APEC
Advanced Power Electronics Corp.

TWES：8261

富鼎先進電子股份有限公司
Advanced Power Electronics Co., Ltd.

2024 Annual Report

Taiwan Stock Exchange Observation Post System https：// mops.twse.com.tw
Annual report is available at https：// www.a-power.com.tw
Printed on May 9, 2025

Spokesperson	Chia-Shuai Chang President Tel: +886-3-621-5899 Email: investinfo@a-power.com.tw
Acting Spokesperson	Mei-Ying Tan Vice President of Finance & HR Administration Division Tel: +886-2-2697-1299 Email: investinfo@a-power.com.tw
Company Information	**Headquarters** 12F, No.5, Taiyuan 1st St., Zhubei City, Hsinchu County, 30265, Taiwan, R.O.C. Tel: +886-3-621-5899 **Taipei office** 17F-8, No. 95, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City, 22175, Taiwan, R.O.C. Tel: +886-2-2697-1299
Stock Transfer Agent	Yuanta Securities Co., Ltd. Registrar & Transfer Agency Department B1F, No.67, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei, 10366, Taiwan, R.O.C. Tel: +886-2-2586-5859 Website: https://www.yuanta.com.tw
Auditor	Deloitte & Touche CPA: Wen-Chin Lin, Sin-Wei Dai 20F, No. 100, Songren Rd., Xinyi Dist., Taipei 11073, Taiwan, R.O.C. Tel: +886-2-2525-9988 Website: https://www.deloitte.com.tw
Listing of Foreign Securities	None
Corporate Website	https://www.a-power.com.tw

Disclaimer

Please note that this English annual report is not a word-for-word translation of the Chinese version. In the event of any variance, the Chinese text shall prevail.

Contents

1. Letter to Shareholders	**1**
2. Corporate Governance Report	**5**
3. Capital and Shares	**71**
4. Operational Highlights	**79**
5. Financial Status, Operating Results and Status of Risk Management	**101**
6. Subsidiary Information and Other Special Notes	**110**

1. Letter to Shareholders

Letter to Shareholders

Business Report

Dear Shareholders:

Thank you for taking the time to participate in the 2025 Shareholders Meeting. The consolidated revenue for 2024 was NT$2.918 billion, a increase of 2.36% compared to 2023. Benefiting from an optimized product mix that significantly reduced costs and enhanced the gross profit margin, along with prudent control of operating expenses, the net profit after tax reached NT$560 million, elevating earnings per share (EPS) to NT$4.80.

The 2024 business plan implementation outcome and this year's business plan are described as follows:

I. 2023 Business Outcome

(1) Business plan implementation outcome

In 2024, the Company and its subsidiaries implemented significant operational measures to enhance overall efficiency. By streamlining the supply chain, optimizing cost strategies, and adjusting the product mix, the inventory was swiftly restored to optimal levels, which contributed to an improved gross profit margin that outperformed the same period last year.

Despite ongoing global uncertainties, including inflation, interest rate fluctuations, and international geopolitical challenges, the Company and its subsidiaries have capitalized on the long-term advantages of the group's well-established channel platform. By utilizing the group's integrated marketing strategies, existing products have been successfully introduced into niche markets that were previously challenging to penetrate.

This trend is part of a medium to long-term plan, the Company and its subsidiaries will continue to closely monitor changes in market supply and demand while deepening engagement in the MOSFET and high-end IGBT markets. At the same time, efforts will be accelerated to expand into more forward-looking and strategic areas. Additionally, the Company and its subsidiaries are optimistic about the operational momentum and overall market prospects brought by AI applications.

Overall, the consolidated operating revenue, gross profit, and net profit after tax of the Company and its subsidiaries for 2024 amounted to NT$2.918 billion, NT$834 million, and NT$566 million, respectively. Earnings per share after tax reached NT$4.80, all exceeding the figures from 2024.

(2) Budget implementation

The Company and its subsidiaries did not formulate external financial forecasts for 2024.

(3) Financial income, expenditure and profitability analysis

In Thousands of New Taiwan Dollars

Item		2024
Financial income and expenditure	Operating revenues	2,918,407
	Gross profit from operations	833,932
	Net profit	565,960
	Net profit attributable to owners of the parent	565,220
Profitability	Return on assets (%)	9.33
	Return on equity (%)	10.37
	Pre-tax income as a % of paid-in capital	57.39
	Net income margin (%)	19.39
	Earnings per share (NT$)	4.80

(4) Research and Development

The high-voltage Power MOSFET has undergone process optimization to improve EMI performance in power supplies, and the development of the fourth-generation high-voltage process technology platform for 600V/650V has been successfully completed. Additionally, to address the high-performance cooling requirements of AI servers, data centers, next-generation gaming consoles, and foundational communication equipment, solutions such as high-speed DC fans and high-flow water pumps for liquid cooling systems have been integrated. Based on the specific design architecture requirements, the 30V to 200V N Channel and P Channel Power MOSFET series have been developed, providing customers with a comprehensive product portfolio.

II. Summary of the 2024 Business Plan

(1) Management guideline

The Company and its subsidiaries provide a full range of high, low, and medium voltage Power MOSFETs and remain committed to continuously developing new products to optimize the product portfolio. At the same time, leveraging the group's strong customer relationships in China and other regions, the Company and its subsidiaries seek to expand its operational scale and drive corporate profits.

(2) Sales volume basis and expectation

The main business scope of the Company and its subsidiaries include the research, development, production, testing and sales of Power MOSFETs. Power MOSFETs are extensively utilized in nearly all electrical and electronic systems, such as automotive, consumer electronics, industrial automation and other related fields. Specific applications include personal computers, switching power supplies, fan/motor drives, battery management systems, etc. The Company and its subsidiaries anticipate achieving an annual sales volume of 12.6 billion units in 2025.

(3) Key production and marketing policies

Under the influence of factors such as the U.S. investigation into China's mature semiconductor

manufacturing processes and the potential adjustments to tariff policies under the Trump administration, customers have largely adopted a wait-and-see approach, maintaining only safety stock levels. To stabilize market supply and demand, we have actively engaged in strategic communication and collaboration with long-term supply chain partners. At the same time, we have enhanced the sales and service quality of the Company and its subsidiaries. This approach has helped us continue expanding market share.

Through cooperation with our major shareholder, Xsemi Corporation, and leveraging resources from the Foxconn Group and Yageo Group, the Company has significantly strengthened its R&D capabilities. Furthermore, diversified collaboration in product design, process upgrades, and sales channel improvement has been initiated. These efforts lay the foundation to establish a complete upstream–downstream semiconductor industry chain, accelerating the Company and its subsidiaries' entry into the electric vehicle application market, increasing the domestic content rate for key electric vehicle–power products, and driving new momentum for the Company's growth.

(4) The impacts of future Company development strategies, external competitive environment, legal environment and overall business environment

Looking forward, as AI continues to advance in edge computing and cloud computing, the Company's products, primarily used in power supplies and cooling fans for AI servers, are expected to experience sustained demand growth with a stable trend. Furthermore, by maintaining close communication with long-term customers, the Company can further enhance the economies of scale in wafer fabrication, contributing to overall gross margin expansion.

However, challenges in the external operating environment and extreme weather events caused by climate change may continue to bring uncertainty to global supply chains and market demand. The Company will closely monitor market changes and adjust its operating strategies accordingly to ensure steady development. In addition, the Company and its subsidiaries closely monitor domestic and international policy development trends and regulatory changes, gathering relevant information to provide references for the management team to make informed decisions.

Lastly, We would like to thank all our shareholders for your long-term support and encouragement. On behalf of Advanced Power Electronics Co., Ltd., We would like to extend our heartfelt gratitude to all our shareholders and wish you all health and success!

Chairman	Tie-Min Chen
Manager	Chia-Shuai Chang
Chief Accounting Officer	Mei-Ying Tan

2. Corporate Governance Report

1. Directors, President, Vice Presidents, Senior Directors and Department Heads
2. 2024 Compensation of Directors, President, Vice Presidents, and Other Management Officers
3. Corporate Governance
4. Certified Public Accountant (CPA) Professional Fees
5. Change of CPA
6. Audit Independence for the Most Recent Year
7. Shareholding Changes of Directors, Management, and Major Shareholders for the Most Recent Year and up to the Publication Date of This Annual Report
8. Relationship Among Top Ten Shareholders
9. Comprehensive Shareholding Information Relating to Company, Directors, Management, and Companies Affiliated through Direct and Indirect Investments

Corporate Governance Report

1. Directors, President, Vice Presidents, Senior Directors and Department Heads

1.1 Directors

(1). Director Profile

Title	Nationality/Country of Origin	Name	Gender/Age	Date Elected	Term (Years)	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement	
							Shares	%	Shares	%	Shares	%	Shares	%
Chairman	R.O.C.	Tie-Min Chen	Male/ 61~70	May 18, 2023	3	May 18, 2023	—	—	—	—	—	—	—	—
Vice Chairman	R.O.C.	Future Technology Consulting, Inc.	—	May 18, 2023	3	June 8, 2000	3,084,899	2.60	3,169,899	2.67	—	—	—	—
	R.O.C.	Representative: Fu-Chi Teng	Male/ 61~70	May 18, 2023	3	June 8, 2000	—	—	2,151,694	1.81	—	—	—	—
Director	R.O.C.	XSemi Corporation	—	May 18, 2023	3	May 18, 2023	35,000,000	29.49	35,000,000	29.45	—	—	—	—
	R.O.C.	Representative: Chia-Shuai Chang	Male/ 51~60	May 18, 2023	3	May 18, 2023	—	—	—	—	—	—	—	—

As of March 31, 2025

Main working (education) experience	Concurrent positions in the Company and other companies	Officer or director is a spouse or consanguineous within two degree			Remark
		Title	Name	Relation	
Honorary Doctorate of Management, National Sun Yat-sen University Bachelor degree of Engineering Science, National Cheng Kung University President of Yageo Group	Founder and Chairman of YAGEO Corporation Chairman of Tong Hsing Electronic Ind., Ltd. Chairman of XSemi Corporation Chairman of Kuo-Shin Investment Co., Ltd. Vice Chairman of uPI semiconductor corp. Chairman of TMC Family Heritage	—	—	—	—
—	—	—	—	—	—
Executives Program, Graduate School of Business Administration, National Chengchi University Chairman of Advanced Power Electronics Co., Ltd. Chairman of Tainet Communication System Corp.	Chief Operating Officer of Advanced Power Electronics Co., Ltd. Chairman of Future Technology Consulting, Inc. Representative of Juridical person director, Tainet Communication System Corp. Representative of juridical person director, Future Technology Consulting (B.V.I.), Inc. Representative of juridical person director, Perfect Prime Ltd. (SAMOA) Representative of juridical person chairman and general manager, Green Power Semiconductor Co., Ltd. President and Representative of juridical person director, OPC Microelectronics Co., Ltd. Representative of juridical person director, Fuhong Investment Co., Ltd. Independent Director of Technology Unlimited Corp. Director of Data Image Corporation Independent Director of Caswell, Inc. Representative of juridical person chairman, St. John's star Venture Capital Co., Ltd. Director of Nccu Star Venture Capital Co., Ltd. Director of Ntust Star Venture Capital Co., Ltd. Representative of juridical person chairman of Chengchi of Star Venture Capital Co., Ltd.	—	—	—	
—	—	—	—	—	—
Doctor degree in Physics of National Tsing Hua University President of Tong Hsing Electronic Industries, Ltd. Vice President of Impac Technology Co., Ltd. Manager of R&D Department of Walsin Thz Technology Corp. Manager of Electronic and Optoelectronic System Research Laboratories, ITRI. President of Kingpak Technology INC.	President of Advanced Power Electronics Co., Ltd. President and Representative of juridical person chairman of XSemi Corporation	—	—	—	—

Title	Nationality/Country of Origin	Name	Gender /Age	Date Elected	Term (Years)	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement	
							Shares	%	Shares	%	Shares	%	Shares	%
Director	R.O.C.	Ying-Shi Huang	Male/ 51~60	May 18, 2023	3	May 18, 2023	—	—	—	—	—	—	—	—
Independent Director	R.O.C.	Pao-Shi Sheng	Male/ 51~60	May 18, 2023	3	May 18, 2023	—	—	—	—	—	—	—	—
Independent Director	R.O.C.	Nai-Jen Yeh	Male/ 61~70	May 18, 2023	3	May 18, 2023	—	—	—	—	—	—	—	—

As of March 31, 2025

Main working (education) experience	Concurrent positions in the Company and other companies	Officer or director is a spouse or consanguineous within two degree			Remark
		Title	Name	Relation	
Master degree in Accounting of National Chung Cheng University Bachelor degree in Accounting of Tunghai University Senior Director of Hon Hai Precision Industry Co., Ltd. Director of Hewlett-Packard Development Company, L.P. Director of Systex Corporation Senior Director of EY Transaction Advisory Services Inc.	Chairman of Altus Technology Inc., Chairman of Socle Technology Corp. Chairman of Healthconn Corp. Chairman of FAROBOT INC. Chairman of Foxconn New energy Automobile Industry Development (Henan) Co., LTD. Chairman of GENCONN BIOTECH CO., LTD. Chairman of SolidEdge Solution Inc Director of Pan-International Industrial Corp. Director of PowerX Semiconductor Corporation Director of XSemi Corporation Director of ShunSin Technology Holdings Limited Director of Foxtron Vehicle Technologies Co., Ltd. Director of iCana Ltd Director of Linker Vision Co., Ltd. Director of Batt. Cycle Materials Co., Ltd. Director of Beijing Hengyu Electric Vehicle Rental Co., Ltd. Director of FOXCONN INNOVATION INDUSTRY DEVELOPMENT GROUP CO, Ltd. Director of Foxconn EV Netherlands Holdings Director of LONG TIME TECH. CO., LTD. Director of Foxconn New Energy Battery (Zhengzhou) Co., Ltd. Director of Hon Young Semiconductor Corporation Director of Qingdao New Core Technology Co., Lt. Director of Pollux Technologies, Inc.	—	—	—	—
Bachelor degree of Economics, University of California, Berkeley General Manager, Hoan Pharmaceuticals Ltd.	Chairman and General Manager of Bora Pharmaceutical Co., Ltd. Chairman of Union Chemical & Pharmaceutical Co., Ltd. Chairman of Bao Lei Co., Ltd. Chairman of Rui Bao Xin Investment Co., Ltd. Director of BIONET Therapeutics Corp. Chairman of Bora Health Co., Ltd. Chairman of Bora Pharmaceutical and Consumer Health Inc. Chairman of Bao En International Co., Ltd. Chairman of Jia Xi International Co., Ltd. Chairman of Bora Management Consulting Co., Ltd. Chairman of Bora Biologics Co., Ltd. Chairman of Synpac-kingdom pharmaceutical Co., Ltd. Chairman of Bora Pharmaceutical and Consumer Health Inc. Chairman of Sunway Biotech Co., Ltd. Chairman of Baolei Management Consulting CO., LTD. Chairman of Baolei International CO., LTD. Chairman of TWi Pharmaceuticals, Inc. Director of Bora Pharmaceuticals USA Inc. Director of Bora Pharmaceuticals Services Inc. Director of TWi Pharmaceuticals USA, Inc. Director of Bora Pharmaceutical Holdings, Inc. Director of Upsher-Smith Laboratories, LLC Director of Bora Pharmaceuticals Injectables Inc. Director of Bora Pharmaceuticals Inc. Director of Upsher-Smith Holding, Inc. Director of Upsher-Smith America LLC Independent director of Gamania Digital Entertainment Co., Ltd. Director of Wellpool Co., Ltd. Director of Jesper Co., Ltd.	—	—	—	—
Bachelor degree in Electrical and Computer Engineering of Tamkang University R&D Vice President, Episil Technologies Inc. R&D Vice President, Miracle Technology Co., Ltd. President of Asia region, Princeton Technology Co., Ltd. Manager of Manufacturing Dept. of United Microelectronics Corp.	—	—	—	—	—

Title	Nationality/Country of Origin	Name	Gender /Age	Date Elected	Term (Years)	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement	
							Shares	%	Shares	%	Shares	%	Shares	%
Independent Director	R.O.C.	Chien-Wei Chen	Male/ 61~70	May 18, 2023	3	May 18, 2023	—	—	—	—	2,000	0.00	—	—

As of March 31, 2025

Main working (education) experience	Concurrent positions in the Company and other companies	Officer or director is a spouse or consanguineous within two degree			Remark
		Title	Name	Relation	
EMBA of Taiwan-Fudan University EMBA of National Taiwan University of Science and Technology Bachelor degree of Industrial Engineering and Management of National Taiwan University of Science and Technology Supervisor of E-Elements Technology Co. Ltd. Director of Ennoconn Corporation Committee Member of Compensation of Chaintech Technology Corporation	President of Technology Unlimited Group Chairman of Technology Created Medicine Corporation Chairman of Sparkle Computer Co., Ltd. Chairman of IOTU CORPORATION Representative of juridical person director of Rigo Global Co., Ltd. Independent Director, Aewin Technologies Co., Ltd. Director of Uwin Resource Regeneration Inc.	—	—	—	—

Table 1: Major Shareholders of APEC's Institutional Shareholders

As of March 31, 2025

Name of Institutional Shareholders	**Major Shareholders of the Institutional Shareholders**	**Percentage**
XSemi Corporation	Baoxin International Investment Co., Ltd. YAGEO Corporation Kuo-Shin Investment Co., Ltd.	45.00% 35.00% 15.00%
Future Technology Consulting, Inc.	Fu-Chi Teng Wei-Ling Hsieh Wei-Chuan Hsieh Yu-Hui Feng	76.36% 13.03% 7.58% 3.03%

Table 2: Major shareholders of the Company's major institutional shareholders

Name of Institutional Shareholders	Major Shareholders	Ownership
Yageo Corporation (Note)	Tie-Min Chen	6.98%
	CTBC BANK CO., LTD IN CUSTODY FOR Dominant Investment Holdings Ltd.	4.97%
	CTBC BANK CO., LTD IN CUSTODY FOR PRC HOLDING LIMITED	4.95%
	MEGA INTERNATIONAL COMMERCIAL BANK CO. LTD. ACTING AS CUSTODAIN FOR THE INVESTMENT ACCOUNT OF WHOLLY GROUP JAPAN III LIMITED.	4.81%
	Nan Shan Life Insurance Co., Ltd.	2.43%
	Labor Pension Fund（The New Fund）	1.33%
	Chunghwa Post Co., Ltd.	1.30%
	JPMorgan Chase Bank N.A. Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	1.24%
	Cathay Life Insurance Company, Ltd.	1.23%
	Fidelity Funds	1.19%
Bon Shin International Investments Co., Ltd.	HON HAI PRECISION INDUSTRY CO., LTD.	100.00%
Kuo Shin Investment Co, Ltd.	Yageo Corporation	100.00%

Note: As of the printing date of the annual report, the information of the top ten shareholders in 2024 has not been announced. The shareholding base date for this information is March 31, 2024.

