
	<p>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> <p>(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.</p>
Number of new employee restricted shares that have been redeemed or purchased	-
Number of shares whose restricted rights have been released	27,742,150
Number of shares whose restricted rights have not been released	5,685,850
Ratio of shares with unrestricted rights to total issued shares (%)	1.15
Impact on shareholders' equity	As of the end of March 2026, the relevant amounts had been fully amortized and did not have any material impact on shareholders' equity.

(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

April 22, 2026 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	684.5	1.12	766.64	0.16	80	1.12	89.6	0.02
	Vice President	Kenny Shen										
	Assistant Vice President	Anson Lee										
	Assistant Vice President	Tom Cheng										
	Chief Financial Officer	Sandra Chen (Note1)										
	Chief Financial Officer	Eric Lin (Note1)										
	Corporate Governance Officer	Louise Cheng										
Employees	Employees	Employee A	3,601	0.73	3,188.1	1.12	3,570.67	0.65	412.9	1.12	462.45	0.08
	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: Following the retirement of former Chief Financial Officer Sandra Chen, Mr. Kuan-Yu Lin was appointed as Chief Financial Officer upon approval by the Board of Directors on November 5, 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**

(I) Mergers and acquisitions completed, or issuances of new shares for the acquisition of shares of other companies, during the most recent fiscal year and up to the date of publication of this Annual Report: None.

(II) Mergers and acquisitions approved by the Board of Directors, or issuances of new shares for the acquisition of shares of other companies, during the most recent fiscal year and up to the date of publication of this Annual Report:

In order to integrate group operational resources, streamline the organizational structure, and enhance operational efficiency, the Company conducted a simplified merger between its significant subsidiary, ILI Technology Corp., and W1 Technology Co., Ltd., a wholly owned subsidiary of ILI Technology Corp.. The merger was completed as of the merger effective date of June 2, 2025, and the change of registration was approved and recorded by the Ministry of Economic Affairs on October 3, 2025.

## **VIII. Execution of the plan for utilization of funds**

As of the end of the quarter preceding the publication date of this Annual Report, there are no securities offerings or private placements from prior years that remain uncompleted or that were completed within the past three years but whose anticipated benefits have not yet materialized.



## Chapter 5. Overview of Business Operations

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## Chapter 5. Overview of Business Operations

### I. BUSINESS OVERVIEW

#### (I) Scope of business

##### 1. Business Activities

The Company is primarily engaged in the design, development, sales, and provision of technical services for display driver ICs. Display driver ICs are critical components of display panels and are widely used across a broad range of applications, including smartphones, tablets, notebook computers, desktop monitors, automotive displays, and wearable devices.

##### 2. Major Products and Revenue Contribution:

Unit: NT\$ Thousands, %

Year	2024		2025	
	Amount	%	Amount	%
Main item				
Display driver IC	22,461,565	100.00	19,085,070	100.00
Total	22,461,565	100.00	19,085,070	100.00

##### 3. Current Products and Services:

- (1). Integrated circuits and system solutions for flat panel displays
- (2). Integrated circuits and system solutions for touch-enabled display applications
- (3) Software and hardware design, testing, maintenance, and technical consulting services associated with the above products
- (4) Import and export trading of the aforementioned products

##### 4. New Products and Services Under Development:

###### (1) Notebook IC Solutions

- a. Including more channels
- b. Higher resolution
- c. New digital interface (New I/F)
- d. Low power consumption
- e. 10 bits Source Driver
- f. AMOLED Panel Driver Applications
- g. Integration of Display Driver, Touch Control, and Timing Control
- h. Touch and Display Driver Integration · TDDI
- i. OLED TCON

###### (2) Small- and Medium-sized Display IC Solutions

- 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) Touch IC Solutions
  - 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. Applicable to Mirror, Cluster, HUD, and PHUD applications
  - c. Supports the development of large-size and high-resolution display products.
  - d. Compliant with automotive EMC CISPR 25 Class 5 test requirements.

## (II) Industry overview

### 1. Industry Status and Development

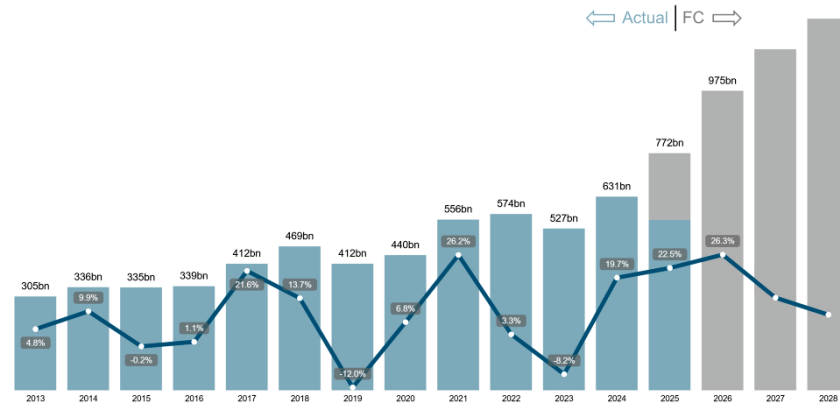
#### (1) Global Semiconductor Industry

According to the World Semiconductor Trade Statistics (WSTS), global semiconductor revenue is projected to reach approximately US\$772.0 billion in 2025. Growth is primarily driven by robust demand in logic and memory segments, supported by the rapid expansion of artificial intelligence (AI) applications and data center infrastructure. The industry is expected to maintain a positive growth trajectory in the coming years.

## Annual Growth Trend Forecast for the Global Semiconductor Market

### Global semiconductor market (billion US\$)

Actual & Forecast in billion US\$, YoY growth in percent



Source: World Semiconductor Trade Statistics (WSTS)

On a regional basis, revenues in the Americas and Asia-Pacific are expected to grow by 34.4% and 24.9% respectively in 2026, primarily driven by robust growth in the logic IC and memory sectors. Meanwhile, revenue in Europe is projected to grow by 5.6%, while Japan may face a decline of 4.1%. The Americas and Asia-Pacific remain the regions with the strongest forecasted growth

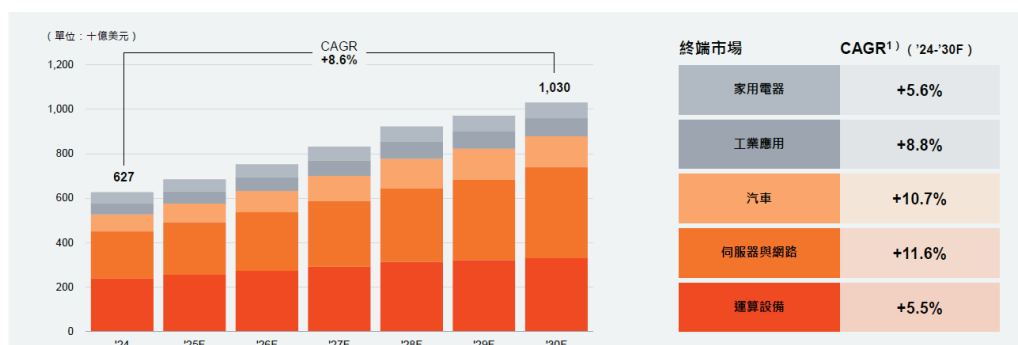
### Annual Growth Trend Forecast for the Global Semiconductor Market - By Region

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

Source: World Semiconductor Trade Statistics (WSTS)

The increasing maturity of edge computing and deep learning technologies is accelerating the adoption of Edge AI, which enables real-time data processing at the device level. This reduces latency, improves responsiveness, and lowers dependence on cloud infrastructure. Applications span manufacturing, healthcare, retail, and smart cities. Going forward, Edge AI is expected to be widely integrated into smartphones, PCs, automotive systems, and IoT devices, enhancing performance and enabling more intelligent user experiences.

## Annual Growth Trend Forecast for the Global Semiconductor Market - By Application



Source: Omdia, PwC analysis

### (2) Taiwan IC Design Industry

According to the Industrial Technology Research Institute (ITRI), Taiwan's IC industry output reached NT\$6.52 trillion in 2025.

Driven by strong demand from AI data centers, edge computing applications, and proactive inventory buildup across the supply chain, Taiwan's IC design industry output is projected to reach NT\$1.52 trillion in 2026, representing a year-over-year growth of approximately 6.8%.

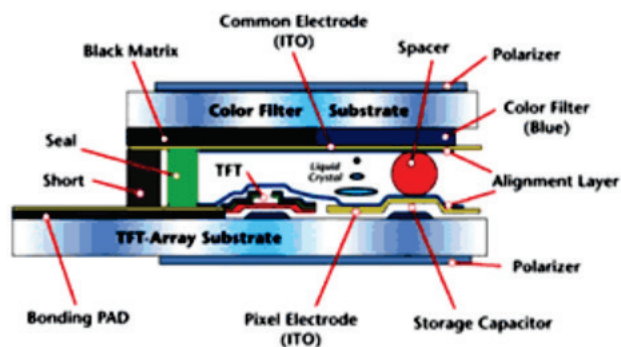
In 2025, the IC design sector exhibited a front-loaded demand pattern. The first quarter benefited from policy stimulus in China and early supply chain restocking, resulting in a notable rebound in demand. While subsequent quarters faced headwinds from fading rush orders and foreign exchange pressures due to New Taiwan dollar appreciation, growth momentum was supported by increasing demand for edge AI and networking chips, strong flagship smartphone shipments, stable AI ASIC design service orders, and expanding collaborations in automotive and PC-related applications. As a result, the industry reached a record-high output value.