(2). Qualifications and independence criteria of directors

A. Professional qualifications and experience of directors

Name	Professional Qualification and Experience
Chairman Tie-Min Chen	Graduated from the Engineering Science of National Cheng Kung University and was awarded an Honorary Doctorate of Management from National Sun Yat-sen University. He is the founder of Yageo Corporation and currently serves as the Chairman of Yageo Corporation, Tong Hsing Electronic Industries, Ltd, XSemi Corporation, Kuo-Shin Investment Co., Ltd., and Vice Chairman of uPI semiconductor Corp.. He also having achieved outstanding success in corporate management and possessing profound expertise in the field of passive component technology, with a particular focus on financial strategy planning and other business experiences essential for companies.
Vice Chairman Fu-Chi Teng	Graduated from the Executives Program, Graduate School of Business Administration of National Chengchi University. He is the vice chairman and chief strategy officer of the Company, the Chairman of Future Technology Consulting, Inc. and representative of juridical person director of listed companies. He has more than five years of business and financial experience. And the work experience required for the Company's business, dedicated to the semiconductor industry for nearly 25 years, with professional leadership, marketing, operation management and strategic planning capabilities, leading the Company to become an industry leader and a sustainable business.
Director Chia-Shuai Chang	Graduated with a Ph.D. in Physics at National Tsing Hua University, currently serving as the General Manager of our Company and XSemi Corporation, as well as the legal representative director of XSemi Corporation. Possessing outstanding academic background and accumulated years of practical experience in industrial management, bringing valuable leadership skills to the Company.
Director Ying-Shi Huang	Graduated with a Master degree at the Accounting at National Chung Cheng University, currently serving as the Senior Executive of Hon Hai Precision Industry Co., Ltd., and Chairman of several affiliated companies including Altus Technology Inc., Socle Technology Corp., Healthconn Corp., FAROBOT INC., and several others. Also holding positions as a director in XSemi Corporation, Foxtron Vehicle Technologies Co., Ltd., Pan-International Industrial Corp., ShunSin Technology Holdings Limited, and other companies. Possessing diverse industry management experience and professional background in finance and accounting, bringing valuable business expertise to the Company.
Independent Director Pao-Shi Sheng	Graduated with a Bachelor degree of Economics at the University of California, Berkeley, serving as the convener of the Audit Committee of our Company, and also as a member of the Compensation Committee and the Nomination Committee. Currently serving as the Chairman and General Manager of Bora Pharmaceuticals Co., Ltd., and Chairman of Sunway Biotech Co., Ltd., as well as Chairman of several other companies. Also serving as a director of Wellpool Co., Ltd. and as an independent director of Gamania Digital Entertainment Co., Ltd.. Possessing impressive expertise in capital market mergers and acquisitions and operational performance, providing valuable business experience to the Company.
Independent Director Nai-Jen Yeh	Graduated with a Bachelor degree of Electronic Engineering at Tamkang University, serving as the convener of the Compensation Committee of our Company, and also as a member of the Audit Committee and the Nomination Committee. Previously held positions as the

Name	Professional Qualification and Experience
	General Manager for the Asia region, Princeton Technology Co., Ltd., R&D Vice President, Episil Technologies Inc., R&D Vice President of Miracle Technology Co., Ltd., and Manager of Manufacturing Dept. of United Microelectronics Corp. Possessing professional capabilities in business management and technical research and development, bringing valuable work experience to the Company.
Independent Director Chien-Wei Chen	Graduated from the EMBA of Taiwan-Fudan University and EMBA of National Taiwan University. Serving as the convener of the Nomination Committee of our company, and also as a member of the Audit Committee and the Compensation Committee. Currently serving as resident of Technology Unlimited Group, and an independent director of Aewin Technologies Co., Ltd.. Also holding positions as Chairman and director in other companies. Possessing professional expertise in operational management and strategic leadership planning, providing specialized business experience to the Company.

B. Independence criteria of directors

Name	Independence Criteria	Number of Other Public Companies in which the Individual is Concurrently Serving as an Independent Director
Chairman Tie-Min Chen	Not in contravention of Article 30 of the Company Act.	0
Vice Chairman Fu-Chi Teng	Not in contravention of Article 30 of the Company Act.	2
Director Chia-Shuai Chang	Not in contravention of Article 30 of the Company Act.	0
Director Ying-Shi Huang	Not in contravention of Article 30 of the Company Act.	0
Independent Director Pao-Shi Sheng	The directors have been met the following independence criteria during the two years prior to being elected or during the term of the office. 1. Not an employee of the Company or its affiliates. 2: Not a director or supervisor of the Company or any of its affiliates. This does not apply in cases where the person is an independent director of the Company, its parent company, or any subsidiary in which the Company holds, directly or indirectly, more than 50% of the voting shares. 3:Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of issued shares of the Company or ranking in the top 10 in shareholdings. 4: Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons in the preceding specified in criteria 1 to 3. 5: Neither a director, supervisor, or employee of an entity that directly and/or indirectly holds 5% or more of total number of issued shares of the Company, or rank among the top 5 shareholdings. 6: Not a director, supervisor, officer, or shareholder holding 5% or more of the outstanding shares of any entity that has financial or business relations with the Company. 7: Not a director, supervisor, or employee of a company or institution of which the chairman, president (or equivalent) himself/herself or his/her spouse also serves as the company's chairman, president (or equivalent). 8: Not a director, supervisor, manager, or shareholder owning more than 5% of the outstanding shares of any company that has financial or business relations with the Company. 9:Not a professional, owner, partner, director or supervisor, or officer of a sole proprietorship, partnership, company, or institution that provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past two years has received cumulative compensation exceeding NT$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers	1
Independent Director Nai-Jen Yeh		0
Independent Director Chien-Wei Chen		1

Name	Independence Criteria	Number of Other Public Companies in which the Individual is Concurrently Serving as an Independent Director
	pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations. 10: Not a spouse or relative within second degree by affinity to other directors. 11: Not in contravention of Article 30 of the Company Act. 12:Not an institutional shareholder or its representative pursuant to Article 27 of the Company Act.	

(3). Implementation of Board Diversity

According to Article 20 of the company's Corporate Governance Best Practice Principles, the member diversity shall be taken into account for the composition of the board of directors, and appropriate diversification policy shall be formulated based on the company's operations, operation mode and development needs. The members of the board of directors shall possess the necessary knowledge, skills and quality to perform their duties. To achieve the goal of corporate governance, the board directors shall possess the following:

A. Ability to make operational judgments
B. Ability to perform accounting and financial analysis
C. Ability to conduct management administration
D. Ability to conduct crisis management
E. Industry knowledge
F. A global market perspective
G. Ability to lead
H. Ability to make policy decisions

The board of directors for this term is composed of seven directors. including three independent directors, 29% of the directors were employees, independent directors account for 43% of the composition, all independent directors have served for under three years. The board's age distribution three directors are under 60, and four are aged between 61 and 70. Their qualifications meet the independence requirements stipulated in the law, and they are familiar with the Company's financial and operating conditions. The Company also values gender equality in the composition of the board of directors, ensuring that at least one member is of a different gender. In the future, the Company will continue to strive to increase the proportion of female directors. The implementation is as follows:

Name	Title	Gender	Age		Term			Employees	Top five core competencies							
			51-60 years old	61-70 years old	Less than 3 years	3-9 years	More than 9 years		Finance	Electronic technology	Manufacturing	Business	Accounting	Information Technology	Marketing	Risk Management
Tie-Min Chen	Chairman	Male		✓					✓	✓	✓	✓		✓	✓	✓
Fu-Chi Teng	Vice Chairman	Male		✓				✓	✓	✓	✓	✓		✓	✓	✓

Name	Title	Gender	Age		Term			Employees	Top five core competencies							
			51-60 years old	61-70 years old	Less than 3 years	3-9 years	More than 9 years		Finance	Electronic technology	Manufacturing	Business	Accounting	Information Technology	Marketing	Risk Management
Chia-Shuai Chang	Director	Male	✓					✓		✓	✓	✓		✓	✓	✓
Ying-Shi Huang	Director	Male	✓						✓			✓	✓			✓
Pao-Shi Sheng	Independent Director	Male	✓		✓				✓			✓				✓
Nai-Jen Yeh	Independent Director	Male		✓	✓					✓		✓				✓
Chien-Wei Chen	Independent Director	Male		✓	✓					✓		✓				✓

Execution status and goal of diversified board of directors

Management goals	Execution status
The director who is also an employee should not exceed one-third of the number of directors	Achieved
Independent directors shall serve no more than three consecutive terms	Achieved
More than half of the directors are not a spouse or relative within second degree by affinity to other directors.	Achieved
If either gender holds less than one-third of the board seats	The Company will increase the proportion of female directors in the 2026 shareholders' meeting election

(4). Independence of the Board of Directors

The board of directors of the Company shall direct company strategies, supervise the management, and be responsible to the Company and its shareholders. The operations and arrangements of its corporate governance system shall be able to ensure that, in exercising its authority, the board of directors complies with the laws, regulations, its Articles of Incorporation, and the resolutions of its shareholders' meetings. The Company has three independent directors, which is in accordance with the Articles of Incorporation, the Company shall have independent directors for not less than two in number and not less than one-fifth of the total number of directors. The independent directors of the Company, when carrying out their duties, shall maintain independence and may not have any direct or indirect interest with the Company; their professional qualifications, shareholding, and restrictions on holding concurrent positions as well as determination of independence, method of nomination is complied with the Securities Exchange Act, Regulations Governing Appointment of Independent Directors and Compliance

Matters for Public Companies and other regulations and rules set forth by the Taiwan Stock Exchange Corporation.

The Company established an audit committee composed of the entire independent directors. The main function of the Audit Committee is to supervise the effective implementation of the internal control system of the Company, the hiring (and dismissal), independence and suitability of the Company′s CPA, fair presentation of the financial reports of the Company, Compliance with relevant laws and regulations by the Company and Risk management and control mechanism of the Company.

Unless the competent authority otherwise grants an approval, a spousal relationship or a familial relationship within a second-degree of kinship may not exist among more than half of the directors of the Company.

All directors do not have any in contravention of Article 30 of the Company Act and all directors do not have a spouse or relative within the second degree of relationship, which meets the requirements of Items 3 and 4 of Article 26-3 of the Securities and Exchange Act.

1.2 Profiles of President, Vice Presidents, Directors and Department Heads

Title	Nationality	Name	Gender	Effective Date	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		
					Shares	%	Shares	%	Shares	%	
Vice Chairman & CSO	R.O.C.	Fu-Chi Teng	Male	Jan.11, 2022	2,151,694	1.81	—	—	—	—	
President	R.O.C.	Chia-Shuai Chang	Male	Nov. 1, 2023	0	0.00	0	0.00	—	—	
Director of R&D Division (Note1)	R.O.C.	Yen-Yuan Huang	Male	April 18, 2024	67,757	0.06	1,058	0.00	—	—	
Vice President of Finance & HR Administration Division & Corporate Governance Officer	R.O.C.	Mei-Ying Tan	Female	Nov. 1, 2000	55,611	0.05	—	—	—	—	
Vice President of Sales Division	R.O.C.	Chien-Hsueh Lin	Male	Jan. 1, 2021	128,000	0.11	—	—	—	—	
Vice President of R&D Division (Note2)	R.O.C.	Jau-Yan Lin	Male	Nov. 12, 2018	—	—	—	—	—	—	
Vice President of Product Engineering Division (Note2)	R.O.C.	Meng-Hui Lin	Male	Nov. 12, 2018	—	—	—	—	—	—	

Note 1: On April 18, 2024, Mr. Yen-Yuan Huang was appointed as the head of the R&D Department.
Note 2: Resigned due to retirement on April 18, 2024. Insiders will not disclose shareholding from the resignation date.

As of March 31, 2025

Main working (education) experience	Concurrent positions in the Company and other companies	Officers who are Spouses or within Two Degrees of Kinship			Remarks
		Title	Name	Relation	
Executives Program, Graduate School of Business Administration, National Chengchi University Chairman of Advanced Power Electronics Co., Ltd. Chairman of Tainet Communication System Corp.	Chief Operating Officer of Advanced Power Electronics Co., Ltd. Chairman of Future Technology Consulting, Inc. Representative of Juridical person director, Tainet Communication System Corp. Representative of juridical person director, Future Technology Consulting (B.V.I.), Inc. Representative of juridical person director, Perfect Prime Ltd. (SAMOA) Representative of juridical person chairman and general manager, Green Power Semiconductor Co., Ltd. President and Representative of juridical person director, OPC Microelectronics Co., Ltd. Representative of juridical person director, Fuhong Investment Co., Ltd. Independent Director of Technology Unlimited Corp. Director of Data Image Corporation Independent Director of Caswell, Inc. Representative of juridical person chairman, St. John's star Venture Capital Co., Ltd. Director of Nccu Star Venture Capital Co., Ltd. Director of Ntust Star Venture Capital Co., Ltd. Representative of juridical person chairman of Chengchi of Star Venture Capital Co., Ltd.	—	—	—	—
Doctor degree in Physics of National Tsing Hua University President of Tong Hsing Electronic Industries, Ltd. Vice President of Impac Technology Co., Ltd. Manager of R&D Department of Walsin Thz Technology Corp. Manager of Electronic and Optoelectronic System Research Laboratories, ITRI. President of Kingpak Technology INC.	President of Advanced Power Electronics Co., Ltd. President and Representative of juridical person chairman of XSemi Corporation	—	—	—	—
B.A. in Department of Electronic Engineering, Feng Chia University Associate engineer of Winbond Electronics Corporation	—	—	—	—	—
Master of Laws (LL.M.), School of Law, Soochow University B.A. in Accounting, Tamkang University Senior Auditor, BDO Taiwan	Representative of juridical person director, Seaward Electronics Corp. (Cayman) Representative of juridical person director and general manager, Shenzhen Fucheng Electronics Co., Ltd. Representative of juridical person director, Green Power Semiconductor Co., Ltd. Representative of juridical person director, OPC Microelectronics Co., Ltd. Representative of juridical person chairman, Fuhong Investment Co., Ltd.	—	—	—	—
Master of Dept. of International Business, National Chengchi University Sales Manager of Epson Taiwan Technology & Trading Ltd. Product Director of Silicon Application Corp. Senior Sales Manager of AOS Taiwan	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—

2. 2024 Compensation of Directors, President, Vice Presidents, and Other Management Officers

2.1 Compensation of Directors (including Independent Directors)

As of December 31, 2024, Unit: NT$' 000

Title	Name	Compensation to Directors								Total Compensation (A+B+C+D) to Net Income (%)	
		Base Compensation (A)		Pension / Severance (B)		Directors Compensation (C) (Notes 1& 2)		Professional Fee (D)			
		Parent-only	Consolidated	Parent-only	Consolidated	Parent-only	Consolidated	Parent-only	Consolidated	Parent-only	Consolidated
Chairman	Tie-Min Chen	0	0	0	0	9,490	9,490	25	25	9,515 (1.68%)	9,515 (1.68%)
Vice Chairman	Fu-Chi Teng Future Technology Consulting, Inc. Representative:	0	0	0	0	6,326	6,326	30	40	6,356 (1.12%)	6,366 (1.13%)
Director	Chia-Shuai Chang XSemi Corporation Representative	0	0	0	0	3,163	3,163	30	30	3,193 (0.56%)	3,193 (0.56%)
Director	Ying-Shi Huang	0	0	0	0	3,163	3,163	25	25	3,188 (0.56%)	3,188 (0.56%)
Independent Director	Pao-Shi Sheng	1,000	1,000	1,000	0	0	0	5	5	1,005 (0.18%)	1,005 (0.18%)
Independent Director	Nai-Jen Yeh	1,000	1,000	1,000	0	0	0	40	40	1,040 (0.18%)	1,040 (0.18%)
Independent Director	Chien-Wei Chen	1,000	1,000	1,000	0	0	0	35	35	1,035 (0.18%)	1,035 (0.18%)

Note 1:As of the publication date of the annual report, NT$22,142 thousand and $36,904 thousand are set aside for employees' and directors' compensations for 2024 according to the resolution of the Board of Directors. It was calculated used last year's actual allocation ratio.

Note 2: According to the Company's Articles of Incorporation, directors' remuneration is determined based on their duties, risks and involvement. The Remuneration Committee reviews the compensation mechanism periodically.

Note 3: In addition to the above table, remuneration paid to directors for their services to all consolidated entities (such as consultants who are not employees): None.

As of December 31, 2024, Unit: NT$ '000

Compensation as an employee								A+B+C+D+E+F+G as a % of net profit		Compensation from investees other than subsidiaries
Performance-based salary (E)		Retirement pay of employees (F)		Earnings paid as bonus to employees (G) (Note 1)						
				Parent-only		Consolidated				
Parent-only	Consolidated	Parent-only	Consolidated	Cash bonus	Stock bonus	Cash bonus	Stock bonus	Parent-only	Consolidated	
6,258	6,258	0	0	1,845	0	1,845	0	17,618 (3.12%)	17,618 (3.12%)	None
8,875	8,875	108	108	1,845	0	1,845	0	17,184 (3.04%)	17,194 (3.04%)	None
6,284	6,284	108	108	1,845	0	1,845	0	11,430 (2.02%)	11,430 (2.02%)	None
0	0	0	0	0	0	0	0	3,188 (0.56%)	3,188 (0.56%)	None
0	0	0	0	0	0	0	0	1,005 (0.18%)	1,005 (0.18%)	None
0	0	0	0	0	0	0	0	1,040 (0.18%)	1,040 (0.18%)	None
0	0	0	0	0	0	0	0	1,035 (0.18%)	1,035 (0.18%)	None

2.2 Compensation of President and Vice President

As of December 31, 2024, Unit: NT$'000

Title	Name	Base Compensation (A)		Pension / Severance (B)		Bonuses and Allowances (C)		Employee Compensation (D) (Note 1)				A+B+C+D as a % of net profit		Compensation from investees other than subsidiaries
		Parent-only	Consolidated	Parent-only	Consolidated	Parent-only	Consolidated	Parent-only		Consolidated		Parent-only	Consolidated	
								Cash bonus	Stock bonus	Cash bonus	Stock bonus			
Vice Chairman & CSO	Fu-Chi Teng	21,138	21,138	610	610	6,210	6,210	9,226	0	9,226	0	37,184 (6.58%)	37,184 (6.58%)	None
President	Chia-Shuai Chang													
Director of R&D Division (Note 2)	Yen-Yuan Huang													
Vice President of Finance & HR Administration Division & Corporate Governance Officer	Mei-Ying Tan													
Vice President of Sales Division	Chien-Hsueh Lin													
Vice President of R&D Division (Note 3)	Jau-Yan Lin													
Vice President of Product Engineering Division (Note 3)	Meng-Hui Lin													

Note 1:As of the publication date of the annual report, NT$36,904 thousand is set aside for employees' compensations for 2024 according to the resolution of the Board of Directors. It was calculated used last year's actual allocation ratio.
Note 2: On April 18, 2024, Yen-Yuan Huang was appointed as the head of the R&D Department.
Note 3: Resigned due to retirement on April 18, 2024. Insiders will not disclose shareholding from the resignation date.

Range of Compensation	Name of President and Vice President	
	Parent-only	Consolidated
Less than NT$1,000,000	—	—
NT$1,000,000 (inclusive) ~ NT$2,000,000 (exclusive)	—	—
NT$2,000,000 (inclusive) ~ NT$3,500,000 (exclusive)	—	—
NT$3,500,000 (inclusive) ~ NT$5,000,000 (exclusive)	—	—
NT$ 5,000,000 (inclusive) ~ NT$10,000,000 (exclusive)	Chia-Shuai Chang Chien-Hsueh Lin, Mei-Ying Tan , Yen-Yuan Huang	Chia-Shuai Chang Chien-Hsueh Lin, Mei-Ying Tan , Yen-Yuan Huang
NT$10,000,000(inclusive) ~ NT$15,000,000 (exclusive)	Fu-Chi Teng	Fu-Chi Teng
NT$15,000,000(inclusive) ~ NT$30,000,000 (exclusive)	—	—
NT$30,000,000(inclusive) ~ NT$50,000,000 (exclusive)	—	—
NT$50,000,000(inclusive) ~ NT$100,000,000 (exclusive)	—	—
Over NT$100,000,000	—	—
Total	5	5

Note: Vice President of R&D Division. Mr. Jau-Yan Lin and Vice President of Product Engineering Division Mr. Meng-Hui Lin resigned due to retirement on April 18, 2024; therefore, no further disclosures are made.

2.3 Manager and employee bonuses

As of December 31, 2024, Unit: NT$'000

Title		Name	Stock bonus	Cash bonus (Note 1)	Total	As a % of net profit
Manager	Vice Chairman & CSO	Fu-Chi Teng	0	9,226	9,226	1.63
	President	Chia-Shuai Chang				
	Director of R&D Division (Note 2)	Yen-Yuan Huang				
	Vice President of Finance & HR Administration Division& Corporate Governance Officer	Mei-Ying Tan				
	Vice President of Sales Division	Chien-Hsueh Lin				
	Vice President of R&D Division (Note 3)	Jau-Yan Lin				
	Vice President of Product Engineering Division (Note 3)	Meng-Hui Lin				

Note 1:As of the publication date of the annual report, NT$36,904 thousand is set aside for employees' compensations for 2024 according to the resolution of the Board of Directors. It was calculated used last year's actual allocation ratio.
Note 2: On April 18, 2024, Yen-Yuan Huang was appointed as the head of the R&D Department.
Note 3: Resigned due to retirement on April 18, 2024. Insiders will not disclose shareholding from the resignation date.

2.4 Compensation of directors and management executives as a percentage of net income over the past two years and guiding principles

(1). Compensation of directors and management executives as a percentage of net income:

Type	As a % of net income				Ratio Variation	
	2024		2023			
	Parent-only	Consolidated	Parent-only	Consolidated	Parent-only	Consolidated
Directors	4.46%	4.47%	2.16%	2.16%	2.30%	2.32%
President and Vice President	6.58%	6.58%	25.03%	25.03%	(18.45%)	(18.45%)

(2). Remuneration policies, standards and package:

A. Compensation of directors

a. Directors' (including independent directors) remuneration and compensation

Directors' remuneration and compensation are paid according to Article 22 of the Company's Articles of Incorporation. Compensation paid to directors is pursuant to the ratio specified in the Company's Articles of Incorporation, when the company makes a profit.

b. Transportation allowances

Transportation allowances are paid based on attendance in board meetings and for services rendered as the chairman or a member of the Audit Committee, Remuneration Committee and Nominating Committee.

B. Compensation of President and Vice President

a. Compensation paid to the president and vice presidents comprises a fixed monthly salary, annual bonus and performance bonus.

b. Performance bonuses are determined based on the president's or the vice president's contribution to the Company and the results of an annual performance appraisal. The above-mentioned bonuses have been proposed by the Remuneration Committee for approval at the board meeting.

(3). Procedures for setting remuneration and performance bonuses:

A. In accordance with the Company's Articles 22 of Incorporation, the Company should distribute no less than 5% as employees' compensation, and not more than 3% as Directors' compensation of the Company's annual net income after deducting losses from previous years.

B. The above-mentioned Directors' and employees' compensation have been proposed by the Remuneration Committee for approval at the board meeting.

C. Year-end bonuses are set based on the Company's performance and the annual budget approved by the board and the chairman.

(4). Performance factor:

A. The performance evaluation of the directors is conducted on an annual basis, based on the "Regulations Governing the Performance Evaluation of the Board of Directors" and the evaluation result is submitted to its Board of Directors the following year for review and improvement, and to serve as a reference for the selection, nomination, and compensation of directors.

B. Adjustments to the compensation of the President and Vice Presidents are evaluated based on the following dimensions and corresponding indicators:

a. Financial: Indicators such as revenue growth, gross profit margin, expense ratio, and return on equity.

b. Non-Financial: Indicators related to market and customer satisfaction, product development, and internal processes.

c. Sustainability: Indicators such as carbon inventory, continuous employee development, and friendly workplace

All indicators take into account professional competence, the Company's operational and financial performance, continuous learning efforts, and other special contributions, and is linked to both corporate and individual performance as the basis for determining compensation.

C. The Company shall review the compensation mechanism periodically, taking future operating risks, environmental conservation and corporate social responsibility into consideration.

3. Corporate Governance

3.1 Board of Directors attendance

In 2024, the 10th Board of Directors convened 5 times (A). The following is the attendance of the directors:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Attendance Rate (%) (B/A)	Remarks
Chairman	Tie-Min Chen	5	0	100.00	
Vice Chairman	Future Technology Consulting, Inc. Representative: Fu-Chi Teng	5	0	100.00	
Director	XSemi Corporation Representative: Chia-Shuai Chang	5	0	100.00	
Director	Ying-Shi Huang	5	0	100.00	
Independent Director	Pao-Shi Sheng	3	2	60.00	
Independent Director	Nai-Jen Yeh	5	0	100.00	
Independent Director	Chien-Wei Chen	5	0	100.00	

Other Matters of Importance:

1. If any of the following circumstances occur, it is necessary to specify the dates of the board meetings, sessions, contents of motion, all independent directors' opinions, and the Company's responses:
   (1) Pursuant to Article 14-3 of the Securities and Exchange Act:
   Not applicable. The Company has already established an audit committee.
   (2) In addition to item (1), other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the board of directors.
   None.
2. Any directors' avoidance of motions due to conflict of interest, director name, contents of motion, causes for avoidance, and voting should be specified:

Date	Name of directors	Proposal	Reasons for recusal	Participation in deliberation
The 2th meeting of the 10th Board of Directors in 2024 April 18, 2024	Chia-Shuai Chang	The appointment for the change of the Spokesperson	Personal interest	Were excluded from the deliberations

3. Publicly-listed companies should disclose board self-evaluation (or peer-evaluation) information including cycle, period, scope, method, and content, and should fill in the attached Table 1, Information Regarding the Implementation of the Evaluation of the Board of Directors.
4. Measures have been taken to strengthen the functioning of the Board of Directors (e.g. establishment of the Audit Committee, increasing transparency) to assist the board in carrying out its various duties.

(1) The board of directors is composed of seven directors. There are three independent directors, accounting for one third of the composition. The Audit Committee and the Compensation Committee, composed entirely of independent directors, assist the Board of Directors in carrying out supervisory tasks. The chairperson of each committee reports on their committee's operations to the board on a regular basis. In order to enhance the Board's operation and strengthen the management mechanism, the Company established the Nomination Committee consisting of 3 independent directors to implement the sustainable development of the enterprise.

(2) Committed to upholding operational transparency, the Company holds institutional investor conferences and has set up Chinese/English sections for Investor Relations, Corporate Governance, risk management, ESG sustainable development, supplier management, Corporate Social Responsibility and Stakeholder Engagement on its official website.

(3) The Company provides its directors and managers with annual liability insurance to cover risks as they carry out their duties and reviews the insurance coverage on an annual basis to make sure the amount and scope are sufficient to the need.

(4) All the directors of the Company have at least 6 hours of continuing education in 2024.

(5) The Company conducts the board performance evaluation in accordance with the "Regulations Governing the Performance Evaluation of the Board of Directors" once a year, and at least once every three years by an external independent professional institution. The Company completed self-assessments of Board performance in 2024 and reported the results to the Board of Directors at the first meeting in 2025 for review and improvement.

Table 1. Board of Directors' Performance Internal Evaluation Implementation Status

Evaluation Cycles	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Aspects
Conducted Annually	January 1, 2024 ~ December 31, 2024	Board Performance Evaluation	Board Self-Assessment	The Board of Directors are assessed on the following five aspects: 1. Involvement in the Company's operation 2. Enhancement of the quality of the board's decision-making. 3. Makeup and structure of the board. 4.Election of board members and continuing knowledge development. 5. Internal controls
		Individual Board Member Performance Evaluation	Individual Board Member Self-Assessment	The Individual Board of Directors are assessed on the following Six aspects: 1.Understanding of the Company's goals and mission. 2.Awareness of director's duties. 3.Involvement in the Company's operations. 4.Internal relationship and communication. 5.Director's professionalism and continuing knowledge development. 6.Internal controls.
		Functional Committee Performance Evaluation	Audit Committee Member Self-Assessment	The Audit Committee Member Self-Assessment on the following five aspects: 1.Involvement in the Company's operation. 2.Awareness of the compensation committee and the audit committee's duties. 3.Enhancement of the quality of the compensation committee and the audit committee's decision-making. 4.Makeup of the compensation committee and the audit committee and election of its members. 5.Internal controls.

Evaluation Cycles	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Aspects
Conducted Annually	January 1, 2024 ~ December 31, 2024	Functional Committee Performance Evaluation	Compensation Committee Member Self-Assessment	The Compensation Committee Member Self-Assessment on the following Four aspects: 1.Involvement in the Company's operation. 2.Awareness of the compensation committee and the audit committee's duties. 3.Enhancement of the quality of the compensation committee and the audit committee's decision-making. 4.Makeup of the compensation committee and the audit committee and election of its members.
			Nominating Committee Member Self-Assessment	The Nominating Committee Member Self-Assessment on the following Four aspects: 1.Involvement in the Company's operation. 2.Awareness of the compensation committee and the audit committee's duties. 3.Enhancement of the quality of the compensation committee and the audit committee's decision-making. 4. Makeup of the compensation committee and the audit committee and election of its members.

The Company completed self-assessments of Board performance in 2024 and reported the results to the Board of Directors at the first meeting in 2025 for review and improvement. The weighted average score for the overall performance of the board of directors is 4.95 out of 5. The weighted average score for the performance of the individual directors is 4.90 out of 5. As demonstrated, the overall board's operation has been effective.

The functional committee performance evaluation resulted in an overall average score of 4.99 out of 5 for the Audit Committee's self-assessment, demonstrating effective corporate governance in enhancing the functionality of the Audit Committee, the Compensation Committee's self-assessment yielded an overall average score of 4.97 out of 5, indicating effective corporate governance in enhancing the functionality of the Compensation Committee, the Nominating Committee's self-assessment resulted in an overall average score of 5 out of 5, demonstrating compliance with corporate governance standards and effective enhancement of the Nominating Committee's functionality.

Table 2.Board of Directors' Performance External Evaluation Implementation Status

Evaluation Cycles	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Aspects
Conducted every three years	November 1, 2023 ~ October 31, 2024	Functional Committee Performance Evaluation	Taiwan Investor Relations Institute	The Compensation Committee Member Self-Assessment on the following Four aspects: 1.Involvement in the Company's operation. 2.Awareness of the compensation committee and the audit committee's duties. 3.Enhancement of the quality of the compensation committee and the audit committee's decision-making. 4.Makeup of the compensation committee and the audit committee and election of its members.

According to the Regulations Governing the Performance Evaluation of the Board of Directors approved by the board of directors on November 6, 2000, the Company has engaged the Taiwan Investor Relations Institute to conduct the performance evaluation of the Company's Board of Directors in 2024. The external experts are independent and have no business relationship with the Company.
The results of the performance evaluation of the Board of Directors was satisfactory and reported to the Board of Directors at the first meeting in 2025. The results of the performance evaluation disclosed on the Company's website.

3.2 Audit Committee attendance

The Company has established an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act, which is composed of all independent directors.

(1). Professional Qualification and Experience of Independent Directors:

Name	Professional Qualification and Experience
Independent Director Pao-Shi Sheng	Please refer to pages 13 to 15 for qualifications and independence criteria of directors
Independent Director Nai-Jen Yeh	
Independent Director Chien-Wei Chen	

(2). The scope of duties of Independent Directors

The Audit Committee is responsible for reviewing the following:

A. Review and discuss the adoption or amendment for the internal control system
B. The assessment of the effectiveness of the internal control system
C. Review and discuss the adoption or amendment, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others
D. Any matter that has a bearing on the personal interest of director
E. Material asset or derivatives transactions
F. Material monetary loans, endorsements or guarantees
G. Offering, issuance or private placement of any equity-type securities
H. Hiring or dismissal of an attesting CPA, or the compensation given thereto and performance, qualification and independence of CPAs
I. Appointment or discharge of financial, accounting or internal auditing officers
J. Financial reports
K. Review and discuss the matters related to the annual profit distributions
L. Review and discuss other material matters required by the Company or the competent authorities

In 2024, the 4th convened 4 times (A), The following is the attendance of the directors:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Attendance Rate (%) (B/A)	Remarks
Convener	Pao-Shi Sheng	2	2	50.00	
Member	Nai-Jen Yeh	4	0	100.00	
Member	Chien-Wei Chen	4	0	100.00	

Other Matters of Importance:

1. Any objections or issues raised by the Audit Committee against resolutions passed by the Board of Directors:

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

Dates of Board meetings	Contents of motion	Objections or issues by the Audit Committee	Audit Committee's opinion	Company's response
The 1st meeting of the 4th Audit Committee in 2024 February 29, 2024	Proposal for independence and suitability evaluation report of the CPAs appointed by the Company	None	Approved as proposed	Approved as proposed
	The 2023 financial statement of the Company	None		
	The 2023 earnings distribution of the Company	None		
	The 2023 Internal Control Statement of the Company	None		
The 2nd meeting of the 4th Audit Committee in 2024 April 18, 2024	Proposals of the change of Certified Public Accountant of the Company	None	Approved as proposed	Approved as proposed
	Proposal for independence and suitability evaluation report of the CPAs appointed by the Company	None		
	The Company's consolidated financial report for the first quarter of 2024	None		
The 3rd meeting of the 4th Audit Committee in 2024 July 2, 2024	The Company's consolidated financial report for the second quarter of 2024	None	Approved as proposed	Approved as proposed
The 4th meeting of the 4th Audit Committee in 2024 October 29, 2024	The Company's consolidated financial report for the third quarter of 2024	None	Approved as proposed	Approved as proposed
	Proposal for suitability evaluation and independence report of the CPAs appointed by the Company	None		
	2024 the delegation compensation of CPAs of the Company	None		
	Amendments to the Company's Internal Control System and the Implementation Rules for Internal Audit	None		
	2025 Internal Audit Plan of the Company	None		

   (2) In addition to the items listed above, any resolution passed by over two-thirds of the Board of Directors, but not approved by the Audit Committee: None.

2. Any independent directors' avoidance of motions due to conflict of interest: None.

3. Communication between Independent Directors and the Internal Audit Chief Officer and CPAs about major financial/operational matters:

   (1). Independent directors and internal auditors communication:

   A. Provide audit progress reports to independent directors at least once a year, and reports to independent directors according to the Company's annual audit plans and internal control follow-up procedures.