### (3) Display Driver IC Industry

Display Driver IC (DDIC) 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. Display driven IC can be divided into thin film transistor-liquid crystal display (TFT-LCD) and active-matrix organic light emitting display (AMOLED) by the applications. 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.

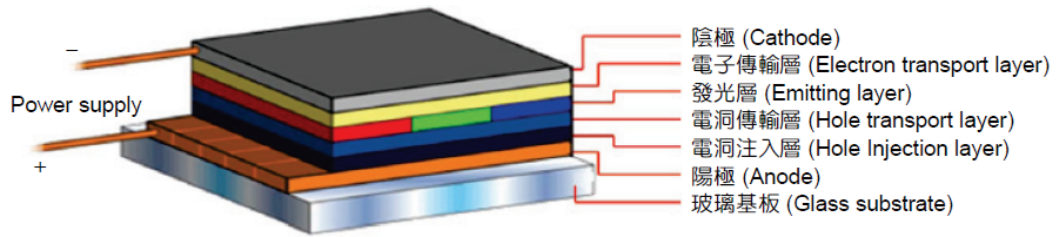
Basic structure of TFT-LCD



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

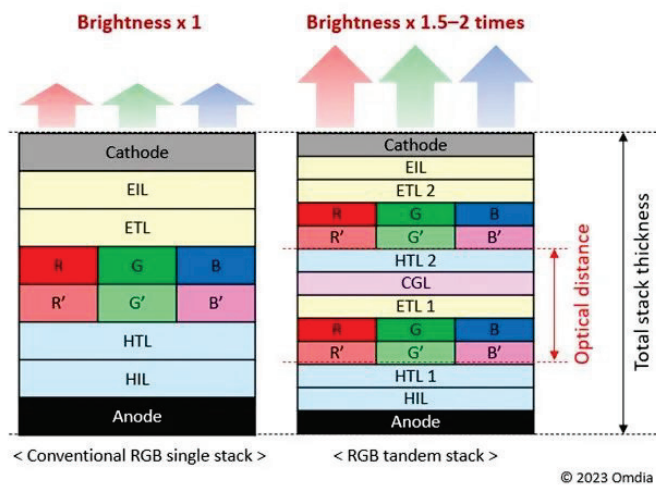


Source: Instruments Today

In application scenarios requiring high brightness and long-term durability, Tandem OLED utilizes a dual-stack RGB structure. Theoretically, this technology can achieve twice the brightness and four times the lifespan, making it a highly compelling upgrade for both brand manufacturers and consumers.

According to the latest research report from Omdia, the market penetration of Tandem (two-stack tandem) RGB technology in the OLED tablet and laptop sectors has surged from near zero to over 30% in 2024. With Apple expected to launch its first OLED MacBook Pro in 2026, the penetration rate for Tandem technology is projected to rise further to 36%.

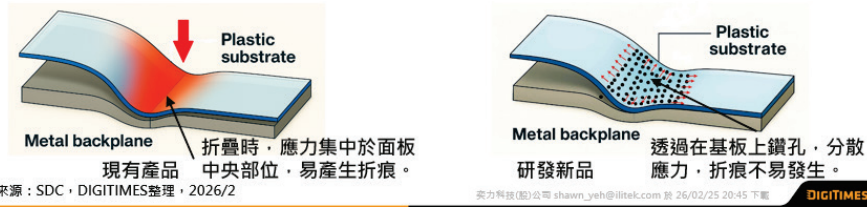
### Conventional OLED & Tandem OLED



Source : Omdia

Foldable display technologies continue to evolve, supported by innovations in panel structure and materials that improve durability and reduce crease formation, thereby expanding adoption beyond niche high-end markets.

### Evolution of Foldable OLED Panel Technology



4 資料來源：SDC，DIGITIMES整理，2026/2

業力科雜誌(股)公司 shawn\_yeh@iitak.com 第 26/02/25 20:45 下載

DIGITIMES

Source : Digitimes

In addition to standard display driver ICs, TDDI (Touch and Display Driver Integration) technology combines touch and display functions into a single chip. Due to its highly integrated architecture, TDDI enables thinner and lighter display screens while offering advantages such as cost reduction and supply chain simplification. Consequently, it has become the dominant solution for mobile LCD screens, with its global market share in smartphone touch applications exceeding 50% in recent years.

Leveraging the continuous improvement of LTPS (Low-Temperature Polycrystalline Silicon) panel driving capabilities by manufacturers, In-cell panel sizes have successfully expanded to 16 inches. This coverage addresses most laptop application requirements, providing benefits such as ultra-slim profiles, enhanced visual clarity (transparency), responsive touch performance, and extended battery life. Currently, major laptop brands are actively investing in the adoption of this technology.

### Evolution of Touch Panel Technology

TOUCH TYPE	GFF	On-cell	TDDI / In-Cell
Structure			
Touch & Display modules designed separately	yes	no	no ★
Display & TP IC Solution	1+1	1+1	1 ★
FPC QTY	1+1	1+1	1 ★

Source : Orient Display

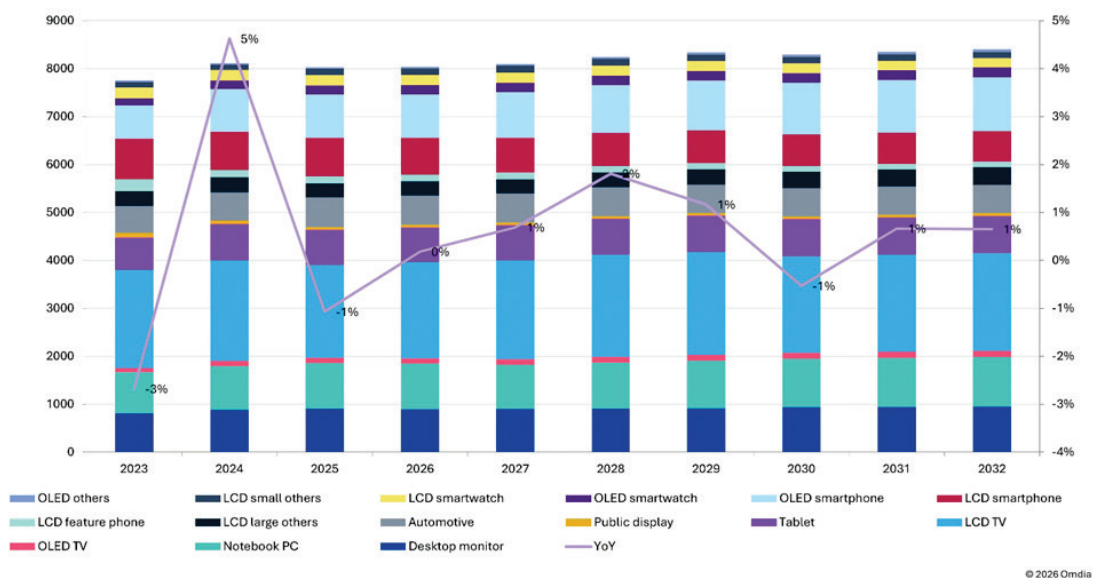
According to research firm Omdia, global demand for Display Driver ICs (DDIC) in 2025 is expected to decline by 1% year-over-year. While shipment volumes for monitors, laptops, and automotive displays are projected to increase, shipments for tablets and OLED smartphone DDICs are expected to fall short of earlier forecasts.

Looking ahead to 2026, Omdia notes that due to the ongoing memory shortage, shipments of AMOLED smartphone DDICs are expected to remain flat compared to 2025, while LCD smartphone DDIC shipments are projected to decline by 5% year-over-year. In the IT sector, demand for LCD applications is anticipated to soften; however, DDIC for OLED laptop applications continues to grow, which is expected

to drive a 4% year-over-year increase in total AMOLED DDIC shipments. In the long term, AMOLED DDICs are poised to become the primary growth engine for the market, fueled by adoption in smartphones, TVs, and IT applications.

Regarding the automotive sector, trends such as electrification, autonomous driving, and connectivity are simultaneously pushing for larger panel sizes and higher resolutions. New applications are being introduced based on specific needs—such as transparent sunroof panels, high-brightness HUDs (Head-Up Displays), and rear-seat entertainment systems—offering immense potential for future growth.

Global Display Driver IC (DDIC) Market Size and Forecast, 2023-2032



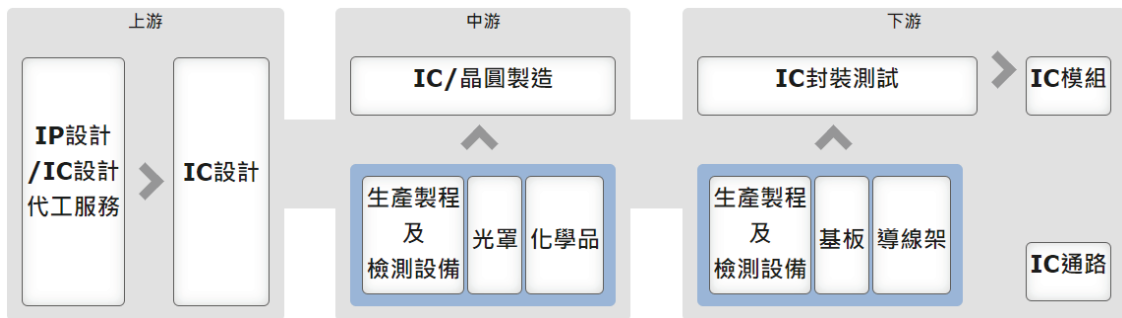
Source : Omdia (2026/03)

## 2. Industry Value Chain

The IC industry in Taiwan is characterized by a highly specialized system of professional specialization, with a clear and distinct vertical disintegration (vertical division of labor) where each segment possesses unique expertise. This makes the upstream, midstream, and downstream structures of Taiwan's IC ecosystem exceptionally comprehensive. This specialized industrial structure is the primary differentiator between Taiwan's IC industry and the development models found abroad.