   B. At the end of each month, the head of Internal Audit send the audit and follow-up reports for the preceding month, and reports to independent directors according to the

Company's annual audit plans and internal control follow-up procedures. Provide audit progress reports to independent directors at least once a quarter. If material unusual matters occur during the auditing process, the head of Internal Audit will produce a report and submit to the independent directors immediately.

C.If there were abnormal events, independent directors and the internal auditors could communicate when necessary.

The independent directors communicated well with internal audit managers.

(2). Summary of communications between Independent Directors and the Internal Audit Chief Officer:

Date	Attendees	Communication Highlights Summary	Communication Results
November 1, 2024	Independent Director Pao-Shi Sheng Independent Director Nai-Jen Yeh Independent Director Chien-Wei Chen	Emphasis of internal control and trend of internal control	Met with no objections from the independent directors after extensive communication between independent directors and the head of internal auditor.
		Auditor's continuing training report in 2024	
		Head of internal auditor responds to questions raised in the meeting.	

(3). Independent directors and independent auditors (CPA):

A.A part from the once-annually face-to-face corporate governance meetings held by the audit committee and CPA, CPA may use written forms of communication when necessary. The scope of which includes independent auditors' report on the independence of the Company's consolidated financial reports and related responsibilities; audit plans and related matters; major matters relating to the audit (such as adjustment of journal entries and material weaknesses in internal control); findings of the audit report and review of the consolidated financial reports.

B.If there were abnormal events, independent directors and CPA could communicate when necessary.

The independent directors communicated well with CPA.

(4). The major matters of the communications between independent directors and CPA:

Date	Attendees	Communication Highlights Summary	Communication Results
November 1, 2024	Independent Director Pao-Shi Sheng Independent Director Nai-Jen Yeh Independent Director Chien-Wei Chen Wen-chin Lin CPA, Deloitte & Touche Assistant Vice President Emily Fan Deloitte & Touche Head of internal auditor Hsin-Chien Lee	Report on Audit Planning Matters for 2024	Met with no objections from the independent directors after extensive communication between independent directors and the CPA.
		Quality Management System and Transparency Report of the CPA Firm	
		Recent Legislative Updates Alert Report.	
		CPA responds to questions raised in the meeting.	

3.3 Corporate Governance Implementation Status and Deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"

Evaluation Criteria	Implementation Status			Reason for Non-implementation
	Yes	No	Explanation	
1. Does the Company establish and disclose the proper corporate governance framework based on the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"?	✓		The Company has established Corporate Governance Best Practice Principles. The Company's principles are available on the Company's official website under "Corporate Governance" and market observation post system (MOPS).	None
2. Shareholding structure & shareholders' rights (1) Has the Company established an internal operating procedure to address shareholders' suggestions, doubts, disputes, and litigation, with proper implementation based on this procedure?	✓		(1) The Company has designated a shareholder service team to handle shareholder suggestions and disputes. Shareholder suggestions, inquiries, disputes, and litigation are handled based on relevant standard operating procedures.	None
(2) Is the Company fully aware of its major shareholders and the ultimate owners of those shares?	✓		(2) The Company reports changes in internal (directors, managers, and shareholders of more than 10% of shares outstanding) shareholding on a monthly basis. The Company's quarterly reports have disclosed the names of shareholders who hold more than 5% equity, the total amount and proportion of the shares they hold, and other relevant information.	None
(3) Does the Company adopt and execute the proper risk management and firewall system within its affiliates?	✓		(3) The Company's internal control system set up the Rules and Procedures on Conducting Transactions between Group Companies and Related Parties and the Rules and Procedures on Monitoring Subsidiaries as risk control mechanisms. Business and financial dealings between the Company and an affiliate are handled by the principles of fairness and reasonableness with documented rules established, and pricing and payment terms are clearly defined to prevent non-arm's-length transactions.	None
(4) Does the Company establish internal rules against insider trading?	✓		(4) The Company has established "Rules and Procedures on insider trading before disclosure", "Rules and Procedures on Handling Internal Material Information" and "Code of Ethics". The Company prevents insider trading by controlling key points in its operations, which prevents Company insiders (employees, managers, and directors) from exploiting non-public information to trade securities. The Company held regular training on preventing insider trading. The Company published "Rules and Procedures on insider trading before	None

Evaluation Criteria	Implementation Status			Reason for Non-implementation
	Yes	No	Explanation	
			disclosure", strictly prohibiting insiders from insider trading with material nonpublic information to buy and sell securities on the market. The stock trading control measures from the date insiders become aware of the contents of the Company's financial reports or relevant results which include, without limitation, those prohibiting a director from trading its shares during the closed period of 30 days prior to the publication of the annual financial reports and 15 days prior to the publication of the quarterly financial reports. The Company has scheduled the date of board meeting in 2024 to remind managers and directors of stock trading control measures. inform insiders that trading their stocks is prohibited during the closed period of the financial report announcement： Based on the predetermined 2024 Board of Directors meeting dates, the Company has estimated the blackout period for financial report announcements and, on January 18, 2024, notified managers and directors via email, reminding them that the Board meetings are scheduled for February 29, April 18, July 30, and October 29, 2024, and reinforcing the prohibition of insider trading during the blackout period. Implementing of Rules and Procedures in 2024: A.Directors When dismissing directors, the Company provides directors' regulations and publicity manuals, and at any time explain to directors related regulations such as communication insider trading and short-term trading. Every year when planning a director's training plan, arrange education and publicity courses to prevent insider trading and related laws and regulations. The courses completed in 2024 are available on the Company's official website under "Corporate Governance". B.Managers and employees When the manager takes up the position of insider, the Company provides the relevant laws and regulations on the change of insider's equity. Provide education and advocacy in a timely manner within three months of employment. The Company held 0.5-hour online training on preventing insider trading for newly employees in 2024. The course includes an introduction and the elements of insider trading, violations, and case	

Evaluation Criteria	Implementation Status			Reason for Non-implementation
	Yes	No	Explanation	
			study, etc. A total of 115 employees (including managers) passed education and training 2024. The courses completed in 2024 are available on the Company's official website under "Corporate Governance".	
3. Board of Directors Composition and Responsibilities (1) Does the Board of Directors develop and implement a policy to promote diversity in the composition of its members	✓		(1) Diversity of board members is stipulated in the Company's Code of Practice for Corporate Governance and fully implemented. For the detail information please also see Page15 " Diversified board of directors".	None
(2) Does the Company voluntarily establish other functional committees in addition to the Compensation Committee and the Audit Committee?	✓		(2) The Company set up Audit Committee and Compensation Committee, and Nomination Committee on November 1, 2022. Other functional committees will be set up depending on future needs.	None
(3) Does the Company establish and implement on an annual basis a set of assessments to measure the performance of the Board of Directors, report the performance evaluation results to the Board to Directors, and use it as a reference for the compensation of the Board of Directors?	✓		(3) The Company conducts the board performance evaluation once a year by questionnaire of self-evaluation. The evaluation scope includes the Board of Directors as a whole, the individual directors, the Compensation Committee, the Audit Committee, and the Nomination Committee. The results shall be used as a reference basis when selecting or nominating directors and shall base its determination of an individual director's remuneration on the evaluation results of his or her performance. The Company completed self-assessments of Board performance in 2024 and reported the results to the Board of Directors at the first meeting in 2025 for review and improvement. The weighted average score for the overall performance of the board of directors is 4.95 out of 5. The weighted average score for the performance of the individual directors is 4.90 out of 5. As demonstrated, the overall board's operation has been effective. The weighted average score for the overall performance of the Compensation Committee is 4.99 out of 5 and the Audit Committee's is 5 out of 5 and the Nominating Committee's is 4.89 out of 5. According to the performance self-assessment of each functional committee, all functional committees comply with corporate governance and effectively enhance their respective functions. (Teble1,Page 26) According to the Company's Regulations Governing the Performance Evaluation of the Board of Directors, an external evaluation shall be conducted at least once every three years The Board of Directors' performance evaluation for the year 2024 was assessed as satisfactory by the Taiwan Investor Relations	None

Evaluation Criteria	Implementation Status			Reason for Non-implementation
	Yes	No	Explanation	
			Institute, and the evaluation results were submitted to the first Board meeting in 2025 for reporting. (Table2,Page 27)	
(4) Does the Company regularly evaluate the independence of its CPAs?	✓		(4) At least once a year, the Company evaluates the independence and suitability of its CPA. The Company also evaluates the accounting firm with regard to its financial interests, funding and guarantees, commercial relations, family and personal relations, employment relations, gifts and special offers rotation of CPAs, and non-audit services, and obtains a statement of independence issued by the accounting firm. The results of the most recent evaluations in the last two years were reviewed and approved to the Board on February 29, 2024 and February 27, 2025. The Company will evaluate the independence and suitability of its CPA, in addition to requiring statement of independence issued by the accounting firm, and refer to 13 indicators of audit quality indicators (AQIs), and report the evaluation results to the Board. (Table 3, Page 38)	None
4. Has the Company allocated suitable and sufficient corporate governance staff and appointed a manager of corporate governance responsible for corporate governance matters (including, but not limited to, furnishing information required for business execution by directors, assisting directors in complying with laws and regulations, handling matters related to board and shareholder meetings in accordance with the laws, producing minutes of board and shareholder meetings, etc.)?	✓		The Company's Corporate Governance Officer has been officially approved by the Board of Directors on May 2, 2023, the Company also appoints qualified and appropriate personnel to handle the affairs of the board of directors in accordance to conducted matters relating to of the Audit Committee, the Compensation Committee, and the Nomination Committee the board of directors and the general shareholders meeting, recorded minutes of Board Meetings and Shareholder Meetings, assisted in the matters of director appointment and profession enhancement, provided directors with related information required in conducting business, assist directors in compliance with laws, and regularly conduct performance evaluation pursuant to the rules for “Board of Directors Self-Assessment of Performance”.	None
5. Has the Company established a communication channel and designated a website section for its stakeholders (including but not limited to shareholders, employees, customers, and suppliers) as well as to handle all CSR-related issues?	✓		The Company's website has established a dedicated section for Corporate Social Responsibility (CSR), which includes a communication area for stakeholders. This allows us to promptly understand and appropriately respond to sustainability issues that concern stakeholders. The identification of stakeholders and the status of communication were reported to the Board of Directors on October 29, 2024.	None
6. Does the Company appoint a professional shareholder service agency to handle shareholder meeting affairs?	✓		The Company has engaged the Transfer Agency and Registry Department of Yuanta Securities Co., Ltd. to manage its annual general meeting.	None

Evaluation Criteria	Implementation Status			Reason for Non-implementation
	Yes	No	Explanation	
7. Information Disclosure (1) Does the Company have a corporate website to disclose all information regarding finances, the business, and corporate governance?	✓		(1) Disclosure of financial-related and corporate governance information is posted periodically on the Company's website.	None
(2) Does the Company have other information disclosure channels (e.g. English website, designated personnel to handle information collection and disclosure, spokesperson system, investor conference webcasts, etc.)?	✓		(2) Aside from having a spokesperson, the Company has a dedicated department, the Investor Relations Division, to handle information disclosure. It also has an English website and a team working on gathering and releasing relevant Company information.	None
(3) Does the Company report its annual financial report within two months after the end of the fiscal year and announce the first, second, and third quarter financial reports and monthly operating updates before the prescribed deadlines?	✓		(3) The Company has announced and filed its annual financial report within two months after the end of the fiscal year. The financial reports for the first, second, and third quarters were approved by the board of directors, and the operating conditions of each month were announced and declared before the specified deadline. The relevant information was also disclosed on the MOPS and Our Company website.	None
8. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices? (including but not limited to employee rights, employee care, investor relations, supplier relations, the rights of interested parties, directors and supervisors, the implementation of risk management policies and risk measurement standards, the implementation of customer policies, and the company Purchase of liability insurance for directors and supervisors, etc.)?	✓		(1) Employee rights: The Company has always adhered to the belief of labor-management integration, coexistence and co-prosperity, emphasizes rationalized, institutionalized, and humanized management, respects the wishes and needs of employees, and shares benefits in accordance with the principles of labor law. Communicate and coordinate to establish a good labor-management relationship. (2) Investor relations: In accordance with relevant regulations, the Company immediately announces important company information about finance, business, and insider shareholding changes in the MOPS. The Company's website also sets up an investor area to disclose the company's financial business information. The minutes of the shareholders' meetings of the company are recorded in accordance with the company law and relevant laws and regulations. The minutes of the shareholders' meetings have been published on the company's website and are permanently stored in the company. (3) Supplier relations: The Company establishes a long-term close relationship with suppliers based on the principle of win-win, and hopes to pursue mutual trust and mutual benefit together to pursue sustainable growth. (4) Rights of stakeholder: Stakeholders may communicate with the Company and make suggestions to safeguard their legitimate rights and interests. (5) Directors' training record:	None

Evaluation Criteria	Implementation Status			Reason for Non-implementation
	Yes	No	Explanation	
			The directors have relevant professional knowledge and follow the relevant laws and regulations to study securities regulations and other courses, and meet the requirements of the training hours. Please refer to the following Table 4: Directors' Continuing Education Records for fiscal year 2024. (Table4, Page41). (6) Implementation of risk management policies and risk assessments: The Company has always carried out related risk management based on the principle of soundness, and has established a strict internal control system to prevent various risks. The internal audit unit regularly and irregularly checks the implementation of the internal control system, and also insures property insurance. (7) Implementation of customer relations policies: The Company maintains a stable and good relationship with customers and upholds the customer first policy to create company profits. (8) Insurance for directors: The Company has purchased liability insurance for directors to strengthen the protection of shareholders' rights and interests.	

9. Please explain items that have been already improved and priority measures to reinforce matters haven't been improved, in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange.

   The following describes the improvements made by the Company in response to the evaluation recommendations for 2024, compared to 2023:

Item	Indicator	Status of Improvement
Improved	1.12	The Company will report related party transactions to the shareholders' meeting in 2025.
	1.19	The Company has uploaded the full, uninterrupted audio and video recording after the shareholders' meeting.
	2.23	An external professional institution was commissioned by the Company to assess the performance of the Board of Directors. The results of the evaluation were reported to the Board and disclosed on the Company's website and in its annual report.
Priority measures to reinforce	2.2	Establish and implement risk management policies and procedures, and report to the Board of Directors at least once a year.
	2.6	Plan to ensure that at least one-third of the board seats in the next term are held by directors of either gender.
	3.20	The Company plans to hold no fewer than two investor conferences annually.
	4.5	Prepare a sustainability report, obtain third-party assurance, and submit it to the Board of Directors for approval.

Table 3: CPAs' independence evaluation items

(1) Information of CPA for the Year 2024

Accounting Firm	Name of CPA
Deloitte & Touche	Wen-Chin Lin
	Hsin-Wei Tai

(2) The evaluation of the independence and competence of the CPAs

Criteria	Evaluation Results	Independence of the CPAs
1. As of the most recent audit performed, no CPA has been changed for seven (7) consecutive years.	Yes	Yes
2. The CPA is not involved in any significant financial interests with the Company.	Yes	Yes
3. The CPA avoids any improper relationships with the Company.	Yes	Yes
4. The CPA should ensure ethical conduct and independence of his/her assistants.	Yes	Yes
5. The CPA may not perform audit and assurance services on the financial statements of companies he/she has served within two years before CPA practice.	Yes	Yes
6. The CPA may not permit others to practice under his/her name.	Yes	Yes
7. The CPA does not own any shares of the Company or its affiliated companies.	Yes	Yes
8. The CPA does not engage in lending or borrowing of money with the Company and its affiliated companies.	Yes	Yes
9. The CPA and the Company or its affiliated companies are not engaged in any joint investments or profit sharing.	Yes	Yes
10 The CPA does not engage in regular work for the Company or its affiliated companies concurrently and does not receive a fixed salary from them.	Yes	Yes
11. The CPA does not engage in regular work for the Company or its affiliated companies concurrently and does not receive a fixed salary from them.	Yes	Yes
12. The CPA does not concurrently engage in other businesses that may lead to the loss of his/her independence.	Yes	Yes
13. The CPA does not have spouse, lineal relatives by blood or by marriage, or collateral relatives by blood within the second degree of kinship with the management level of the Company.	Yes	Yes
14. The CPA does not receive any commission related to his/her service.	Yes	Yes
15. As of now, the CPA has not engaged in any matters that may result in disciplinary actions taken against him/her or may compromise his/her independence	Yes	Yes

The results of the evaluation of the independence and competence of the CPAs (as shown in the table above) and the detached independence statement were obtained:

All meet the Company's independence and competence assessment standards. The Company also refers to the audit quality index (AQI) and prepares the accountant evaluation and performance evaluation form. The evaluation results meet the independence and suitability evaluation.

Table 4: Directors' Continuing Education Records for the Year 2024

Name	Training Period	Organizer	Course Name	Course Hours
Chairman Tie-Min Chen	October 29, 2024	Accounting Research and Development Foundation	Analysis of Legal Responsibilities and Case Studies in Corporate Control Disputes	3
	October 29, 2024	Accounting Research and Development Foundation	Corporate ESG Practices: Legal Responsibilities and Case Studies on Gender Equality and Human Rights	3
Vice Chairman Fu-Chi Teng	July 3, 2024	Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance and Climate Change Summit	3
	November 22, 2024	Securities and Futures Institute	2024 Insider Equity Trading Legal Compliance Awareness Seminar	3
Director Chia-Shuai Chang	October 29, 2024	Accounting Research and Development Foundation	Analysis of Legal Responsibilities and Case Studies in Corporate Control Disputes	3
	October 29, 2024	Accounting Research and Development Foundation	Corporate ESG Practices: Legal Responsibilities and Case Studies on Gender Equality and Human Rights	3
Director Ying-Shi Huang	January 24, 2024	Taiwan Securities Association	Introduction to Corporate Governance Disputes and Commercial Matters	3
	November 22, 2024	Corporate Operating and Sustainable Development Association	Corporate Governance and Securities Regulations -Executives of the listed companies with the understanding of supervision from governmental authority	3
	November 22, 2024	Corporate Operating and Sustainable Development Association	Discussion of Taiwanese Firms' operating and M&A strategy form the perspective of global political and economic situation	3
Independent Director Pao-Shi Sheng	February 27, 2024	Securities and Futures Institute	2024 Economic Trends and Global Insights	3
	May 2, 2024	Securities and Futures Institute	Introduction to the Latest Tax Laws and Equity Tax-Saving Strategies for Major Shareholders	3
Independent Director Nai-Jen Yeh	October 29, 2024	Accounting Research and Development Foundation	Analysis of Legal Responsibilities and Case Studies in Corporate Control Disputes	3
	October 29, 2024	Accounting Research and Development Foundation	Corporate ESG Practices: Legal Responsibilities and Case Studies on Gender Equality and Human Rights	3
Independent Director Chien-Wei Chen	July 3, 2024	Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance and Climate Change Summit	6

3.4 Compensation Committee and Nominate Committee Composition, Responsibilities and Operations

1. Compensation Committee Composition, Responsibilities and Operations

   The Compensation Committee, composed entirely of independent directors, is bound by the Compensation Committee Charter. The committee is responsible for the following:

A. Establish a policy, system, standard and structure for directors' and managers' compensation and review them periodically.

B. Decide compensation of directors and managers and carry out periodic evaluations.

(1). Compensation Committee Member Profiles

Title	Name	Professional Qualification and Experience	Number of Other Public Companies in which the Individual is Concurrently Serving as Compensation Committee's Member
Independent Director	Nai-Jen Yeh	Please refer to Page 12~14 for "Qualifications and independence criteria of directors"	0
Independent Director	Pao-Shi Sheng		1
Independent Director	Chien-Wei Chen		1

(2). The Compensation Committee Operation

A. The Compensation Committee is currently comprised of 3 members.

B. Current Compensation Committee Member Terms: May 18, 2023, through May 17, 2026;

In 2024, the 6th Compensation Committee convened 2 times (A). The following is the attendance of the directors：

Title	Name	Attendance in Person (B)	Attendance by Proxy	Attendance Rate (%) (B/A)	Remarks
Convener	Nai-Jen Yeh	2	0	100.00	
Member	Pao-Shi Sheng	1	1	50.00	
Member	Chien-Wei Chen	2	0	100.00	

C. Other Matters of Importance:

a. In circumstances where the Board of Directors declines to adopt, or make modifications based on, recommendations from the Compensation Committee: None.

b. In circumstances where resolutions of the Compensation Committee were objected to by members, or members had a reserved opinion, and were recorded or declared in writing: None.

c. Compensation Committee discussions and resolutions:

Dates of Compensation Committee Meetings	Contents of Motion	Resolutions of the Compensation Committee	The Company's Responses to the Compensation Committee's Recommendations
1st meeting of the 6th Compensation Committee in 2024 February 29, 2024	The Company's compensation plan for the newly appointed president of the board	Approved by all members in attendance.	Reported to the Board for review and approval.
	The 2023 earning distribution for compensation to directors and employee		

Dates of Compensation Committee Meetings	Contents of Motion	Resolutions of the Compensation Committee	The Company's Responses to the Compensation Committee's Recommendations
2nd meeting of the 6th Compensation Committee in 2024 October 29, 2024	Adjustments to the remuneration of the Company's General Manager	Approved by all members in attendance.	Reported to the Board for review and approval.

2. Nominate Committee Composition, Responsibilities and Operations

The Company set up Nomination Committee on November 1, 2022. There are 3 members in the Company's Nominate Committee. The Committee is composed of three independent directors.

With authorization from the board of directors, the Committee shall exercise the due care of a good administrator to faithfully perform the following duties and shall submit its proposals to the board for discussion. The Committee is responsible for the following:

A. Laying down the standards of independence and a diversified background covering the expertise, skills, experience, gender, etc. of members of the board, and senior executives, and finding, reviewing, and nominating candidates for directors, and senior executives based on such standards.

B. Establishing and developing the organizational structure of the board and each committee, and evaluating the performance of the board, each committee, and each director and senior executive and the independence of the independent directors.

C. Establishing and reviewing on a regular basis programs for director continuing education and the succession plans of directors and senior executives.

D. Establishing corporate governance guidelines of the Company.

(1). Nominate Committee Member Profiles

Title	Name	Professional Qualification and Experience	Number of Other Public Companies in which the Individual is Concurrently Serving as an Independent Director
Independent Director	Chien-Wei Chen	Please refer to Page 12 ~14 for "Qualifications and independence criteria of directors"	1
Independent Director	Pao-Shi Sheng		1
Independent Director	Nai-Jen Yeh		0

(2). The Nominate Committee Operation

A. The Nominate Committee is currently comprised of 3 members.

B. Current Nominate Committee Member Terms: May 18, 2023, through May 17, 2026;

In 2024, the 2th Compensation Committee convened 2 times (A). The following is the attendance of the directors:

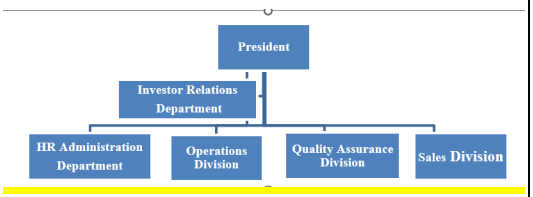
Title	Name	Attendance in Person (B)	Attendance by Proxy	Attendance Rate (%) (B/A)	Remarks
Convener	Chien-Wei Chen	2	0	100.00	
Member	Pao-Shi Sheng	1	1	50.00	
Member	Nai-Jen Yeh	2	0	100.00	

C. Other Matters of Importance:

In circumstances where the Board of Directors declines to adopt, or make modifications based on, recommendations from the Nominate Committee:

Dates of Nominate Committee Meetings	Contents of Motion	Resolutions of the Nominate Committee	The Company's Responses to the Nominate Committee 's Recommendations
The 1st meeting of the 2nd Nominate Committee in 2024 February 29, 2024	The Company completed self-assessments of Board performance in 2023	Approved by all members in attendance.	Reported to the Board for review and approval.
The 2nd meeting of the 2nd Nominate Committee in 2024 November 01, 2024	The Company intends to commission an external, independent professional organization to conduct a performance evaluation of the Board of Directors	Approved by all members in attendance.	Reported to the Board for review and approval.

3.5 Status of Fulfilling Sustainable Development and Differences and Causes of Sustainable Development Best Practice Principles

Evaluation Criteria	Implementation Status			Reason for Non-implementation
	Yes	No	Explanation	
1.Has the Company established a ESG unit (full- or part time), with a senior manager authorized by the Board of Directors to handle and report related activities to the Board of Directors?	✓		1. The structure of the Company to promote sustainable development is as following:  2.The implementation status of each organization of the company is as following: (1). The Company established Sustainable Development Unit on January 1, 2022 after reported to the 1st meeting of the 9th board of directors. The President serves as the convener, and the Investor Relations Department is a part-time unit for Sustainable Development Unit. (2). Implementation unit is formed by Human Resources Administration Department, Operations Division, Quality Assurance Division, and Sales Division. Investor Relations Department is responsible for align with the trends of corporate governance, promote the functioning of the board of directors, and implement regulatory compliance. Human Resources Administration Department is responsible for implement labor relations, employee health and safety, greenhouse gas emissions and waste management. Operations Division is responsible for improve supply chain management, assess raw material procurement and the physical impact of climate change. Quality Assurance Division is responsible for improve product quality and safety, and manage product life cycles. Sales Division is responsible for protect customer privacy, customer welfare, and manage product life cycles. (3). The Sustainable Development Unit reported the implementation status to the Board on February 29, 2024, April 18, 2024, July 30, 2024, and October 29, 2024, respectively. 3. The Board supervises strategy and implementation of sustainable development, and the Sustainable Development Unit reports the annual implementation priorities and performances, communication results of stakeholders to the Board at least twice per annum. The latest recent report was presented on October 29, 2024. The Board evaluates related strategies, and the effectiveness of implementation plans and urge management to make adjustments when required.	None

<table>
<tr><th rowspan="2">Evaluation Criteria</th><th colspan="3">Implementation Status</th><th rowspan="2">Reason for Non-implementation</th></tr>
<tr><th>Yes</th><th>No</th><th>Explanation</th></tr>
<tr><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>2. Does the company follow principles of materiality in evaluating the risks of environmental, social, and corporate governance, and establish relevant policies or strategies</td><td>✓</td><td></td><td>The Company based on the principle of Materiality, conducts risk assessments and planning on environmental, social and corporate governance issues related to the company's operations including risk identification, risk analysis and evaluation, risk response and risk According to risks after evaluation, related risk management policies are as following:
<table>
<tr><th>Key topics</th><th>Risk evaluation items</th><th>Explanation</th></tr>
<tr><td>Environmental</td><td>Environmental protection, climate change</td><td>Conduct annual reviews of international environmental protection trends and formulate environmental protection measures according to operational needs; we also conduct internal training and promotion to help our employees understand the impacts on climate change and the Company's environmental protection themes for the year so that they can adhere to various environmental protection policies when carrying out their job duties.</td></tr>
<tr><td>Social</td><td>Workplace safety, employee recruitment and training</td><td>Assure conformance of labor policy to the legal requirements of domestic and international human-rights conventions Hold labor-management meeting regularly, discussing implementation of human-rights policy, labor environment and conditions, policy and compensations/ fringe benefits for attaining consensus, to assure information transparency and smooth communication between the two parties.</td></tr>
<tr><td>Governance</td><td>Legal compliance; The Board function; Stakeholder engagement</td><td>Plan trainings on related topics for the directors and provide corporate governance related information depending on the Company’s needs and change of regulation. Ensure all employees and operations in the Company conform to related regulation and internal standards. Construct various communication channels to engage with stakeholders.</td></tr>
</table></td><td>None</td></tr>
<tr><td>3.Environment
(1) Does the Company establish proper environmental management systems in line with its industry characteristics?</td><td>✓</td><td></td><td>The Company is a fabless company. All the production of wafers is outsourced. All the OEMs comply with the requirements of the environmental laws and regulations. The Company established the environmental</td><td>None</td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation Criteria</th><th colspan="3">Implementation Status</th><th rowspan="2">Reason for Non-implementation</th></tr>
<tr><th>Yes</th><th>No</th><th>Explanation</th></tr>
<tr><td></td><td></td><td></td><td>management system according to ISO-14001 and continues to implement various environmental management systems through third-party certification.

The Company obtained ISO-14001 Environmental Management System certification in 2022. Following the environmental management policy of 'Reducing the Risk of Hazardous Substances' as the main focus, the Company pursues environmentally sustainable operations. The Company have set 'Managing CO2 Emissions', 'Reducing Waste Generation', and 'Green Procurement' as short- to medium-term performance indicators for environmental management. The latest certificate is valid from April 30, 2022, to April 29, 2025.</td><td></td></tr>
<tr><td>(2) Is the Company committed to improving the utilization efficiency of various resources and using recycled materials with a low environmental footprint?</td><td>✓</td><td></td><td>The Company actively promotes various energy reduction measures, such as the selection of LED lighting equipment to continuously improve energy efficiency.
The raw materials used by the Company are in compliance with the EU's RoHS, REACH, and halogen-free regulations. Suppliers who use recycled materials and renewable energy to manufacture products are given priority to reduce pollution and reduce the impact on the environment.</td><td>None</td></tr>
<tr><td>(3) Does the Company evaluate the impact of climate change on the Company's current and future potential risks and opportunities, and adopt measures to respond to climate-related issues?</td><td>✓</td><td></td><td>In the annual ISO14001 management review meeting of the Company, relevant departments propose climate change strategies and objectives, countermeasures for managing climate change risks and opportunities, and continuously evaluate the potential risks and opportunities of climate change for the company. The Company continues to promote energy conservation, carbon reduction, Greenhouse gas reduction, reduction of water use and other waste management programs.</td><td>None</td></tr>
<tr><td>(4) Does the company collect information on greenhouse gas emissions, water consumption, and total weight of waste in the past two years, and formulate policies on energy conservation and carbon reduction, greenhouse gas reduction, water usage reduction, or other waste management policies?</td><td>✓</td><td></td><td>1. The Company conducts greenhouse gas emission verification annually, greenhouse gas emission in the past two years:
Unit: tCO2e
<table>
<tr><th>Year</th><th>Company</th><th>Scope 1</th><th>Scope 2</th><th>Intensity Ratio (Note)</th></tr>
<tr><td>2023</td><td>APEC Group</td><td>33.7257</td><td>520.8003</td><td>0.1945</td></tr>
<tr><td>2024</td><td>APEC Group</td><td>34.3520</td><td>520.1510</td><td>0.1900</td></tr>
</table>
Note: tCO2e per million New Taiwan dollars.
The Company has set 2023 as the base year and established a five-year Greenhouse Gas (GHG) reduction target. By 2030, the Company aims to reduce Scope 1 and Scope 2 of GHG emissions by 10% in order to mitigate the impacts of climate change.</td><td>None</td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation Criteria</th><th colspan="3">Implementation Status</th><th rowspan="2">Reason for Non-implementation</th></tr>
<tr><th>Yes</th><th>No</th><th>Explanation</th></tr>
<tr><td></td><td></td><td></td><td>2.The Company has long been paying attention to water resource environmental protection issues. In terms of water saving, by implementing daily water conservation, the effectiveness of water resource can be maximized. Water consumption in the past two years:
Unit: tCO2e
<table>
<tr><th>Year</th><th>Premises</th><th>Total water Consumption (Note 1)</th><th>Intensity ratio (Note 2)</th></tr>
<tr><td>2023</td><td>Hsinchu & Taipe office</td><td>3,292.24</td><td>1.1548</td></tr>
<tr><td>2024 (Note 3)</td><td>Hsinchu & Taipe office</td><td>3,582.05</td><td>1.2276</td></tr>
</table>
Note1: The Company invested in various improvement measures, such as using water-saving apparatuses (including inductive water-saving faucet and water-saving toilet).
Note2: tons CO2e per million New Taiwan dollars.
Note3:The number of employees in the Company has not increased, and the Company's own water usage behavior has remained unchanged. However, the total water consumption in 2024 increased by 8.80% compared to 2023. This increase is attributed to the fact that water usage is allocated based on the floor area occupied in the building. It is presumed that the overall number of occupants or water demand in the building has increased, resulting in a higher share of water consumption allocated to the Company.
3. Waste disposal in the past two years:
Unit: tCO2e
<table>
<tr><th>Year</th><th>Total waste disposal</th><th>Intensity ratio</th></tr>
<tr><td>2023</td><td>14.43</td><td>0.0051</td></tr>
<tr><td>2024</td><td>13.56</td><td>0.0046</td></tr>
</table>
(1) The Company is a fabless design company with no hazardous waste.
(2) The scope was expanded to include general waste. This was calculated based on the average daily per capita waste generation as disclosed by the Environmental Protection Department, multiplied by the total working hours for the year (within the scope of investigation), expressed in kilograms per hour.
(3) For the purpose of achieving the maximum benefits of effective waste management and recycling, The Company focuses on the reduction of waste. The Company effectively sorts out, recycles, re-uses, and properly disposes waste, and continues to limit the impact from storage, transportation, and processing of waste have on the environment. In order to effectively control the flow of waste, we have carefully selected</td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation Criteria</th><th colspan="3">Implementation Status</th><th rowspan="2">Reason for Non-implementation</th></tr>
<tr><th>Yes</th><th>No</th><th>Explanation</th></tr>
<tr><td></td><td></td><td></td><td>qualified waste disposal and recycling suppliers, as well as audited the legitimacy of the waste disposal process randomly to take responsibility for supervising waste management.</td><td></td></tr>
<tr><td>4. Social Responsibilities
(1) Does the Company formulate appropriate management policies and procedures in accordance with relevant regulations and international human rights conventions?</td><td>✓</td><td></td><td>This Company supports the spirit of protecting human rights and basic principles held in the United Nations' Universal Declaration of Human Rights, Global Compact, and Guiding Principles on Business and Human Rights, as well as the International Labor Organization's Declaration of Fundamental Principles and Rights at Work and other international conventions – to ensure that basic human rights are not violated, and that all employees are treated with dignity and respect. The Company's human rights policy is available on our website.
<table>
<tr><th>Task</th><th>Program and Outcomes</th></tr>
<tr><td>Protection of workplace human rights</td><td>1. Comply with local government labor laws, international standards, and APEC's Human Rights Policy, and act in accordance with internal regulations.
2. Provide employees with a work environment of gender equality and diversity; uphold the principles of openness and fairness; do not discriminate against people through language, attitudes, or acts on the basis of gender, race, class, age, marital status, language, beliefs, religion, political affiliation, ancestral home, place of birth, looks, facial features, disability status, etc.; and by doing so, create a work environment of dignity, safety and equality free from discrimination and harassment. As of end of December 2024, no discrimination complaints had been received.</td></tr>
<tr><td>Implementing Equal Pay for Equal Work</td><td>1. Provide employees with reasonable wages and social insurance as regulated by laws.
2. Help stabilize employees' livelihood, improve work efficiency, and implement a variety of benefit measures.</td></tr>
<tr><td>Providing a healthy, safe work environment</td><td>1. Make Zero Accidents the goal for management.
2. Conduct employee health examinations on a yearly basis, and carry out grade-appropriate tracking and management based on health examination results, to prevent health risks.</td></tr>
</table></td><td>None</td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation Criteria</th><th colspan="3">Implementation Status</th><th rowspan="2">Reason for Non-implementation</th></tr>
<tr><th>Yes</th><th>No</th><th>Explanation</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td>Prohibition on child labor</td><td>The Company's employment criteria comply with the minimum working age restrictions set by local regulations. As of end of December 2024, no child labor had been employed.</td></tr>
<tr><td>Establishment of an unobstructed communications platform for labor-management negotiation, to achieve harmonious relations</td><td>The Company emphasizes employee-friendly management, and realizes that employees and employer share the same prospects and enjoy the same prosperity. The Company holds regular labor-management meetings to maintain smooth communication between employees and the management.</td></tr>
<tr><td>Prohibition of forced and involuntary</td><td>Comply with local government labor laws, international standards, and APEC's Human Rights Policy to respect employees' wishes and prohibit forced labor.</td></tr>
</table>
The Company will pay close attention to issues related to human rights protection, and promote educational training to enhance awareness of human rights protection and reduce the incidence of related risks.</td><td></td></tr>
<tr><td>(2) Does the company formulate and implement reasonable employee benefits (including compensation, vacation, and other benefits), and appropriately reflect operating performance or results in employee compensation?</td><td>✓</td><td></td><td>Employee compensation
The Company regularly measures the market compensation level, links company performance to employee compensation and bonus, and refers to overall economic indicators to formulate reasonable compensation, and ensures the overall compensation and bonus are competitive. Meanwhile, through regular performance appraisal and a two-way communication and interaction platform, and corresponding rewards are given according to performance results, so as to encourage employees and the Company to grow together.