The upstream segment consists of IP design and IC design services. IP (Intellectual Property) refers to the intellectual property rights of IC design, while design services include logic design, circuit design, physical design (mask layout), and layout implementation. The midstream segment encompasses mask making and wafer fabrication. The manufacturing process utilizes methods such as oxidation, diffusion, CVD (Chemical Vapor Deposition), etching, and ion implantation to build circuits and

components onto the wafer. Finally, the downstream segment focuses on packaging and testing (OSAT), with processes including dicing, die bonding, wire bonding, molding, and final testing.



Source: Industry Value Chain Information Platform

The Company is a Fabless IC design house situated in the upstream segment of the semiconductor industry. IC design plays a pivotal role in the overall semiconductor value chain. Compared to IC manufacturing and testing, a Fabless model is characterized by lower capital intensity.

Our core operations focus on specification definition, layout design, sales, and after-sales services. Regarding the production phases—including mask making, wafer fabrication, wafer dicing, IC packaging, and final testing—these are outsourced to specialized partners, such as professional mask houses, wafer foundries, and OSAT (Outsourced Semiconductor Assembly and Test) providers.

### 3. Product Development Trends

#### (1) Next-generation Display Driver ICs

As the display panel market matures, smartphone designs are gravitating toward all-screen and foldable form factors, while striving for higher resolutions, faster response times, and curved display panels. Distinct from traditional panel designs, these products are characterized by their high-end specifications and premium pricing, positioning them as high-margin niche products.

Foldable displays primarily utilize flexible OLED technology, which is defined by its excellent durability, as well as its ability to be bent and folded. Furthermore, flexible displays offer higher resolution, richer color reproduction, and enhanced portability. Consequently, the development of dedicated driver ICs tailored to different display technologies will be the decisive factor for product competitiveness in the future.

#### (2) Ultra-high Resolution and Immersive Display Systems

Driven by rapid technological advancements, consumers increasingly demand superior image quality, immersive experiences, and aesthetic design in display products. As the global UHD 4K/8K ecosystem matures, future display products featuring ultra-high resolution, versatile sizing, and seamless tiled (seamlessly

spliced) configurations will provide consumers with a more lifelike visual experience and flawless imagery.

Furthermore, the gradual completion of global 5G high-speed communication infrastructures will enable faster data transmission and high-quality, real-time communication services. Consequently, developing integrated technologies that combine Cyber-Physical Systems (CPS) with interactive displays, sensing, perception, and information security will pave the way for cutting-edge applications such as AR/VR/MR and 3D full-pixel display technologies.

### (3) Growth in Niche Applications

Automotive, commercial, industrial, medical, wearable, and smart entertainment displays (AR/MR) utilize TFT-LCD technology and represent markets with high growth potential within their end-use applications. The automotive market, in particular, has seen steady growth in recent years and is characterized by a high barrier to entry. Driven by trends toward intelligent, autonomous, connected, and shared (ACES) vehicles, the per-vehicle usage of display panels is increasing. Current trends favor integrated solutions that combine automotive panels with touch sensors and bonding technologies, while incorporating additional sensors for biometric identification and fatigue detection. Embracing a free-form system integration design concept, the industry is moving toward larger sizes, higher resolutions, multi-screen setups, diverse form factors (curved, rollable), integrated digital cockpits, and enhanced touch sensitivity.

As 5G networks transition into daily and commercial operations, the number of IoT devices will surge within the 5G-enabled Internet of Things (IoT) ecosystem, leading to more diverse and widespread display applications. Fields such as smart retail, smart entertainment, smart automotive, and smart healthcare will require high-value-added products featuring ultra-high resolution, curved surfaces, wide color gamut, High Dynamic Range (HDR), and integrated touch functions. By leveraging integration strengths and technological diversity, manufacturers can create differentiated and high-value products to seize the display opportunities emerging in the era of Smart IoT (AIoT).

## 4. Competitive Landscape

In recent years, escalating international trade frictions and the tech rivalry between China and the U.S. have become pivotal variables reshaping the global semiconductor supply chain. This geopolitical landscape has accelerated China's push for semiconductor self-sufficiency and localized production. For the Display Driver IC (DDIC) industry, the trend of Chinese panel manufacturers increasing their adoption of domestic IC products has fundamentally altered the original supply chain structure.

As market competition intensifies, Chinese manufacturers have adopted aggressive pricing strategies, placing significant downward pressure on DDIC prices—particularly in the mid-to-low-end LCD segment where technology is mature and highly standardized. Furthermore, as certain products reach technical maturity,

differences in functionality and performance have narrowed, causing them to evolve into commoditized components. Even in high-end AMOLED or application-specific segments, despite the higher barriers to entry, intense competition among capable players ensures that pricing pressure remains a constant challenge.

To secure a more competitive cost structure, mastering upstream wafer capacity, optimizing supply chain management, balancing inventory levels, and establishing a resilient and flexible supply chain have become core pillars of market competitiveness. These are essential for a company to maintain its footing in a "red ocean" environment.

Through team integration, continuous technological breakthroughs, cost optimization, and a diversified product portfolio, the Company is committed to providing customers with integrated display and touch IC solutions that offer both innovation and high added value. By moving beyond the substitutability of standardized components and leveraging strategic differentiation, we aim to solidify our market position, earn the trust of key customers, and ensure long-term sustainable growth in this severe competitive environment.

### (III) Technology and R&D Overview

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

The Company provides a comprehensive IC portfolio, including display driver ICs, touch ICs, and automotive integrated solutions.

Core technologies include:

- (1) Expertise in the characteristics of various LCD and touch panels
- (2) Anti-noise circuit design techniques
- (3) Dynamic panel backlight algorithm technology
- (4) System-level technology for panels and displays
- (5) Low-power and low-noise design capabilities
- (6) Integrated and streamlined design processes and capabilities
- (7) ESD (Electrostatic Discharge) protection
- (8) Multi-touch hardware and firmware design capabilities
- (9) ISO 26262 and AEC-Q100 automotive certifications
- (10) Support for active pen and E-book touch technologies
- (11) High-speed interface technology

The Company is committed to delivering innovative and leading-edge technologies to its customers and is well recognized for its advanced products and technical capabilities. It has achieved a number of industry-leading milestones in recent years. A summary of its key R&D achievements is presented below:

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 Expenses

Unit: NT\$ Thousands

Items	2024	2025	2026Q1
R&D expenses (A)	2,526,041	2,026,732	528,497
Operating revenue, net (B)	22,461,565	19,085,070	3,917,703
(A)/(B)	11.25	10.62	13.49

## 3. Recent R&D Achievements

Year	R&D Achievement	Application
2025	AMOLED Driver IC: WFHD+ resolution, MUX 1:1 Ramless support, 165Hz high refresh rate.	Mobile phone
	AMOLED Driver IC: WFHD++ resolution, MUX 1:1 Ramless support, 165Hz high refresh rate, LTPS/LTPO compatible.	Mobile phone
	AMOLED Driver IC: WFHD+ resolution, MUX 1:1 Ramless, 165Hz high refresh rate, supports full-screen AOD (Always-On Display) Command Mode.	Mobile phone
	Commercial Slim-bezel NB Solution: Supports high contrast, high resolution, and variable/multiple refresh rate NB Driver ICs.	NB
	Narrow-bezel Gaming NB Driver IC: Supports reduced-IC (Low-count) solutions for cost/space optimization.	NB
	Ultra-narrow-bezel Gaming NB: 480Hz ultra-high refresh rate Driver IC.	NB
	Integrated FHD TED (TCON Embedded Driver) supporting eDP 1.5 IP.	NB
	AMOLED Touch IC: Supports flexible displays with glove-mode and ultra-high-speed detection.	Mobile phone
	Industry-first 1.5K Resolution LTPS TDDI IC with narrow-bezel design and high touch sampling rate.	Mobile phone
	Automotive TDDI IC: Integrated Ambient Light Sensor (ALS) and support for large-panel touch interfaces.	Automotive
	Automotive Cascade DDI IC: 10-bit color depth, integrated Panel Temperature Compensation (PTC), supporting Cluster/HUD applications and advanced OSD functions.	Automotive
2026 Q1	Tablet TDDI Driver IC: 3.4K × 2K high resolution, featuring Eye-Care display technology and localized high touch reporting rate.	Tablet
	AMOLED Y-OCTA TDDI (Display & Touch Integrated IC).	Mobile phone
	Panel Driver IC for Commercial Notebook applications.	NB
	Low-power IWB/Industrial External & Embedded (Out-cell/On-cell) Solution: Supports 21.5" to 86" panels; compatible with AMOLED screens, AI PCs, and USI/MPP Active Stylus.	NB/Industry

## (IV) Business Development Strategy

### 1. Short-term Strategy

#### (1) Expand and diversify product portfolio

In the Mobile Driver IC product line, besides developing next-generation high-resolution products, the Company develops various customized ICs tailored to the specific requirements of panel manufacturers and globally renowned smartphone brands. Simultaneously, we are expanding our product portfolio by developing new driver ICs to support a wide range of applications, including digital cameras, navigation devices, and tablets.