The Company provides sustainable, reasonable, and competitive compensation to attract top-tier talent and strengthen retention of existing employees. The Company has also established an employee shareholding trust to demonstrate the Company's goal of sharing operating results with employees. In addition to strengthening the retention of existing talents, it is also to attract outstanding talents to join the new bureau.

Employee welfare measures

In addition to offering a flexible working hours system for employees, the company currently implements the following welfare measures：
(1) Holistic Employee Health Management:
Annual Health Check-ups and Counseling: Establishing an integrated health management and promotion service</td><td>None</td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation Criteria</th><th colspan="3">Implementation Status</th><th rowspan="2">Reason for Non-implementation</th></tr>
<tr><th>Yes</th><th>No</th><th>Explanation</th></tr>
<tr><td></td><td></td><td></td><td>comprising physicians and nurses to ensure employee safety and well-being; Providing access to an on-site gym for employees to engage in physical activity during their leisure time.
(2) Varied Employee Welfare Programs: Enhanced annual leave entitlements beyond statutory requirements; subsidies for marriage, bereavement, and childbirth; assistance for employee education and training; discounted rates for employee and family health check-ups; employee stock ownership trust; travel opportunities for employees; year-end bonuses and holiday bonuses for Dragon Boat Festival, Mid-Autumn Festival, and Labor Day; birthday bonuses; childcare allowances and reduced working hours for parents; bonuses for long-serving employees; departmental dinner subsidies, and a range of other employee welfare initiatives.

Diversity and equality in the workplace

The Company is committed to creating a friendly and fair workplace, providing equal compensations and promotion opportunities to talents. The proportion of female employees at was 56% on December 31, 2024, details as follows:
<table><tr><th rowspan="2">Categories</th><th>Female</th><th>Male</th></tr><tr><th>%</th><th>%</th></tr><tr><td>Senior Manager</td><td>14%</td><td>22%</td></tr><tr><td>All Employees</td><td>56%</td><td>44%</td></tr></table>
In addition, the Company value employee welfare, providing physical and mental healthcare for various employee groups to maintain a good working environment, including (1) maternal healthcare, such as setting up breastfeeding rooms; (2) providing professional consultation service in areas of work, family and mental health counseling through external Physicians.

Business performance reflecting on employee compensation

According to the Company’s Articles of Incorporation §22, if the company makes a profit during the year, no less than 5% shall be allocated for employee remuneration. However, when there are accumulated losses, the compensation amount shall be reserved in advance. Employees of the company meeting certain specific requirements are entitled to receive employee remuneration in shares or cash. The requirements are authorized to be determined by the Board.</td><td></td></tr>
</table>

Evaluation Criteria	Implementation Status			Reason for Non-implementation
	Yes	No	Explanation	
			The Company's operating performance also reflects on employees' compensation, and employees' welfare expenses. The increase in employees' base salary and bonus expenses reflected from the link to the Company's operating performance demonstrates the spirit of profit sharing with employees and encourages all employees to make effort for the Company's target. According to statistics of the Taiwan Stock Exchange (TWSE), the average cost of employee remuneration, average salary and median salary of full-time non-managerial employees all exceed an annual salary of NT$1,000 thousand.	
(3) Does the Company provide a safe and healthy working environment, and provide training on health and safety and health for its employees on a regular basis?	✓		The Company aims to provide a safe, healthy and comfortable working environment, promote health and safety management, so that employees can develop correct concepts and healthy minds and bodies. The Company purchased the Taipei office and renovated the Hsinchu office. In addition to the breastfeeding room, a gym and fitness facilities were added to create a high-quality and healthy working environment. The Company regularly implements work environment inspections and employee safety education. The Company established a " Procedure of the Occupational Safety and Health " and conducts annual health checks for employees to ensure their safety and health. In 2024, there were236 trainees in occupational safety training, and the total number of training hours was 385 hours. In the past five years, there have been no occupational accidents in our company. From the year 2020 to 2024, the accumulated accident-free hours amounted to 1,178,127 hours. In the past five years, there have been zero instances of fire incidents in the company. From the year 2020 to 2024, the Company has consistently met the target of zero fire incidents.	None
(4) Does the Company establish effective career development programs for its employees?	✓		The Company creates a good environment for the career development of employees, and establishes an effective career ability development training program, encourages employees to improve themselves, and participates in vocational training courses for different career abilities, so as to enhance their professional abilities and practice employees' careers. Development goals, and then achieve business goals. The Company plans a complete functional training, including newcomer training,	None

Evaluation Criteria	Implementation Status			Reason for Non-implementation
	Yes	No	Explanation	
			professional advanced training, manager training, etc., to help employees continue to learn and grow through multiple learning methods, introduce corporate ethics, and cultivate colleagues' key capabilities. In the year 2024, the pre-employment training for new hires totaled 73 sessions, approximately 42.60 hours. Internal on-the-job training involved 1,009 sessions, approximately 849.2 hours. Additionally, external professional training involved 76 sessions, approximately 856.5 hours.	
(5) With respect to customer health and safety of products and services, customer privacy, marketing, and labeling, does the Company comply with relevant regulations and international standards, and formulate related consumer protection policies and appeal procedures?	✓		The Company has established customer complaint handling procedures and established a customer-oriented quality system in order to achieve a win-win situation for the company and customers. In addition, the Company values customer opinions. In addition to individual visits, a special area for interested parties is also set up on the Company's website to provide contacts and methods for questions, complaints or suggestions to protect customer rights. The Company has a personal data protection management system to protect customer privacy. The Company protects customers' data through internal audits, crisis prevention and training.	None

<table>
<tr><th rowspan="2">Evaluation Criteria</th><th colspan="3">Implementation Status</th><th rowspan="2">Reason for Non-implementation</th></tr>
<tr><th>Yes</th><th>No</th><th>Explanation</th></tr>
<tr><td>(6) Does the Company have a supplier management policy that requires suppliers to comply with and implement relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights?</td><td>✓</td><td></td><td>The Company requires suppliers to fulfill their corporate social responsibilities and not to have negative impacts on the environment and society.
The Company has a " Procedure for Supplier Control " to ensure that suppliers meet the ethical standards and integrity management requirements for environmental protection, human rights and sustainable development without endangering basic rights.
Implementation of supplier management:
<table><tr><td>Supplier evaluation</td><td>1.Suppliers must pass supplier assessment and comply with the Supplier Code of Conduct.
2. The supplier must comply with the local government's relevant environmental protection regulations on air pollution prevention and control, water pollution prevention and control, waste and resource management, etc.
3. Suppliers must complete environmental safety questionnaires, and the return rate of questionnaires in 2022 reached 100%.</td></tr><tr><td>Supplier audit</td><td>Carry out supplier audits every six months, track deficiencies and improvement situations, and provide counseling and suggestions for improvement.</td></tr><tr><td>Supplier praise</td><td>In addition to delivering sustainability concepts and goals to suppliers every year, the company also strengthens its cooperative relationship with suppliers that have been well evaluated (such as quality improvement, cost reduction, delivery assurance, sustainable performance, etc.).</td></tr></table></td><td>None</td></tr>
<tr><td>5. Does the company refer to internationally accepted reporting standards or guidelines for compiling reports on non-financial information, such as ESG reports? Did the previous release reports obtain a confirmation or assurance opinion from a third party verifier?</td><td></td><td>✓</td><td>The Company does not prepare a ESG Report.</td><td>As explained on the left.</td></tr>
<tr><td colspan="5">6. If the Company has established the ESG principles based on " Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies ", please describe any discrepancy between the Principles and their implementation: None.</td></tr>
</table>

Evaluation Criteria	Implementation Status			Reason for Non-implementation
	Yes	No	Explanation	
7. Other important information to facilitate better understanding of the Company's ESG practices: To be philanthropic with our employees, the “Guidelines for Donations to Welfare Organization” are established. The employees may decide the amount and the counterparties they want to contribute to, and the Company will join the contribution. The Company will contribute the same amounts as the donations of the employees to the public welfare organizations. In adherence to corporate social responsibility, the Company and employees have collectively dedicated resources to social welfare initiatives, with a combined contribution totaling NTD$3,560,310, of which NT$3 million was donated to the Yageo Foundation to support its ongoing collaboration with major art museums worldwide in organizing medium- to large-scale cultural and artistic events. The foundation also focuses on the collection of works by multiple Taiwanese artists, including prominent early Western-style painter Mr. Chang Wan-Chuan, the artistic virtuoso Mr. Kuo Po-Chuan, contemporary artist Mr. Huang Chia-Ning, Mr. Lee Shu-Mei, who captures the beauty of Taiwanese women's labor, and Mr. Yang Mao-Lin. In 2024, the foundation hosted the exhibition "Moment: A Journey Through Painting and Photography" at the Kaohsiung Museum of Fine Arts and lent works by Taiwanese artist Yang Mao-Lin for the exhibition "Walker, Sea Monsters, Artillery, and Their Stories: 400 Years of Fort Zeelandia" at the Tainan Art Museum, further promoting Taiwan on the global stage.				

3.6 Climate-Related Information

1.Information on Implementation of Climate-Related Initatives

Item	Execution
1. Describe the Board of Directors and management's oversight and governance of climate-related risks and opportunities.	1. The Board of Directors serves as the highest governing authority for managing climate change, who is responsible for guiding our company's responses and decisions regarding climate change. This ensures that the Company has appropriate measures in place to address and adapt to climate-related risks and opportunities. In accordance with the TCFD framework, climate risks are identified, and based on the results, each department develops, integrates, and manages corresponding response strategies.
2. Describe how the identified climate risks and opportunities affect the Company's business, strategy and finances (in the short, medium and long term).	2. Short-term is defined as 1 to 3 years in the future, medium-and long term as 3 to 5 years, and as 5 years or longer. According to the assessments conducted by the responsible units, the climate risks currently having a greater impact on the Company's business development include: rising raw material costs, changes in rainfall (water resource) patterns, extreme climate pattern variations, and the burden imposed by carbon taxes. In the short term (within the next three years), the most likely risks include: Physical Risks: Changes in rainfall (water resource) patterns and extreme variations in climate patterns. Regulatory Risks: Strengthened obligations for greenhouse gas emissions reporting. Economic Risks: Increases in raw material costs and cost transfers from upstream suppliers, which may lead to higher procurement costs and reduced profitability. In the medium to long term (three to five years or more), the primary potential risks include: strengthened climate-related regulations and government promotion of low-carbon manufacturing processes. In terms of market opportunities, participating in renewable energy programs and procuring renewable energy can help diversify electricity costs and mitigate power usage risks. It also contributes to reducing greenhouse gas emissions and related carbon fee expenditures.

Item	Execution
	Other opportunities include using low-carbon energy, reducing consumption of water and electricity resources, and improving product structure by launching low-carbon products
3. Describe the financial impact of extreme weather events and transition actions	3. Extreme weather events may lead to operational disruptions or flooding that causes property damage at production sites, while prolonged heatwaves may result in increased electricity costs. Transition actions stemming from climate change such as equipment replacement for carbon reduction or future taxes and internalized external costs due to the EU Carbon Border Adjustment Mechanism may reduce profitability. Additionally, financial institutions may assess climate-related financial performance when making lending decisions; failure to meet their requirements could negatively impact the Company. The Company plans to incorporate climate change risks into its internal management procedures.
4. Describe how the process of identifying, assessing and managing climate risks is integrated into the overall risk management system.	4. It is proposed to incorporate climate change risk into the internal management procedures.
5. If scenario analysis is used to assess resilience to climate change risks, describe the scenarios, parameters, assumptions, analysis factors and key financial impacts used.	5. The Company conducted risk simulations using three scenarios：(1) National Net-Zero Pathway in Taiwan, which mainly assesses domestic regulatory risks; (2) The SSP1-1.9 scenario from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report, which represents an extremely low-emissions scenario; and (3) an annual reduction rate of 4.2% as required by the Science-Based Targets Net-Zero (SBT-NZ) Standard for carbon emissions. We analyzed how potential climate risks under the different scenarios can affect regulations, technologies, markets, and brand reputation, and determined the related parameters, assumptions, analytical factors, and main financial impacts. For more

<table>
<tr><th>Item</th><th>Execution</th></tr>
<tr><td></td><td>information, please refer to the Sustainability Report.</td></tr>
<tr><td>6. If there is a transition plan to address and manage climate-related risks, describe the content of the plan, and the metrics and targets used to identify and manage physical and transition risks.</td><td>6. Management of Metrics and Targets of Physical and Transition Risks
<table>
<tr><th>Issue</th><th>Description of the Current Situation</th></tr>
<tr><td>(1) Disclosure of greenhouse gas emissions and associated risks in Scopes 1, 2, and 3</td><td>In 2024, the Company completed the ISO 14064-1 greenhouse gas emissions inventory for both the Company and its subsidiaries. Moving forward, the Company will continue to collect carbon emissions data based on the established methodology and set reduction targets for greenhouse gas emissions.</td></tr>
<tr><td>(2) Describe the targets that the organization employs to manage climate-related risks and opportunities, as well as the performance in implementing these targets.</td><td>In response to global net-zero goals and upcoming carbon border taxes in the EU and US, the Company is promoting carbon neutrality, aiming for net-zero emissions by 2050 with related climate targets. The Company plans to actively promote carbon neutrality to mitigate climate change, aiming to achieve net-zero emissions within the organization by 2050 and setting related climate targets.</td></tr>
</table></td></tr>
<tr><td>7. If internal carbon pricing is used as a planning tool, describe the basis for setting carbon price.</td><td>7. Currently unavailable, as internal carbon pricing is currently under development.</td></tr>
<tr><td>8. If climate-related targets are set, describe information such as the activities covered, the scope of greenhouse gas emissions, the planning timeline, and the progress made in achieving them each year; if carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, describe the source and quantity of carbon offset credits or renewable energy certificates (RECs) to be offset.</td><td>8. Climate-related goals have not yet been established.</td></tr>
</table>

Item	Execution
9. Inventory of greenhouse gases and assurance and reduction targets, strategies and specific action plan.	9. The organizational greenhouse gas inventory for the year 2023, in accordance with ISO14064-1:2018, has been verified by the third-party Bureau Veritas Certification (Taiwan) Co., Ltd, and the Company has obtained a statement of assurance.

1-1 Greenhouse gas inventory and assurance status for the past two years

1-1-1 Information of Greenhouse gas Inventory

Providing the emissions (tCO_2e), intensity (tCO_2e/NT$ million), and data coverage of greenhouse gas for the past two years.

Organizational Boundary	Advanced Power Electronics Corp. and Subsidiaries included in the Consolidated Financial Statements
Organizational Boundary Applied for GHG Inventory	Operational Control
Inventory Period	2024/1/1~2024/12/31

Basic information of the Company	Scope	Emission Category	2023		2024	
			Total emissions (tCO2e)	Intensity (tCO2e/NT$ million)	Total emissions (tCO2e)	Intensity (tCO2e/NT$ million)
Advanced Power Electronics Corp. and Subsidiaries included in the Consolidated financial Statements	Scope 1	Category 1	33.7257	0.0118	34.3520	0.0118
	Scope 2	Category 2	520.8003	0.1827	520.1510	0.1783
	Scope 3	Category 3	667.0513	0.2340	393.2130	0.1348
Total			1,221.5773	0.4285	947.7160	0.3249

1-1-2 Information of Greenhouse Gas Assurance

Providing the assurance status for the past two fiscal years as of the printing date of the annual report including the scope of assurance, the institution of assurance, assurance criteria and assurance opinion.

Year	Scope	Assurance Scope	Assurance Institution	Description of Assurance Staus
2023	Scope 1 Scope 2 Scope 3	Advanced Power Electronics Corp. and Subsidiaries included in the Consolidated Financial Statements	Bureau Veritas Certification (Taiwan) Co., Ltd.	Scope 1: Direct Greenhouse Gas (GHG) Emissions Reasonable Assurance Scope 2: Energy Indirect Greenhouse Gas (GHG) Emissions – Reasonable Assurance Scope 3: Indirect Greenhouse Gas (GHG) Emissions from Transportation Limited Assurance
2024	Scope 1 Scope 2 Scope 3	Advanced Power Electronics Corp. and Subsidiaries included in the Consolidated Financial Statements	Verification has not yet been completed	Verification has not yet been completed.

1-2 Greenhouse Gas Reduction Goals, Strategies, and Specifications Action Plans

Explanation of the baseline year and its data for greenhouse gas reduction, reduction goals, strategics, and specific action plans, as well as the status of achieving the reduction goals

1. The base year of absolute reduction of greenhouse gas emissions: 2023
2. Climate change and Energy Management Target:
   Based on the 2023 inventory results, further promote voluntary reduction programs to achieve a 10% reduction in Scope 1 and Scope 2 greenhouse gas emissions by 2030.
3. GHG reduction Strategies：Promote energy efficiency improvements to reduce greenhouse gas emissions.
4. Reduction Actions:
   (1) Starting from Year 2024, the Company has implemented a one-hour daily power-off activity during lunch breaks as an energy-saving and carbon-reduction initiative. By reducing lighting electricity consumption, the company practice green operations and raise energy-saving awareness among all employees.
   (2) Starting from Year 2025, the Company plans to gradually replace the old split-type air conditioner outdoor units in the laboratories with energy-efficient equipment rated at Level 1, achieving the sustainable goal of energy-saving and carbon reduction alongside equipment upgrades.
5. Climate-related targets: In the Year 2024, a total of approximately 1,800 kWh of electricity was saved, effectively achieving the annual energy-saving target.