For the Touch Controller IC product line, while maintaining multi-touch capabilities and multi-channel architectures, we are developing next-generation touch solutions specifically for the laptop and E-paper (E-Ink) markets. Furthermore, targeting the automotive market, we are developing Touch and Display Driver Integration (TDDI) chips, Large Display Touch Integration (LTDI) chips that support high resolution and large-scale panels, as well as Timing Controllers (TCON) and OLED Drivers.

#### (2) Develop new customers and markets

The Company has established dedicated sales and engineering teams to focus on addressing customer needs. In addition to maintaining the steady sales growth of mobile display driver ICs, we develop a diversified product portfolio tailored to various customer application scenarios. By providing comprehensive technical support and customized IC solutions, we enhance customer adoption and strengthen partnership stickiness.

#### (3) Strengthen product offerings in automotive, notebook, and industrial applications

We develop new product lines tailored to the specific resolutions, functionalities, and communication interfaces required by our customers. By collaborating with strategic partners in the panel and module industries, we provide competitive new products to our clients.

### 2. Long-term Strategy

#### (1) Deepen strategic partnerships with panel makers

We collaborate closely with our strategic partners in the panel industry to drive product innovation and long-term product roadmap. By committing R&D resources that align with our partners' market and product strategies, we develop cutting-edge technologies and new products. Our goal is to assist our strategic partners in successfully penetrating new markets, thereby creating mutual business growth.

#### (2) Expand touch IC product portfolio

The Company is dedicated to expanding its touch controller IC portfolio, spanning from small to large-sized display applications. We provide highly integrated and forward-looking touch solutions tailored to meet the demands of panel manufacturers across smartphones, industrial control, automotive, and other diverse end-use applications.

Beyond progressively deepening collaboration with customers during the product definition stage, the Company is actively extending its reach to end-brand clients. By strengthening technical exchange and project collaboration, we can capture emerging application trends and specification evolution in advance. These insights are integrated into our product development roadmap, thereby bolstering our technical competitive advantage and securing new business opportunities.

(3) Strengthen long-term collaboration with foundry partners

As the shipment volume of our driver ICs continues to expand, our demand for upstream wafer capacity and process capabilities has increased accordingly. The Company consistently assists our foundry strategic partners in developing high-voltage (HV) processes. By researching and developing products optimized for these specific process characteristics, we actively promote their adoption by panel manufacturer clients. We are committed to fostering long-term, stable collaborative relationships with our supply chain partners.

(4) Invest in talent development and organizational capability

Regarding our human capital development strategy, the Company has implemented an objective and quantifiable performance management mechanism. This system enables us to conduct systematic talent inventories and establish leadership and succession pipelines for key positions, thereby enhancing organizational resilience and business continuity.

In terms of talent cultivation, we provide diverse training programs tailored to departmental and individual development needs. These initiatives include deepening technical expertise, integrating cross-disciplinary knowledge, enhancing language proficiency, and facilitating cross-functional job rotations. Our goal is to develop key talent possessing both technical depth and managerial breadth. Simultaneously, we actively recruit top-tier external professionals to create a healthy cycle of internal and external talent, ultimately boosting overall operational efficiency and driving the achievement of our strategic objectives.

## II. Market and Production/Sales Overview

### (I) Market analysis

#### 1. Main product sales area

Unit: NT\$ Thousands, %

Items	Year	2024		2025	
		Amount	%	Amount	%
Domestic sales		711,722	3.17	1,080,863	5.66
Export sales	Europe	45,690	0.20	62,018	0.32
	Americas	908	0.00	0	0.00
	Asia	21,702,372	96.63	17,935,324	93.98
	Other matters	873	0.00	6,865	0.04
	Subtotal	21,749,843	96.83	18,004,207	94.34
Total		22,461,565	100.00	19,085,070	100.00

## 2. Market share

According to data from IEK, ITRI, the production value of Taiwan's IC design industry reached NT\$1,424.5 billion in 2025. Based on the Group's 2025 consolidated net revenue of NT\$19.1 billion, the Group's market share for the year is calculated at 1.34%. With the ongoing specification upgrades in notebooks and smartphones, alongside successful entry into the automotive display market, there remains significant room for future growth.

## 3. Future market supply and demand and growth

The Company's display driver IC (DDI) products are primarily applied in small-to-medium-sized panels. The following is an overview of the small-to-medium-sized display driver IC market:

### (1) Small- and Medium-Sized TFT-LCD Panels

Small-to-medium-sized TFT-LCDs are primarily utilized in smartphones and tablets, followed by automotive displays, cameras, industrial control equipment, and security monitoring systems. According to smartphone research from TrendForce, global smartphone production reached approximately 1.254 billion units in 2025, representing a year-over-year (YoY) increase of 2.5%.

Regarding the China market, data from Counterpoint Research indicates that the overall performance was relatively sluggish in 2025, with annual shipments experiencing a slight decline of 0.6%. The report notes that, aside from a brief growth spurt in the first quarter of 2025 driven by government subsidies, shipments in the following three quarters all contracted compared to the same period in the previous year. Although the overall market is in a contraction phase, the product launch cycles for flagship models have significantly accelerated. Technical competition and market strategic positioning among brands are advancing toward extreme performance and structural transformation.

TrendForce further pointed out that starting from the second half of 2025, the smartphone market faced tight memory supply and surging prices, leading to upward price adjustments for end-products and more conservative consumer demand. Overall, 2026 will be a critical period for brands to adjust their output and product structures. It is expected that brands will employ strategies such as reconfiguring specifications and revising retail prices to digest the cost pressures from previous price hikes.

### (2) OLED panels

According to Omdia, demand for OLED displays is projected to grow at a Compound Annual Growth Rate (CAGR) of 11% from 2022 to 2030. A wide range of end-user brands are gradually adopting OLED panels across product categories, including TVs, smartphones, notebooks, and tablets. Tandem OLED (series OLED) displays, which vertically stack two or more light-emitting layers, significantly enhance brightness, lifespan, and energy efficiency.

As low-cost Single RAM (RAM-less) AMOLED technology matures, brand manufacturers are accelerating the transition from LTPS LCD to AMOLED panels for mid-range models, while concentrating resources on high-end products that are less sensitive to price. TrendForce statistics also indicate that the shipment share of AMOLED smartphone panels is expected to grow from 41.2% in 2025 to 43.2% in 2026.

In application scenarios requiring high brightness and long-term durability, Tandem (dual-layer series) OLED—which utilizes a dual-layer RGB emission structure—can theoretically achieve twice the brightness and four times the lifespan. This represents a highly attractive upgrade for both brand manufacturers and consumers. Omdia’s latest research highlights that the penetration rate of Tandem RGB technology in OLED tablet and notebook markets surged from near zero to over 30% in 2024. With Apple expected to launch its first OLED MacBook Pro in 2026, the penetration rate of Tandem technology is projected to rise further to 36%.

#### 4. Competitive advantage

##### (1) Exceptional Management Team

Our management team possesses extensive experience within the semiconductor industry. We are committed to the active recruitment and long-term cultivation of professional R&D talent. This not only empowers us with the capability to develop innovative products independently but also allows us to master advanced core technologies. Consequently, we can respond immediately to global market shifts and maintain a robust competitive edge.

##### (2) Providing complete product solutions

Supported by a world-class R&D team and a significant portfolio of proprietary patents, our product range spans from entry-level to high-end applications. We provide diverse process solutions, including a-Si, IGZO, LTPS, and AMOLED, with product quality that has earned strong recognition from our clients. Building on this solid technical foundation, we continue to expand our product lines into diverse applications such as automotive and industrial control, establishing a cornerstone for long-term, steady business growth.

##### (3) Long-term strategic cooperation with suppliers

Since wafers are the primary raw material for display driver ICs and are largely customized, maintaining close collaboration with panel manufacturers is essential. The Company work hand-in-hand with clients to co-develop process technologies, ensuring stable capacity supply and superior quality. By maintaining direct and intimate partnerships with several leading international panel manufacturers, we facilitate efficient communication, align closely with customer needs, and minimize process risks—thereby sustaining the Group’s overall competitiveness.

##### (4) Innovative R&D team

The Company boasts a highly skilled and experienced R&D team. Our research centers, business service hubs, and key suppliers are strategically located within

major global display industry clusters. This proximity allows us to not only align seamlessly with our customers' diverse new product roadmaps but also maintain real-time communication with the supply chain. By resolving technical issues promptly and providing rapid support, the Company effectively shorten time-to-market for our customers' products.

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

### (1) Favorable Factors

#### a. Diversified Display Process Technologies Driving Market Demand Across Various Applications

The maturation of display process technologies—such as a-Si, LTPS, AMOLED, and LED—has expanded display applications beyond consumer electronics into sectors including automotive, industrial control, medical, transportation, and AI-driven robotics. This diversification allows for tailored display solutions for different scenarios, creating significant business opportunities and demand for upstream components.

#### b. Steady Growth in Market Demand

According to a report by Research Nester, the display industry is poised for a return to growth, driven by emerging niche applications like AI, high-end medical devices, industrial control, and automotive systems. The display component market reached over US\$341.82 billion in 2025 and is projected to exceed US\$496.33 billion by 2035, representing a CAGR of 3.8% from 2026 to 2035. As a leading DDI design firm in both Taiwan and Mainland China, the Company benefits from the increasing adoption of full-screen panels in smartphones, the AI PC replacement cycle, and the expansion of automotive applications, ensuring steady growth in panel shipments and DDI demand.