ASSURANCE OPINION
GREENHOUSE GAS EMISSIONS

This is to verify that

ADVANCED POWER ELECTRONICS CORP.

12F.-1 & 2, NO. 5, Taiyuan 1st St, Zhubei City, Hsinchu County 302, Taiwan. R.O.C.

Holds Statement No: TWN20737480G Rev.1

Bureau Veritas Certification (Taiwan) Co., Ltd. was engaged to conduct an independent verification of the greenhouse gas (GHG) emissions reported by ADVANCED POWER ELECTRONICS CORP. for the period stated below. This Verification Statement applies to the related information included within the scope of work described below.

The determination of the GHG emissions is the sole responsibility of ADVANCED POWER ELECTRONICS CORP. BVC's sole responsibility was to provide independent verification on the accuracy of the GHG emissions reported, and on the underlying systems and processes used to collect, analyze and review the information.

Boundaries of the reporting company GHG emissions covered by the verification:

- ADVANCED POWER ELECTRONICS CORP. at 12F.-1 & 2, NO. 5, Taiyuan 1st St, Zhubei City, Hsinchu County 302, Taiwan. R.O.C./ 18F.-2~3 & 17F.-7~9, No. 95, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City 221, Taiwan, R.O.C. and sites under operational control; detail is as following page.
- Period covered by GHG emissions verification: January 1, 2023 to December 31, 2023

Emissions data verified:

- Category 1 - Direct GHG emissions and removals: 33.7257 tCO_2e
- Category 2 - Indirect GHG emissions from imported energy: 520.8003 tCO_2e
- Category 3 - Indirect GHG emissions from transportation: 667.0153 tCO_2e

Assurance Opinion:

Based on the process and procedures conducted, we conclude that the GHG statement for Category 1 and 2 is materially correct and is a fair representation of the GHG data and information, and is prepared in accordance with the ISO 14064-1:2018. Levels of Reasonable Assurance in Compliance Verification Agreements.

There is no evidence that the GHG statement for Category 3 is not materially correct and is not a fair representation of GHG data and information and has not been prepared in accordance with the ISO 14064-1:2018 Levels of Limited Assurance in Compliance Verification Agreements.

It is our opinion that ADVANCED POWER ELECTRONICS CORP. has established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of these GHG emissions for the stated period and boundaries.

Chris Liu, Technical Reviewer
Originally Issue: 14/08/2024

Pei Hsu, CER Manager
Latest Issue:14/08/2024

Bureau Veritas Certification (Taiwan) Co., Ltd.
3F-B, No. 16, Nanjing E. Rd., Sec. 4, Taipei 10553, Taiwan R.O.C.
+886-2-2570 7655

Greenhouse Gas Statement:

- ADVANCED POWER ELECTRONICS CORP. : 12F.-1&2, NO. 5, Taiyuan 1st St, Zhubei City, Hsinchu County 302, Taiwan. R.O.C / 18F.-2~3 & 17F.-7~9, No. 95, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City 221, Taiwan, R.O.C.
- SHENZHEN FU CHENG ELECTRONICS Co., Ltd. : Room. 903-905, Mei-Lan Business Center, Crossing of Xi-Xiang Avenue and Qian-Jin Second Road, Bao-An District, Shenzhen City, Guangdong Province, China
- WUXI OPC MICROELECTRONICS Co., Ltd. : Room. 208, 2F, Building A10, No. 777, Jianshe West Road, Binhu District, Wuxi City, Jiangsu Province, China

Categories	Subcategories	Remark	tCO_2e	
Category 1: Direct GHG emissions and removals	1.1 Direct emissions from stationary combustion	--	0.0000	**33.7257**
	1.2 Direct emissions from mobile combustion	--	0.0000	
	1.3 Direct process emissions and removals arise from industrial processes	--	0.0000	
	1.4 Direct fugitive emissions arise from the release of greenhouse gases in anthropogenic systems	--	33.7257	
	1.5 Direct emissions and removals from Land Use, Land Use Change and Forestry	--	0.0000	
Category 2: Indirect GHG emissions from imported energy	2.1 Indirect emissions from imported electricity	Location based approach*	520.8003	**520.8003***
		Market based approach	N.A	
	2.2 Indirect emissions from imported energy	N.A.	N.A.	
Category 3: Indirect GHG emissions from transportation	3.1 Emissions from Upstream transport and distribution for goods	Qualified the upstream raw material transportation emissions, including land, sea, and air transportation.	467.7209	**667.0153**
	3.2 Emissions from Downstream transport and distribution for goods	Qualified the downstream raw material transportation emissions, including land, sea, and air transportation.	180.7544	
	3.3 Emissions from Employee commuting includes emissions	N.S.	N.A.	
	3.4 Emissions from Client and visitor transport	N.S.	N.A.	
	3.5 Emissions from Business travels	Qualified the emissions from business air travel.	18.5400	
Category 4: Indirect GHG emissions from products used by organization	4.1 Emissions from Purchased goods	N.S.	N.A.	N.A.
	4.2 Emissions from Capital goods	N.S.	N.A.	
	4.3 Emissions from the disposal of solid and liquid waste	N.S.	N.A.	
	4.4 Emissions from the use of assets	N.S.	N.A.	
	4.5 Emissions from the use of services that are not described in the above subcategories	N.S.	N.A.	

Statement of Independence, Impartiality and competence

The Bureau Veritas Group is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with over 190 years history in providing independent assurance services.

No member of the verification team has a business relationship with ADVANCED POWER ELECTRONICS CORP., its Directors or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest. The Bureau Veritas Group has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

The verification team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, has over 20 years combined experience in this field and an excellent understanding of The Bureau Veritas Group standard methodology for the verification of greenhouse gas emissions data.

This verification statement, including the opinion expressed herein, is provided to ADVANCED POWER ELECTRONICS CORP. and is solely for the benefit of ADVANCED POWER ELECTRONICS CORP. in accordance with the terms of our agreement. We consent to the release of this statement by you to others interest party in order to satisfy the terms of disclosure requirements but without accepting or assuming any responsibility or liability on our part to any other party who may have access to this statement.

3.7 Ethical Corporate Management and Differences and Causes of CSR Practices

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary Description	
1. Enactment of ethical corporate management policies and programs (1) Does the Company disclose its ethical corporate management policies and procedures in its official charter and material documents issued externally, as well as the commitment of the Board of Directors and management team to its implementation?	✓		The Company has enacted the " Ethical Management Best Practice Principles." Its formulation and amendments were approved by the Board of Directors. It clearly stipulates that the directors, managers and employees of the company should abide by laws and regulations and prevent dishonest behaviors in performing business. The Company has set up various internal guidelines to ensure ethical corporate management and compliance.	None
(2) Has the Company established a mechanism to assess the risks of non-ethical conduct, regularly analyze and assess relatively high-risk non-ethical conduct and activities within its scope of business, and formulate policies to prevent unethical conduct, which at minimum covers measures to prevent the conduct mentioned in Article 7.2 of "the Ethical Corporate Management Best- Practice Principles for TWSE/ TPEx Listed Companies"?	✓		The Company abides by the operational philosophies of honesty, transparency and responsibility, bases policies on the " Ethical Management Best Practice Principles", analyzes and assesses on a regular basis the business activities within their business scope which are at a higher risk of being involved in unethical conduct, and formulates measures to prevent offering and acceptance of bribes. The Company further established " Measures for Reporting Cases of Illegal, Unethical or Dishonest Behavior" and Whistleblowing System to reinforce the implementation.	None
(3) Do the Company's measures to prevent high-risk unethical misconduct clearly specify operating procedures, conduct guidelines, disciplinary and appeal mechanisms for violations? Are they implemented and are regularly reviewed for amendment?	✓		The internal control systems and regulations established in accordance with " Ethical Management Best Practice Principles" set preventive measures against involvement in unethical conduct, including standard operating procedures, conduct guidelines, and the disciplinary and appeal system, and should be regularly reviewed and improved.	None
2. Implementation of ethical corporate management (1) Does the Company evaluate business partners' ethical records and clearly indicate ethical conduct clauses in business contracts?	✓		In order to avoid unethical misconduct activities, the Company also conducts due diligence on counterparties' integrity records and includes ethical principles in relevant contracts before trading with upstream and downstream companies to minimize the risks.	None
(2) Has the Company established a dedicated unit to promote ethical corporate management under the Board of Directors, and regularly (at least once a year) report to the Board of Directors on its ethical corporate management policy, measures to prevent unethical conduct, and monitor implementation?	✓		The Company is promoted by the Investor Relations Department of ethical corporate management in accordance with the "Ethical Management Best Practice Principle". The unit is responsible for policymaking and execution supervision of integrity management policies, and prevention of unethical behavior, reporting at least annually to the Board of Directors.	None
(3) Does the Company establish policies to prevent conflicts of interest, provide suitable channels to report such conflicts, and implement such policies?	✓		The Company's internal rules covering business conduct and the conduct of Directors and Officers clearly define policies to prevent conflicts of interest. In addition, the Company also designates a contact window for each department to consult, communicate or resolve	None

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary Description	
			relevant issues in order to achieve results rapidly and effectively.	
(4) Has the Company established an effective accounting system and internal control system to facilitate ethical corporate management? Does its internal audit team provide risk assessment results and formulate audit plans related to unethical conduct, and audit compliance of nonethical conduct measures, or does the Company engage external CPAs to implement such audits?	✓		The Company has built up an effective accounting system and internal control systems that is constantly under review and evaluation to ensure the system's design and execution remains effective. The internal auditors formulate relevant audit plans based on the assessment results of the risk of unethical behavior, and prepare an audit report and submit it to the board of directors.	None
(5) Does the Company regularly hold internal and external educational trainings on ethical corporate management?	✓		The Company regularly hosts training courses related to integrity management. In 2024, we conducted integrity management training sessions, including topics on compliance such as integrity management and insider trading, through the Education and Training Platform. These courses covered areas of compliance, internal control systems, and ISO environmental health and safety, totaling 13.3 hours. A total of 1,009 employees participated in all courses, accumulating approximately 849.2 hours.	None
3. Reporting ethical violations (1) Has the Company formulated a concrete whistleblowing and incentive system, established a convenient whistleblowing channel, and assigned appropriate personnel to handle the cases of those who have reports raised against them?	✓		The Company establishes and announces an independent mailbox in accordance with the " Measures for Reporting Cases of Illegal, Unethical or Dishonest Behavior " for internal and external personnel to use. E-mail: audit@a-power.com.tw	None
(2) Has the Company established standard operating procedures for handling whistleblowing claims and, after a complete investigation, follow-up measures and mechanisms related to maintaining confidentiality?	✓		The Company has formulated the "Measures for Reporting Cases of Illegal, Unethical or Dishonest Behavior", and in accordance with relevant measures, subsequent review and improvement measures will be reported to the board of directors. The identity and content of the whistleblowers are indeed confidential.	None
(3) Does the Company provide proper whistleblower protection?	✓		The Company established precautions in order to protect whistleblowers.	None
4. Enhancing information disclosure Does the Company disclose its established ethical corporate management policies and promotion results on its website and MOPS?	✓		The Company has disclosed the "Code of Integrity Management" and "Code of Ethical Conduct" on its official website and on MOPS. Please refer to the company's website: Corporate Governance for information on the effectiveness of promoting integrity management, education and training, and handling of complaints.	None
5.If the Company has established ethical corporate management policies based on the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies," please describe any discrepancies between the policies and their implementation: With no discrepancies.				
6. Other important information to facilitate a better understanding of the company's ethical corporate management policies: (1) The Company strictly abides by the Company Act, the Securities and Exchange Act, Business Entity Accounting Act, publicly traded relevant rules and other relevant laws and regulations of business conduct as the basis for the implementation of the integrity management. (2) Please refer to the Company's official website http://www.a-power.com.tw/ for the Ethical Corporate Management Best Practice Principles.				

3.8 Other Important Information to Facilitate Better Understanding of the Company's Corporate Governance Practices:

3.8.1 Key Management Continuing Education Records for fiscal year 2024

Name	Training Period	Organizer	Course Name	Course Hours
Chairman Tie-Min Chen	October 29, 2024	Accounting Research and Development Foundation	Analysis of Legal Responsibilities and Case Studies in Corporate Control Disputes	3
	October 29, 2024	Accounting Research and Development Foundation	Corporate ESG Practices: Legal Responsibilities and Case Studies on Gender Equality and Human Rights	3
Vice Chairman & CSO Fu-Chi Teng	July 3, 2024	Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance and Climate Change Summit	6
	November 22, 2024	Securities and Futures Institute	2024 Insider Equity Trading Legal Compliance Awareness Seminar	3
President Chia-Shuai Chang	October 29, 2024	Accounting Research and Development Foundation	Analysis of Legal Responsibilities and Case Studies in Corporate Control Disputes	3
	October 29, 2024	Accounting Research and Development Foundation	Corporate ESG Practices: Legal Responsibilities and Case Studies on Gender Equality and Human Rights	3
Vice President of Finance & HR Administration Division Mei-Ying Tan	August 22, 2024 ~ August 23,2024	Accounting Research and Development Foundation	Continuing Development Course of Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges	12
Corporate Governance Officer Mei-Ying Tan	March 22, 2024	Taiwan Institute for Sustainable Energy (TAISE)	CDP Taiwan Launch Conference: Empowering a New Carbon Era through Sustainability Knowledge	3
	April 10, 2024	Taiwan Institute for Sustainable Energy (TAISE)	Empowering the Electronics Industry for a New Carbon Era through Sustainability Knowledge	6
	April 26, 2024	Corporate Operating and Sustainable Development Association Certificate of Training	The Competitive Edge: Challenges and Business Perspectives for Taiwanese Enterprises	3

3.9 Internal Control Systems

(1). Statement of Internal Control System：

Please refer to the Market Observation Post System (MOPS) / Corporate Governance – Internal Control Section / https://mops.twse.com.tw.

(2). Auditor Review Report: None.

3.10 Major Resolutions of Shareholders' Meetings and Board Meetings for the Most Recent Year and Up To the Publication Date of This Annual Report

(1). Major Resolutions and Execution Status of 2024 General Shareholders' Meeting

The 2024 Annual General Shareholders' Meeting was held at Zhubei City, Hsinchu County on May 29, 2024. Major resolutions and execution Status are as follows:

A. The Company's 2023 business report and financial statements and the 2023 earnings distribution of the Company.

Status: The shareholders' meeting approved the consolidated revenues for 2023 was NT$2.851 billion, the net profit was NT$330 million, and earnings per share of NT$2.83. For 2023 earnings distribution, cash dividend paid to the shareholders NT$2.48833407 per share; July 23, 2024 is the ex-dividend date and August 6, 2024 is the dividend payment record date.

B. To approve revisions to the Articles of Incorporation.

Status: Resolution passed. Registration approved by the Ministry of Economic Affairs and to be announced on the company's website on June 18, 2024.

(2). Major Resolutions of Board Meetings

The Board of Directors convened 7 meetings (A) in fiscal year 2024 and up to the publication date of this annual report, of which major resolutions are as follows：

A. The 1st meeting of the 10th Board of Directors in 2024 on February 29, 2024

- The 2023 independence and suitability evaluation report of the CPAs appointed by the Company.
- The distribution of the 2023 employees' and directors' compensation.
- The 2023 Business report and Financial Statements of the Company.
- The 2023 earnings distribution of the Company.
- The 2023 Internal Control Statement of the Company.
- The revisions to the Articles of Incorporation.
- The date and agenda of 2024 Annual General Shareholders' Meeting and proposals from the shareholders.

B. The 2nd meeting of the 10th Board of Directors in 2024 on April 18, 2024

- The change of Certified Public Accountant of the Company.
- The independence and suitability evaluation report of the CPAs appointed by the Company.
- The Company's consolidated financial report for the first quarter of 2024.
- The Board of Directors approved the record date of exercising employee stock option certificates.
- Appointment of the company's spokesperson.
- Appointment of the company's spokesperson Development officer.

C. The 3rd meeting of the 10th Board of Directors in 2024 on July 2, 2023

- The Company has set the record date for exercising employee stock option

certificates by issued in the year 2020.

- The Company has set the record date for the capital reduction by cancellation the restricted employee shares issued in the year 2022.
- Approved to the ex-dividend base date and ratio for the cash dividends of 2023.

D. The 4th meeting of the 10th Board of Directors in 2024 on July 30, 2024

- The Company's consolidated financial report for the second quarter of 2024.

E. The 5th meeting of the 10th Board of Directors in 2024 on October 29, 2024

- The Company's consolidated financial report for the third quarter of 2024.
- The independence and suitability evaluation report of the CPAs appointed by the Company.
- 2024 the delegation compensation of CPAs.
- Amendments to the Company's Internal Control System and the Implementation Rules for Internal Audit.
- 2025 Internal Audit Plan.

F. The 1st meeting of the 10th Board of Directors in 2025 on February 27, 2025

- The Company's business operation plan (including budget) for year 2025.
- The 2024 independence and suitability evaluation report of the CPAs appointed by the Company.
- The distribution of the 2024 employees' and directors' compensation.
- The 2024 Business report and Financial Statements of the Company.
- The 2024 earnings distribution of the Company.
- The 2024 Internal Control Statement of the Company.
- The revisions to the Articles of Incorporation.
- The date and agenda of 2025 Annual General Shareholders' Meeting and proposals from the shareholders.