### (2) Unfavorable Factors

#### a. Rapid Shifts in End-Markets

The display panel industry is heavily reliant on consumer electronics, which are highly sensitive to market demand and overall economic conditions. Counterpoint Research noted a sluggish performance in the Chinese smartphone market in 2025, with annual shipments declining by 0.6%. Such tightening in end-user consumer demand subjects the Company's operational performance to industry risks associated with economic cycles.

#### **【Countermeasures】**

In response to the rapid global economic changes driven by geopolitical factors, the Company has actively implemented strict inventory management and expanded into diversified product applications to mitigate market risk. Furthermore, we continue to strengthen our deployment of advanced technologies and high-end product specifications to reduce the impact of cyclical industry volatility.

b. Intense Competition and Severe Price Wars

The display panel industry is a mature market. With the constant iteration of consumer electronic specifications, new competitors continue to enter the DDI space. This increase in market players often leads to aggressive low-pricing strategies to capture market share, resulting in intensified price competition.

**【Countermeasures】**

Beyond maintaining close business relationships with customers and long-term stable partnerships with suppliers to ensure capacity, the Company aims to capture market opportunities early. We focus on developing high-integration products and new technologies to increase customer "stickiness." By leveraging superior technical strength and product specifications, we effectively mitigate the risks posed by price competition.

c. Challenges in Recruiting and Cultivating R&D Talent

As an IC design company centered on technical innovation, our R&D talent requires long-term cultivation. Given the booming IC design industry in Taiwan, competition for skilled R&D personnel is fierce. The combination of long training cycles and aggressive talent poaching poses a potential human resource risk to the Company's core R&D capabilities.

**【Countermeasures】**

To retain talent, the Company offers market-competitive compensation and benefits packages, supplemented by both regular and discretionary performance-based incentive programs. Internally, we foster employee loyalty and ensure organizational stability through a diverse array of employee welfare policies. Externally, we actively recruit top-tier talent from renowned universities. Furthermore, leveraging the resource advantages and increased international visibility gained from being a publicly listed company, we continue to enhance our employer brand to attract more outstanding professionals to join our team.

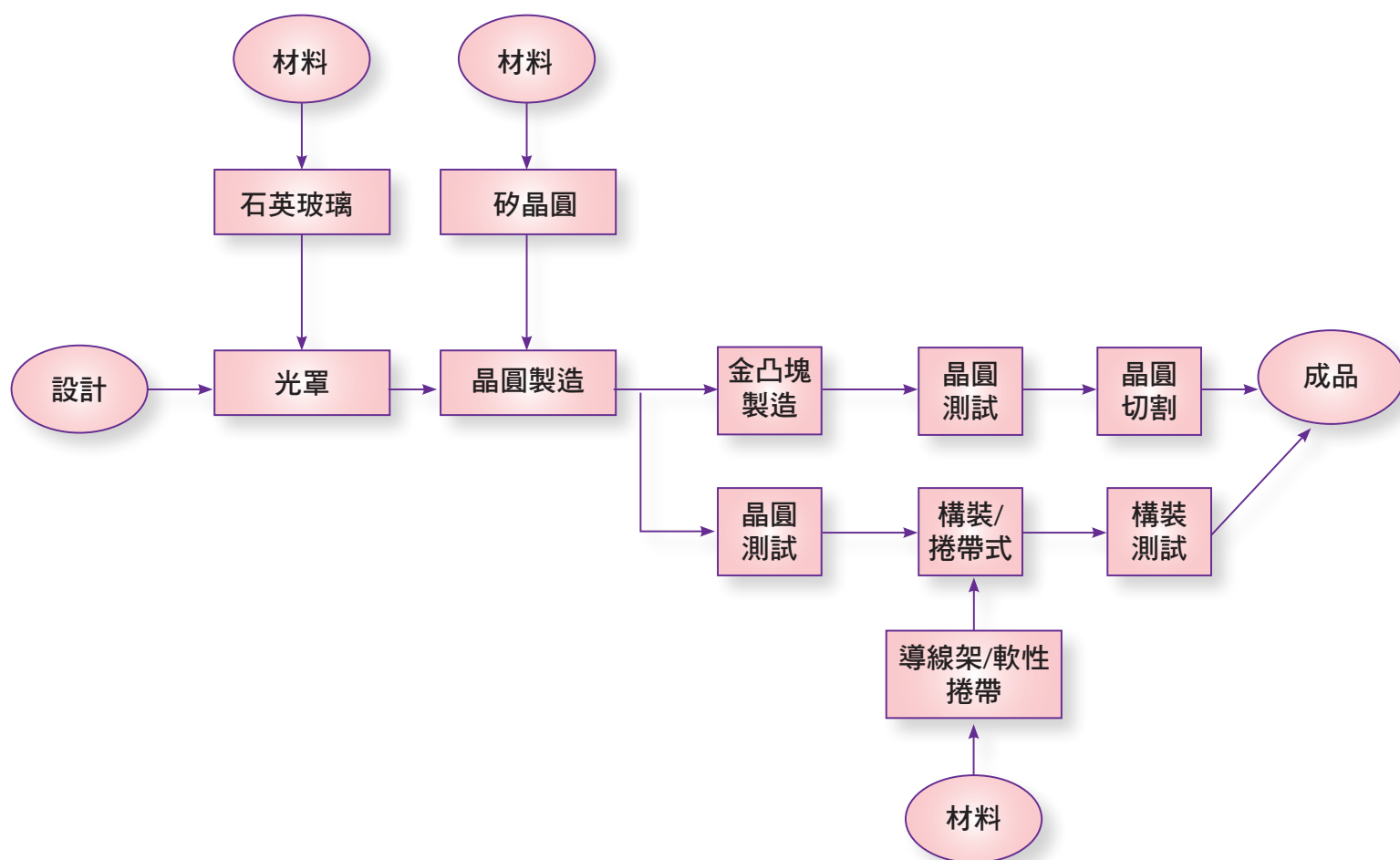
## (II) Important purpose of major products and production processes thereof

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 produce 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 number 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	2024				2025			
	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	5,266,321	42.30	None	Company B	3,569,947	31.05	None
2	Company B	3,410,661	27.40	None	Company A	3,437,500	29.90	None
3	Company C	1,333,278	10.71	None	Company E	1,536,579	13.37	None
	Other matters	2,439,664	19.59	-	Other matters	2,952,768	25.68	-
	Net purchase	12,449,924	100.00	-	Net purchase	11,496,794	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 2025, 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	2024				2025			
	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 Z	3,083,640	13.73	None	Company Z	2,164,206	11.34	None
2	Company X	2,827,172	12.59	None	Company W	2,038,911	10.68	None
	Other matters	16,550,753	73.68	-	Other matters	14,881,953	77.98	-
	Net sales	22,461,565	100.00	-	Net sales	19,085,070	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 2025 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; %

Year		2024	2025	April 22, 2026
Number of employees	Direct labor	—	—	—
	Indirect labor	964	1,043	1,057
	Total	964	1,043	1,057
Average age		37.19	37.99	38.15
Average years of service		6.76	7.19	7.34
Education distribution ratio (%)	Doctoral Degree	1.04	1.15	1.23
	Master's Degree	57.37	58.10	57.99
	University/College	41.60	40.75	40.78
	High school (including below)	—	—	—
	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:

During the most recent fiscal year and up to the date of publication of this Annual Report, the Company did not incur any losses resulting from environmental pollution. As the Company is primarily engaged in IC research and design, with manufacturing processes outsourced to third parties, there is no foreseeable risk of environmental pollution arising from its operations 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:**

The Company places great importance on employee welfare and development and is committed to providing a positive working environment with sound labor-management relations. During the most recent fiscal year and up to the date of publication of this Annual Report, the Company did not incur any losses arising from labor-management disputes.

## **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.**

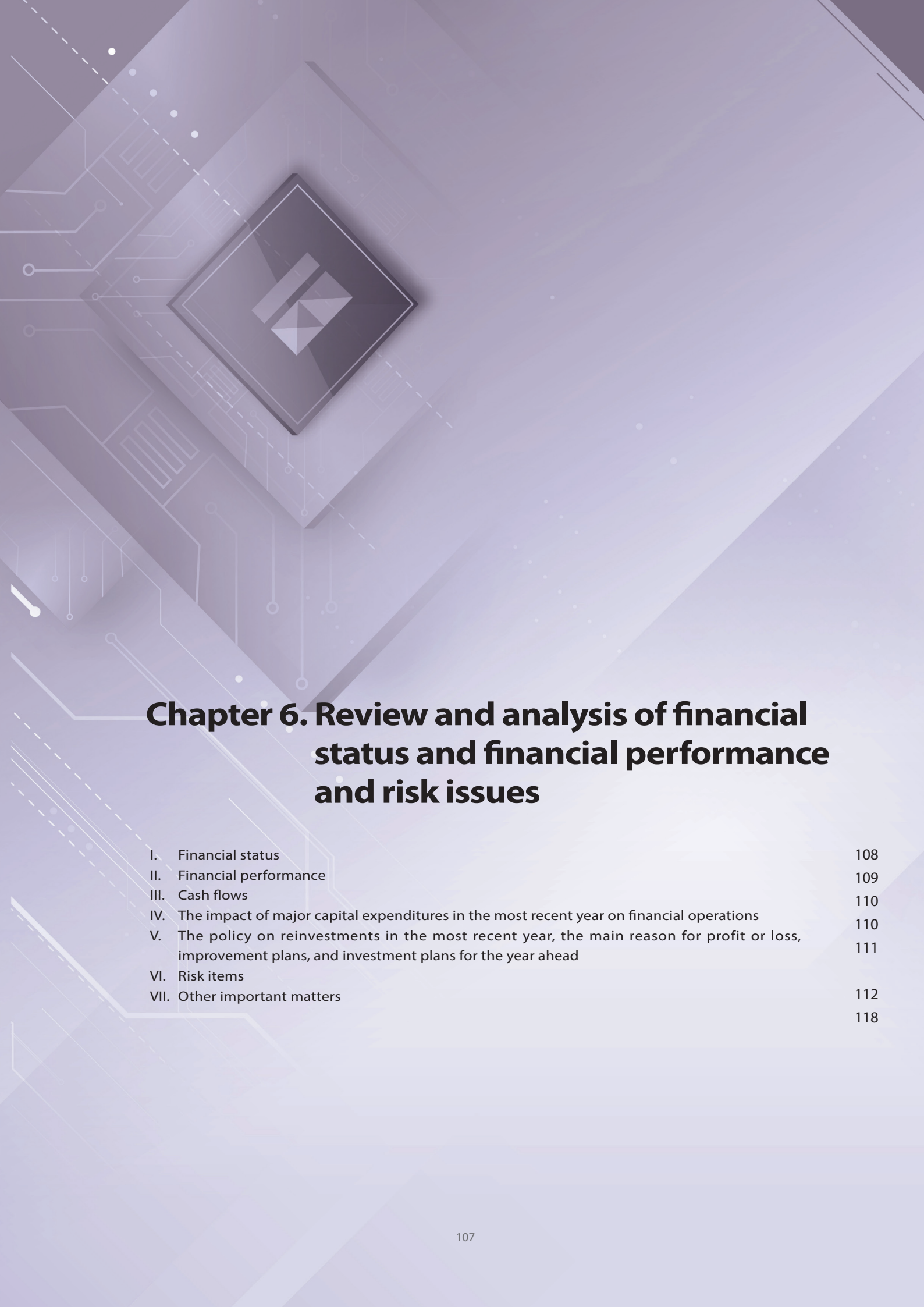
As of the date of publication of the annual report, the Company has not suffered losses

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	None
Capacity Reservation Agreement, and Amendments	Company B	2021/6/30~2030/11/30	Capacity reservation	None
Capacity Reservation Agreement	Company B	2025/3/1~2032/12/31	Capacity reservation	None
Capacity reservation contract	Company C	2021/10/31 - Both parties have signed the contract When the rights and obligations are fulfilled	Capacity reservation	None
Long-Term Wafer Supply and Purchase Agreement, and Amendment	Company D	2021/9/1~2029/12/31	Capacity reservation	None
Asset Purchase and Technology License Agreement	Company E	2025/2/7~2025/10/31 or such other term as mutually agreed in writing	Acquisition by subsidiary ILI Technology Corp. of TCON operating assets and related technology licenses	None



## **Chapter 6. Review and analysis of financial status and financial performance and risk issues**

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## Chapter 6. A review and analysis of the company's financial position and financial performance, and a listing of risks

### I. Financial status

Unit: NT\$ Thousands

Items	2024	2025	Difference	
			Amount	%
Current assets	16,226,614	11,415,583	-4,811,031	-29.65%
Property, plant and equipment	816,979	771,795	-45,184	-5.53%
Other non-current assets	10,185,247	13,430,759	3,245,512	31.86%
<b>Total assets</b>	<b>27,228,840</b>	<b>25,618,137</b>	<b>-1,610,703</b>	<b>-5.92%</b>
Current liabilities	6,816,202	4,938,269	-1,877,933	-27.55%
Non-current liabilities	812,742	666,514	-146,228	-17.99%
<b>Total liabilities</b>	<b>7,628,944</b>	<b>5,604,783</b>	<b>-2,024,161</b>	<b>-26.53%</b>
Share capital	4,923,966	4,923,966	0	0.00%
Capital surplus	5,469,650	5,469,650	0	0.00%
Retained earnings	9,207,251	9,598,894	391,643	4.25%
Other equity interest	(971)	20,844	21,815	-2246.65%
Equity attributable to owners of the parent company	19,599,896	20,013,354	413,458	2.11%
<b>Total equity</b>	<b>19,599,896</b>	<b>20,013,354</b>	<b>413,458</b>	<b>2.11%</b>

(I) Analysis of Items with Period-to-Period Changes Exceeding 20% and Amounting to NT\$10 million or more

1. The decrease was mainly attributable to a reduction in cash and cash equivalents resulting from the acquisition of the TCON business.
2. The increase was primarily due to the recognition of additional intangible assets arising from the acquisition of the TCON business.
3. The decrease was mainly attributable to reductions in provisions for liabilities to wafer foundries, the gradual refund of security deposits in accordance with contractual terms, and the settlement of various payables.
4. The decrease was primarily due to reductions in both current and non-current liabilities.
5. The increase was mainly attributable to the amortization of unearned employee compensation related to restricted stock grants.

(II) Future Response Plans for Material Impacts, if Any:

The aforementioned changes arose from normal business operations and do not have any material adverse impact on the Company's financial position.

## II. Financial performance

Unit: NT\$ Thousands

Items	2024	2025	Difference	
			Amount	%
Operating revenue	22,461,565	19,085,070	-3,376,495	-15.03%
Operating costs	16,437,777	13,904,154	-2,533,623	-15.41%
Gross profit	6,023,788	5,180,916	-842,872	-13.99%
Operating expenses	3,826,372	3,472,861	-353,511	-9.24%
Net operating income	2,197,416	1,708,055	-489,361	-22.27%
Non-operating income and expenses	1,171,349	152,169	-1,019,180	-87.01%
Net income before tax	3,368,765	1,860,224	-1,508,541	-44.78%
Net income after tax	2,249,289	1,364,287	-885,002	-39.35%

(I) Analysis of Period-to-Period Changes Exceeding 20% and amounting to NT\$10 million or more

1. The decrease was mainly attributable to a decline in revenue, which resulted in a reduction in overall gross profit.
2. The decrease was primarily due to lower foreign exchange gains compared with fiscal year 2024, leading to a corresponding decline in net non-operating income.
3. The decrease was mainly attributable to the combined impact of lower operating income and reduced net non-operating income.

(II) Expected Sales Volume, Basis of Projections, Potential Impact on Future Financial and Business Operations, and Response Plans

1. Expected sales volume and basis of projections

The Company formulates its annual targets based on customers' demand forecasts, taking into account the overall market environment, capacity planning, and historical experience. The Company continues to focus on the research and development of new products to address evolving market demand, expand its product portfolio, and diversify revenue sources. In addition, the Company will continue to adjust its operating strategies in line with sales projections and product development plans in order to maintain appropriate inventory levels.

2. Potential impact on future financial and business operations and response plans

Based on projected sales information provided by the sales and marketing units, together with production scheduling and yield data from quality assurance engineering, the Company estimates related costs and expenses to enable effective utilization of production capacity and financial resources. These measures are intended to support business growth and enhance overall operational efficiency.

### III. Cash flows

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

Unit: NT\$ Thousands

Items	2024	2025	Difference	
			Amount	%
Cash inflow from operating activities	3,299,118	249,364	-3,049,754	-92.44%
Cash outflow from investing activities	-550,444	-4,272,955	-3,722,511	676.27%
Cash inflow (outflow) from financing activities	103,387	-1,131,573	-1,234,960	-1194.50%
Analysis of changes:				
1. The decrease was mainly attributable to lower profitability during the current year and a slight increase in inventories.				
2. The increase was primarily due to the acquisition of the TCON business during the current year.				
3. The increase was mainly attributable to the pre-IPO capital increase completed in 2024, as well as higher cash dividend distributions during the current year.				

#### (II) Improvement plan for insufficient liquidity

For fiscal year 2025, the Company recorded profit before tax of NT\$1,860,224 thousand, net cash inflows from operating activities of NT\$249,364 thousand, and current assets totaling NT\$11,415,583 thousand, which exceeded current liabilities of NT\$4,938,269 thousand. Accordingly, the Company did not experience any liquidity shortfall during the period, and this item is therefore not applicable.

#### (III) Cash flow analysis for the coming year

The Company had a consolidated cash balance of NT\$1,917,603 thousand at the end of 2025, and it is expected that operating activities will continue to generate net cash inflows in 2026 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	2025		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	1,479,533	Good operating condition	Not applicable
ILITEK Holding Inc.	100	(45,925)	Investment gain and loss recognized by the holding company	Subsidiaries to actively expand customer base
W1 Technology Co., Ltd.	-	(16,717)	Good operating condition	Not applicable (Note)
Granda Microelectronics (Xiamen) Co., Ltd.	100	(18,706)	Below the operational scale	Actively expanding customer base
Howdi Microelectronics (Shenzhen) Co., Ltd.	100	(57,461)	Investment losses recognized from subsidiary Hefei Howdi Microelectronics Co., Ltd.	Subsidiaries to actively expand customer base
Hefei Howdi Microelectronics Co., Ltd.	100	(86,795)	Below the operational scale	Actively expanding customer base

(Note) For organizational restructuring purposes, ILI Technology Corp. and W1 Technology Co., Ltd. completed a merger on June 2, 2025, with ILI Technology Corp. as the surviving entity.

### (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 primarily derived from deposit interest earned from financial institutions, while interest expense mainly arises from interest on borrowings from financial institutions and lease liabilities. For fiscal years 2024 and 2025, the Company's interest income amounted to NT\$223,618 thousand and NT\$132,373 thousand, representing 1.00% and 0.70%, respectively, of consolidated net operating revenue for each period. Interest expense for the same periods amounted to NT\$10,547 thousand and NT\$8,908 thousand, each accounting for approximately 0.05% of consolidated net operating revenue. These figures indicate that fluctuations in interest rates have had a limited impact on the Company's operations.

#### 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

	2024	2025
Net foreign exchange gain (loss) (A)	912,645	(40,346)
Operating revenue (B)	22,461,565	19,085,070
As a percentage of operating revenue (A/B)	4.06%	0.21%

Source: Financial statements audited and certified by CPAs

The Company's sales and purchases are primarily settled in U.S. dollars. Foreign exchange risk is mainly mitigated through natural hedging. For fiscal years 2024 and 2025, the Company recorded foreign exchange gains (losses) of NT\$912,645 thousand and (NT\$40,346 thousand), respectively, representing 4.06% and 0.21% of consolidated net operating revenue for each period, and 27.09% and 2.17% of profit before tax, respectively. These figures indicate that the impact of foreign exchange fluctuations on the Company's revenue and profitability has gradually moderated.

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	2023		2024		2025	
	Amount	Amount	Growth rate	Amount	Growth rate	
Operating revenue	22,397,637	22,461,565	0.29%	19,085,070	-15.03%	

Source: Financial statements audited and certified by CPAs

In 2025, global inflationary pressures eased compared to the previous period; however, prices of semiconductor raw materials and packaging and testing costs remained at relatively high levels. In addition, demand for consumer electronics was affected by global geopolitical and economic factors, resulting in a 15.03% decline in the Company's revenue in 2025.

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. Cost-Reduction Solutions for Mainstream Notebook Products
  - b. eDP Tcon Embedded Integrated Driver IC
  - c. OLED NB Driver Solution
  - d. In cell Touch Solution
  - e. TCON w/i eDP 1.5 and power saving solutions for LCD and OLED applications
- (2) R&D direction of small size
  - a. Support for high-resolution products, including WQHD, 4K2K resolutions, and foldable display solutions
  - b. LCD In-Cell Touch Driver ICs
  - c. OLED Display and Touch Driver ICs
  - d. Development of high-speed eDP interfaces
  - e. Development of image algorithms for OLED panel applications, such as De-mura, De-burn-in, eye-care, and transparency enhancement
  - f. Low-power consumption solutions
  - g. High refresh rate support, such as 185Hz and 240Hz
- (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. Applications for Mirror, Cluster, HUD, and PHUD
  - c. Support for development of large-size and high-resolution display products
  - d. Compliance with automotive EMC CISPR 25 Level 5 requirements

## 2. Estimated R&D expenses

Over the past three fiscal years, the Company's research and development expenses amounted to NT\$2,180,452 thousand, NT\$2,526,041 thousand, and NT\$2,026,732 thousand, respectively, accounting for 9.74%, 11.25%, and 10.62% of operating revenue for each period. In order to maintain industry competitiveness, the Company expects to continue investing a substantial level of resources in research and development going forward and to adjust such investment in line with operating performance, with the aim of sustaining the competitiveness of its 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 2025, 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 and Non-Litigation Matters:

1. Major litigation, non-litigation, or administrative proceedings involving the Company that have been concluded or are pending during the most recent fiscal year and up to the date of publication of this Annual Report:

ELAN MICROELECTRONICS CORP. (“ELAN”) filed two patent infringement lawsuits against the Company and the Company’s distributor, NEOVIEW TECHNOLOGY INC., with the Intellectual Property and Commercial Court on July 3, 2025 and December 17, 2025, respectively, seeking damages. Subsequently, ELAN voluntarily withdrew the first lawsuit, which has been concluded. The remaining case is currently under review by the Intellectual Property and Commercial Court and does not have any material impact on the Company’s operations or financial condition.

2. Major litigation, non-litigation, or administrative proceedings involving the Company’s Directors, president, de facto responsible person, shareholders holding more than 10% of the Company’s shares, or subsidiaries that have been concluded or

are pending and may have a material impact on shareholders' equity or the market price of the Company's securities:

None.

**(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.

## Chapter 7. Special notes

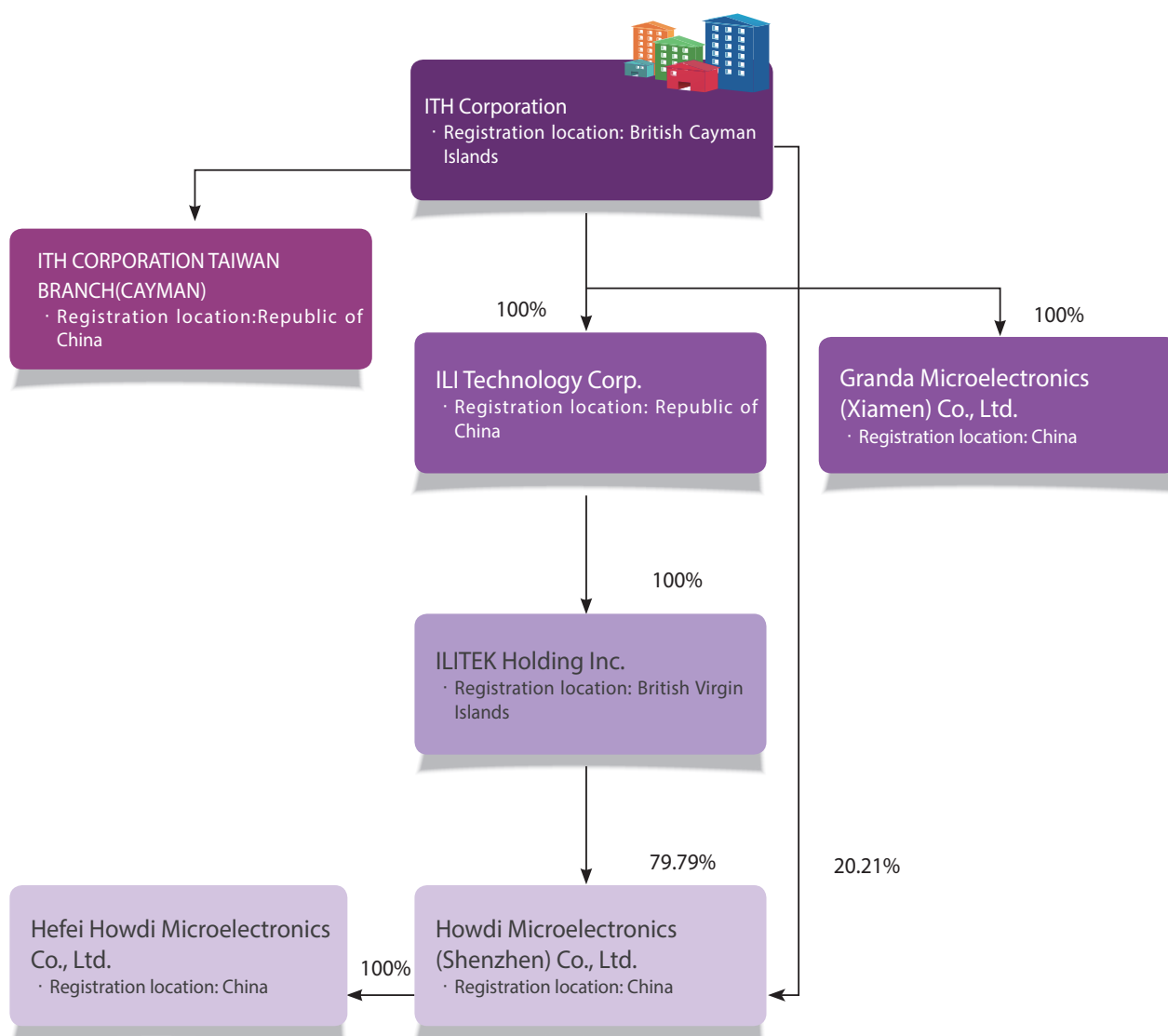
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## Chapter 7. Special notes

### I. Information on affiliated companies

(I) Organizational chart of affiliated companies:

Date : April 22, 2026



## (II) Basic information of each affiliated company

As of April 22, 2026 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	Research, design, development and sales of display-related analog application integrated circuit components
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 70,000	Research, design, development and sales of display-related analog application integrated circuit components

(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, 2025

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		
Granda Microelectronics (Xiamen) Co., Ltd.	Chairman	Bruce Chen	ITH Corporation holds 100% of the shares	100%
	General manager	Corry Chen		
	Supervisor	Justin Wang		
ILITEK Holding Inc.	Director	Bruce Chen	ILI Technology Corp. holds 100% of the shares	100%

Name of related party	Job title	Name or representative	Shareholding	
			Number of shares	Shareholding ratio
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, 2025; 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	24,343,904	5,472,986	18,870,918	19,085,070	1,848,698	1,477,486	30.75
Granda Microelectronics (Xiamen) Co., Ltd.	176,850	129,260	2,473	126,787	27,157	(17,819)	(18,706)	Note 1
ILITEK Holding Inc.	399,927	1,094,217	0	1,094,217	0	(50)	(45,925)	(3,519) Note 2
Howdi Microelectronics (Shenzhen) Co., Ltd.	486,262	1,421,841	51,420	1,370,421	572,846	27,227	(57,461)	Note 1
Hefei Howdi Microelectronics Co., Ltd.	309,962	296,423	105,103	191,320	699,122	(90,704)	(86,795)	Note 1

Note1: It is a limited company.

Note2: Par value: USD 1,000; Number of shares: 13,050.

## (VII) Consolidated financial statements of affiliates:

For fiscal year 2025 (from January 1, 2024 to December 31, 2024), the companies required to be included in the preparation of consolidated financial statements of affiliated enterprises in accordance with the Regulations Governing the Preparation of Consolidated Business Reports, Consolidated Financial Statements of Affiliated Enterprises, and Reports of Affiliated Enterprises are identical to those required to be included in the preparation of consolidated financial statements of parent and subsidiary companies in accordance with IFRS 10.

Furthermore, all information required to be disclosed in the consolidated financial statements of affiliated enterprises has already been disclosed in the aforementioned consolidated financial statements of the parent and subsidiary companies. Accordingly, the Company has not separately prepared consolidated financial statements of affiliated enterprises.

(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 Association in accordance with the Checklist of Shareholder Rights Protection Matters for Foreign Issuers' Countries of Registration (the "Shareholder Rights Protection Checklist"), as revised and announced by the Taiwan Stock Exchange Corporation on February 4, 2026, to address the material shareholder protection matters set forth therein.

However, due to certain differences between the laws of the Cayman Islands and the laws of Taiwan, some of the material shareholder protection matters listed in the Shareholder Rights Protection Checklist are not automatically applicable to the Company. Accordingly, the table below sets forth the differences between the Company's currently effective Articles of Association (the "Articles") and the Shareholder Rights Protection Checklist arising from the requirements of Cayman Islands law, as well as the relevant provisions of the Articles.

Discrepancy item	Articles of Incorporation	Reasons and explanations for the differences
<b>I. Formation and changes of capital</b>		
<ol style="list-style-type: none"> <li>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.</li> <li>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 consent of the shareholder receiving the property.</li> <li>3. The value of the property and the</li> </ol>	<p>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 redemption or repurchase (if any) shall be made by pursuant to an ordinary resolution for such</p>	<ol style="list-style-type: none"> <li>1. Article 14 of the Cayman Islands Companies Act (hereinafter referred to as the "<b>Cayman Companies Act</b>"), 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.</li> <li>2. Except as provided for in Article 14 of the Cayman Islands Companies Act, the issued capital of a company may only be eliminated if it is bought out, surrendered or redeemed in</li> </ol>

Discrepancy item	Articles of Incorporation	Reasons and explanations for the differences
<p>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, 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>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>
<p>1. Procedures for entering into a stock option contract with the Company's employees or issuing employee stock option</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</p>	<p>The Cayman Islands Companies Act does not contain any specific provisions regarding employee stock option agreements or the procedures</p>

Discrepancy item	Articles of Incorporation	Reasons and explanations for the differences
<p>certificates.</p> <p>2. Employee stock option certificates may not be transferred, except to successors.</p>	<p>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 employee of the Company or its subsidiaries, the Director may participate in the subscription of restricted stock or the employee</p>	<p>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
	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".
<b>II. Procedures for convening shareholders' meetings and resolution methods</b>		
<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> <li>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 and Exchange Act of the Republic of China shall be followed.</li> <li>5. The physical shareholders'</li> </ol>	<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 resolution of the Board of Directors or the shareholders obtain the permission to convene the meeting from the competent authority. In addition,</p>	<ol style="list-style-type: none"> <li>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.</li> <li>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 shareholders' meeting on his own in accordance with the provisions of the public company laws."</li> </ol>

Discrepancy item	Articles of Incorporation	Reasons and explanations for the differences
<p>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 issued shares for three months or more may convene an extraordinary shareholders' meeting on their own. The</p>	<p>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 number of issued shares for a period of three months or more may convene an extraordinary shareholders' meeting. The calculation of the</p>	

Discrepancy item	Articles of Incorporation	Reasons and explanations for the differences
<p>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 activities;</p> <p>(11) Distribution of dividends and bonuses in whole or in part</p>	<p>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 the provisions of the public company laws, shareholders who hold 1% or more of the total number of issued and distributed shares before the</p>	

Discrepancy item	Articles of Incorporation	Reasons and explanations for the differences
<p>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>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 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</p>	

Discrepancy item	Articles of Incorporation	Reasons and explanations for the differences
	<p>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"> <li>1. When the Company holds a shareholders' meeting, it shall be listed as one of the channels for exercising voting rights by electronic means.</li> <li>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.</li> <li>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 shall prevail. However, this limitation does not apply to those who expressed their intention before revoking the statement.</li> </ol>	<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 designated the chairperson of the general meeting of shareholders as their proxies and shall exercise the voting rights of their shares in the</p>	<ol style="list-style-type: none"> <li>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.</li> <li>2. Shareholders who cast their votes by proxy will not be deemed to have attended the shareholders' meeting in person.</li> <li>3. The Company's Articles of Incorporation may provide for the delivery of power of attorney.</li> <li>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 to vote shall have priority. However, the Articles of Incorporation of the Company may still provide for the</li> </ol>

Discrepancy item	Articles of Incorporation	Reasons and explanations for the differences
<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>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 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</p>	<p>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>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>	
<ol style="list-style-type: none"> <li>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, discussion proposals, and the election or dismissal of Directors.</li> <li>2. If the Company's shareholders'</li> </ol>	<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 as approval proposals, discussion proposals, and the election or dismissal of Directors, and transmit</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 shareholders' meeting, the form of proxy, the reasons and explanatory materials for various proposals such</p>

Discrepancy item	Articles of Incorporation	Reasons and explanations for the differences
<p>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>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>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>3. When a company distributes earnings in accordance with the preceding paragraph, it shall first</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>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 attendance of shareholders representing more than half of the total number of issued shares and 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 of convening the shareholders' meeting that it is a special resolution).</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 proxy letters) (if the Articles of Incorporation provide for a higher number of voting rights, such</p>

Discrepancy item	Articles of Incorporation	Reasons and explanations for the differences
<p>consent of more than two-thirds of the voting rights of the attending shareholders:</p> <ol style="list-style-type: none"> <li>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.</li> <li>2. Amendments to the Articles of Incorporation.</li> <li>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.</li> <li>4. Distributing dividends and bonuses in whole or in part by issuing new shares.</li> <li>5. Resolutions on dissolution, merger or spin off.</li> <li>6. Share conversion.</li> </ol>	<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 on a regular basis;"</p> <p>Article 14.2(h) of the Company's</p>	<p>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"> <li>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"> <li>(i) Amendment or addition of the Articles of Incorporation (Article 24);</li> <li>(ii) Amendment or addition of items in the memorandum or Articles of Incorporation regarding the objectives, powers, or other special matters (Article 10);</li> <li>(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).</li> <li>(iv) Merger or consolidation with another company (Article 233).</li> </ol> </li> </ol> <p>Matters requiring a special resolution under the Cayman Islands Companies Act shall not be passed by a lesser majority.</p> <ol style="list-style-type: none"> <li>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.</li> </ol> <p>Some provisions of the Company's Articles of Incorporation are slightly different from the following important</p>

Discrepancy item	Articles of Incorporation	Reasons and explanations for the differences
	<p>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>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 at a shareholders' meeting unless the number of shares represented by the</p>

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		<p>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 Cayman Islands Companies Act will still be retained as "special resolutions" in the</p>

Discrepancy item	Articles of Incorporation	Reasons and explanations for the differences
		<p>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. In comparison, the following important matters regarding the</p>

Discrepancy item	Articles of Incorporation	Reasons and explanations for the differences
		<p>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 affected 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><b>III. Powers and responsibilities of directors</b></p>		
<p>The remuneration of Directors, which is not specified in the Articles of Incorporation, shall be determined by the shareholders' meeting and shall not be ratified afterwards.</p>	<p>Article 30.1 of the Company's Articles of Incorporation: "A Director (except an Independent Director) may concurrently hold any other paid position in the Company during his term as a Director, the term,</p>	<p>The Cayman Islands Companies Act does not specify how Directors' remuneration is determined, but it may be regulated in the Company's Articles of Incorporation. Although the Company has not</p>

Discrepancy item	Articles of Incorporation	Reasons and explanations for the differences
	<p>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. Such policies shall comply with the provisions of laws, the memorandum, the Articles of Incorporation, the</p>	<p>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>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 judgment rendered by such court having jurisdiction.</p>	<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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 shareholders bring a lawsuit in court.</li> <li>4. Such a provision in the</li> </ol>

Discrepancy item	Articles of Incorporation	Reasons and explanations for the differences
		<p>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 mean the final judgment rendered by such court having jurisdiction. There are slight differences from</p>

Discrepancy item	Articles of Incorporation	Reasons and explanations for the differences
		<p>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 shareholder 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"> <li>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.</li> <li>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.</li> <li>3. The Company's managers shall bear the same liability for damages as the directors of the</li> </ol>	<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 compensate the Company to the maximum extent permitted by the law. If a director of a company violates</p>	<ol style="list-style-type: none"> <li>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.</li> <li>2. According to the principles of the common law, the acts of directors on behalf of the Company in the conduct of its business are deemed to be the acts of the Company itself. If his/her actions</li> </ol>

Discrepancy item	Articles of Incorporation	Reasons and explanations for the differences
<p>Company when performing their duties.</p>	<p>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>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> <ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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. Therefore, if the Company wishes to implement the manager's responsibilities for protecting</li> </ol>

Discrepancy item	Articles of Incorporation	Reasons and explanations for the differences
		shareholders' rights and interests, the Company and the manager should make a special agreement in a contract.



## **Chapter 8. Matters that have a significant impact on shareholders' equity or securities prices**

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

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## **Chapter 8. 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 dots in the bottom right corner suggests a digital path or data flow.

**ITH Corporation**