G. The 2nd meeting of the 10th Board of Directors in 2024 on April 27, 2025

- The Company's consolidated financial report for the first quarter of 2025.
- The Board of Directors approved the record date of exercising employee stock option certificates.
- The revisions to the Rules and Procedures of Shareholders' Meeting.
- The revisions to the Articles of Incorporation.
- Proposal for addition to the agenda of the 2025 Annual General Shareholders' Meeting.

3.11 Major Dissenting Comments Among Directors Over Board Meeting Resolutions for the Most Recent Year and Up To the Publication Date of This Annual Report:

None.

4. Certified Public Accountant, or CPA, Professional Fees

Unit: NT$'000

Accounting Firm	Name of CPA	Audit Period	Audit Fee	Non-audit Fee (Note)	Total	Remarks
Deloitte & Touche	Wen-Chin Lin Hsin-Wei Tai	January 1, 2024 ~ December 31, 2024	2,500	60	2,560	

Note: Salary checklist for full-time employees who are not in managerial positions and the amended declaration of undistributed earnings.

4.1 If the audit fees of the year in which the Company changes CPA firm is lower than that of the prior year, specify the amount of audit fee before and after, the fee reduction percentage, and the reasons:

None.

4.2 If the audit fee dropped year on year by more than 10%, specify the amount, percentage, and reasons for the reduction:

None.

5. Change of Certified Public Accountant

5.1 Former CPAs

Date of change	Approved by Board of Directors on April 18, 2024		
Reasons and Explanation of Changes	In order to maintain the independence of the CPAs and adhere to the rotation mechanism of the CPA firm, the engagement starting from 2024 Q1.		
State whether the Appointment is Terminated or Rejected by the Consignor or CPAs	Client / Status	CPA	Consignor
	Appointment terminated automatically	Not applicable	Not applicable
	Appointment rejected (discontinued)	Not applicable	Not applicable
The Opinions other than Unmodified Opinion Issued in the Last Two Years and the Reasons for the Said Opinions	Not applicable		
Is there any disagreement in opinion with the issuer	Yes		Accounting principle or practice
			Disclosure of financial statements
			Auditing scope or procedures
			Others
	No	✓	
	Explanation		
Supplementary Disclosure (Disclosures Specified in Article 10.6.1.4~7 of the Regulations Governing Information to be Published in Annual Reports of Public Companies)	None		

5.2 Successor CPAs

Accounting Firm	Deloitte & Touche
CPA	Wen-Chin Lin CPA and Hsin-Wei Tai CPA
Date of Engagement	Approved by Board of Directors on April 18, 2024
Prior to the Formal Engagement, Any Inquiry or Consultation on the Accounting Treatment or Accounting Principles for Specific Transactions, and the Type of Audit Opinion that Might be Rendered on the Financial Report	Not applicable
Written Opinions from the Successor CPAs that are Different from the Former CPA's Opinions	Not applicable

5.3 The Reply of Former CPAs on Article 10.6.1 and Article 10.6.2.3 of the Regulations Governing Information to be Published in Annual Reports of Public Companies:

None.

6. Audit Independence for the Most Recent Year

None.

7. Shareholding Changes of Directors, Management, and Major Shareholders with Shareholding of 10% and More for the Most Recent Year and up to the Publication Date of this Annual Report

7.1 Shareholding Changes of Directors, Managers and Major Shareholders

Title	Name	2024		As of March 31, 2025	
		Shares Increase (Decrease)	Pledged Shares Increase (Decrease)	Shares Increase (Decrease)	Pledged Shares Increase (Decrease)
Chairman	Tie-Min Chen	0	0	0	0
Vice Chairman	Future Technology Consulting, Inc. Representative: Fu-Chi Teng	0	0	0	0
Director & Major Shareholders with Shareholding of 10%	XSemi Corporation Representative: Chia-Shuai Chang	0	0	0	0
Director	Ying-Shi Huang	0	0	0	0
Independent Director	Pao-Shi Sheng	0	0	0	0
Independent Director	Nai-Jen Yeh	0	0	0	0
Independent Director	Chien-Wei Chen	0	0	0	0
CSO	Fu-Chi Teng	92,000	0	24,000	0
President	Chia-Shuai Chang	0	0	0	0
Director of R&D Division (Note1)	Yen-Yuan Huang	0	0	0	0
Vice President of Finance & HR Administration Division & Corporate Governance Officer	Mei-Ying Tan	(36,000)	0	0	0
Vice President of Sales Division	Chien-Hsueh Lin	60,000	0	24,000	0
Vice President of R&D Division (Note2)	Jau-Yan Lin	-	-	-	-
Vice President of Product Engineering Division (Note2)	Meng-Hui Lin	-	-	-	-

Note 1: On April 18, 2024, Yen-Yuan Huang was appointed as the head of the R&D Department. Therefore, only change in shareholding after appointment is disclosed.

Note 2: Jau-Yan Lin, Vice President of the R&D Department, and Meng-Hui Lin, Vice President of the Product Engineering Division, both retired and resigned on April 18, 2024. Changes in shareholding for the year are not applicable.

7.2 Stock Trade with Related Party

None.

7.3 Stock Pledge with Related Party

None.

8. Relationship among the Top Ten Shareholders

As of March 31, 2025

NAME	Current Shareholding		Spouses' and Minors' Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
XSemi Corporation	35,000,000	29.45	0	0.00	0	0.00	Tie-Min Chen	Chairman of the Company	
XSemi Corporation Representative: Tie-Min Chen	0	0.00	0	0.00	0	0.00	XSemi Corporation	Chairman of the Company	
Future Technology Consulting, Inc.	3,169,899	2.67	0	0.00	0	0.00	Fu-Chi Teng	Chairman of the Company	
Future Technology Consulting, Inc. Representative: Fu-Chi Teng	2,151,694	1.81	0	0.00	0	0.00	Future Technology Consulting, Inc.	Chairman of the Company	
Fu-Chi Teng	2,151,694	1.81	0	0.00	0	0.00	Future Technology Consulting, Inc.	Chairman of the Company	
HSBC (Taiwan) Commercial Bank Co., Ltd. is entrusted with the custody of Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. - the self-operated platform of the securities trading unit, the three-party SBL trading investment account.	1,281,000	1.08	0	0.00	0	0.00			
Standard Chartered Bank (Taiwan) Limited is entrusted with the custody of J.P. Morgan Securities Limited's investment accounts.	1,142,279	0.96	0	0.00	0	0.00			
Ko-Yu Yu	850,896	0.72	0	0.00	0	0.00	None	None	
HSBC (Taiwan) Commercial Bank is entrusted with the custody of the investment accounts of Goldman Sachs International (UK)	842,996	0.71	0	0.00	0	0.00	None	None	
Citibank (Taiwan) Commercial Bank is entrusted with the custody of the investment accounts of Barclays Capital Securities Ltd	735,000	0.62	0	0.00	0	0.00	None	None	
Shou-Yan Liu	660,000	0.56	01	0.00	0	0.00	None	None	
Standard Chartered Bank Limited is entrusted with the custody of the investment accounts of Japan Securities Finance Co., Ltd.	652,000	0.55	0	0	0	0.00	None	None	

9. Comprehensive Shareholding Information Relating to Company, Directors, Management, and Companies Affiliated through Direct and Indirect Investment

As of December 31, 2024

Affiliated Companies	Investments of the Company		Direct or Indirect Investments		Total Investments	
	Shares	%	Shares	%	Shares	%
Future Technology Consulting (B.V.I.), Inc.	2,350,000	100.00	0	0.00	2,350,000	100.00
Perfect Prime Limited (SAMOA)	450,000	100.00	0	0.00	450,000	100.00
Shenzhen Fucheng Electronics Corp. (Note 1)	Note 3	100.00	0	0.00	Note 3	100.00
Green Power Semiconductor Corp.	1,715,250	87.96	0	0.00	1,715,250	87.96
OPC Microelectronics Co., Ltd. (Note 2)	Note 3	100.00	0	0.00	Note 3	100.00
Fuhong Investment Co., Ltd.	8,707,307	100.00	0	0.00	8,707,307	100.00

Note 1: An indirect investment through Perfect Prime Limited (SAMOA).
Note 2: An indirect investment through Green Power Semiconductor Corp.
Note 3: Limited company is expressed in terms of capital contribution.

3 Capital and Shares

1. Capital and Shares
2. Corporate Bonds
3. Preferred Shares
4. Overseas Depository Receipts
5. Employee Stock Options
6. Employee Restricted Stock Shares
7. Shares Issuance for Mergers and Acquisitions
8. Funding Use Plan and Execution

Capital and Shares

1. Capital and Shares

1.1 Source of Capital

As of March 31, 2025

Month/ Year	Par Value (NT$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount (NT$'000)	Shares	Amount (NT$'000))	Sources of Capital	Capital Increased by Assets Other than Cash	Other
2018.03	10	200,000,000	2,000,000	81,340,493	813,404.93	Cash	-	Note 1
2022.06	**82.48**	**200,000,000**	**2,000,000**	**116,340,493**	**1,163,404.93**	**Private placement/ Cash**	**-**	Note 2
2022.11	10	200,000,000	2,000,000	117,340,493	1,173,404.93	Restricted Employee Shares	-	Note 3
2023.03	10	200,000,000	2,000,000	117,890,493	1,178,904.93	Employee stock options	-	Note 4
2024.03	10	200,000,000	2,000,000	118,681,193	1,186,811.93	Employee stock options	-	Note 5
2024.08	10	200,000,000	2,000,000	118,443,193	1,184,431.93	Employee stock options/ cancellation of Restricted Employee Shares	-	Note 6
2025.03	10	200,000,000	2,000,000	118,832,493	1,188,324.93	Employee stock options	-	Note 7

Note 1:The MOEA No. 10701017590 on March 9, 2018.
Note 2:The MOEA No. 11101101780 on June 14, 2022.
Note 3:The MOEA No. 11101205860 on November 10, 2022.
Note 4:The MOEA No. 11230098560 on June 12, 2023.
Note 5:The MOEA No. 11330073160 on May 15, 2024.
Note 6:The MOEA No. 11330129030 on August 15, 2024.
Note 7:The registration has not been completed.

As of March 31, 2025

Share Type	Authorized Capital					Remark
	Outstanding shares			Unissued shares	Total	
	Listed	Private placement	Total			
Common stock	83,832,493	35,000,000	118,832,493	81,167,507	200,000,000	

Shelf-registration system: None.

1.2 Major Shareholders

As of March 31, 2025

Major Shareholder	Shareholding (shares)	Shareholding (%)
XSemi Corporation	35,000,000	29.45

Major Shareholder	Shareholding (shares)	Shareholding (%)
Future Technology Consulting, Inc.	3,169,899	2.67
Fu-Chi Teng	2,151,694	1.81
HSBC (Taiwan) Commercial Bank Co., Ltd. is entrusted with the custody of Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. - the self-operated platform of the securities trading unit, the three-party SBL trading investment account.	1,281,000	1.08
Standard Chartered Bank (Taiwan) Limited is entrusted with the custody of J.P. Morgan Securities Limited's investment accounts.	1,142,279	0.96
Ko-Yu Yu	850,896	0.72
HSBC (Taiwan) Commercial Bank is entrusted with the custody of the investment accounts of Goldman Sachs International (UK)	842,996	0.71
Citibank (Taiwan) Commercial Bank is entrusted with the custody of the investment accounts of Barclays Capital Securities Ltd	735,000	0.62
Shou-Yan Liu	660,000	0.56
Standard Chartered Bank Limited is entrusted with the custody of the investment accounts of Japan Securities Finance Co., Ltd.	652,000	0.55

1.3 Dividend Policy and Distribution of Earnings

(1). Dividend policy under Articles of Incorporation

In light of the fact that the Company is in the business growth phase, to go with the demand for capital in the future and the long-term financial planning as well as to fulfill the demand of shareholders for cash flows, the Company appropriates and assigns dividends to shareholders according to the earnings available for distribution. Cash dividends, in particular, may not be below 10% of the total dividends distributed in a single year. The dividend payout proposed by the Board of Directors has to be approved at the annual shareholders' meeting.

(2). Proposed dividend allocation for approval at annual shareholders' meeting

The Board meeting passed the proposal of dividend distribution as NT$ 3.20 per share in cash on February 27, 2025; the proposal is not yet approved by the annual shareholders' meeting.

(3).The Company's dividends for the most recent five years have been distributed at no less than 40% of the net profit after tax for the current year, and cash dividends have been distributed for the most recent five years. For the dividend distribution over the years, please refer to the company's website for dividend distribution.

1.4 Impact of Stock Dividend Distribution on Business Performance and EPS

None.

1.5 Employees' and Directors' Compensation

(1). Earnings distribution plan according to the Company's Articles of Incorporation

If the Company posts an annual profit, it shall set aside no less than 5% of the profit as employees' compensation and not more than 3% of the profit as compensation for directors. However, if the Company posts a loss, it shall first reserve a certain amount to offset the losses, then allocate the remainder for employee s' and directors' compensation.

(2). Accounting treatment for the deviation between the estimated and actual distribution amount of employees' and directors' compensation

The Company accrues employee bonuses and directors' compensation proportionally from the pre-tax income before deducting employee bonuses and directors' compensation. Should there be a deviation between the actual distribution amount and the accrued amount in the annual financial reports after their publication date, the difference should be treated as changes in accounting estimates and adjusted in the following year.

(3). 2024 employees' and directors' compensation proposals adopted by the Board of Directors

A. Employees' and directors' compensation paid in the form of cash or shares and differences/reasons/treatments of accrued numbers if any:

The 2024 employee bonuses and directors' compensation approved by the Board of Directors on February 27, 2025 totaled NT$36,903,662 and NT$22,142,197, respectively, in the form of cash. There is no difference between the actual distribution and the accrued amount in the 2024 financial reports.

B. Employee bonuses paid in the form of shares and as a percentage of total net income on a stand-alone basis and of total employee bonuses: None.

(4).Actual distribution of compensation to employees, and directors (including the number, sum, and price of shares distributed), and treatment of the discrepancy:

There is no difference between the actual distribution and the accrued amount.

1.6 Share Repurchase by the Company

None.

2. Corporate Bonds

None.

3. Preferred Shares

None.

4. Overseas Depository Receipts

None.

5. Employee Stock Options

5.1 Status of employee stock options that have yet to mature

As of March 31, 2025

Type	6th (2020) Employee Stock Options
Date of Effective Registration and Number of Options	December 1, 2020 2,000,000
Issue (Grant) Date	March 9, 2021
Number of Options Granted	2,000,000
Number of Options not Granted	0
Percentage of Shares Exercisable to Outstanding Common Shares	1.70%
Option Duration	6 years
Source of Option Shares	New Common Share
Vesting Schedule	2nd Year: Up to 40% 3rd Year: Up to 70% 4th Year: Up to 100%
Shares Exercised	1,744,000
Value of Shares Exercised	66,365,570
Shares Unexercised	85,900
Adjusted Exercise Price Per Share (NT$)	36.60
Percentage of Shares Unexercised to Outstanding Common Shares	0.07%
Impact to Shareholders' Equity	Dilution to shareholder's equity is limited

Note: The issued shares refer to the shares listed on the changes registered in the MOEA as of the date of publication.

5.2 Names, acquisition, and subscription of managerial officers who have obtained employee stock options as well as employees who rank among the top ten in terms of the number of shares obtained via employee stock options

Unit: NT'000; thousand Shares

	Title	Name	Number of Option Acquired	Number of Option Acquired / Number of Option Issued	Exercised				Not exercised			
					Number of Option	Exercise Price (NT$)	Option amount	Number of Option / Number of Option Issued	Number of Option	Exercise Price (NT$)	Option amount	Number of Option/Number Of Option Issued
Managerial Officer & Employee	CSO Spokesperson Vice President Vice President Vice President Vice President	Fu-Chi Teng Lin-Chung Huang (resigned) Jau-Yan Lin (resigned) Meng-Hui Lin (resigned) Mei-Ying Tan Chien-Hsueh Lin	480	0.41%	360	39.60 ~ 36.60	13,557.2	0.26%	48	36.60	1,756.8	0.04%

Title	Name	Number of Option Acquired	Number of Option Acquired / Number of Option Issued	Exercised				Not exercised			
				Number of Option	Exercise Price (NT$)	Option amount	Number of Option / Number of Option Issued	Number of Option	Exercise Price (NT$)	Option amount	Number of Option / Number Of Option Issued
Employee Employee Employee Employee Employee Employee Employee Employee Employee Employee	Yan-yuan Huang Qing-tian Zhao Cai-lun Peng Qing-xun Zheng Jun-yuan Zheng Feng-chun Yeh Wen-wen Zeng Qi-feng Zeng (resigned) Yu-sheng Zeng Xue-lin Lu	570	0.48%	519	39.60 ~ 36.60	19,749.7	0.44%	36	36.60	1,317.6	0.00%

Note: The issued shares refer to the shares listed on the changes registered in the MOEA as of the date of publication.

6. Restricted Employee Shares

6.1 Status of New Restricted Employee Shares

As of March 31, 2025

Type of New Restricted Employee Shares	2022 New Restricted Employee Shares
Date of Effective Registration and Total Shares of issuance	May 20, 2022 1,000,000
Issue date	October 13, 2022
Number of New Restricted Employee Shares Issued	1,000,000
Number of New Restricted Employee Shares to be Issued	0
Issued Price (NT$)	None
New Restricted Employee Shares as a Percentage of Shares Issued	0.85%
Vesting Conditions of New Restricted Employee Shares	An employee's continuous employment with the Company through the vesting dates; no breach by the employee of any terms of any agreement with the Company to which the employee is subject, including, without limitation, the employee's employment terms and conditions or any other employment-related agreement, any non-competition or confidentiality agreements; no violation by the employee of employee handbook; and, the achievement by the employee of the employee's individual performance goals, and the Company's achievement of operational objectives during the applicable Performance Period. The maximum percentage of granted RSAs that may be vested each year shall be as follows: one-year anniversary of the grant: 30%; two-year anniversary of the grant: 30%; and three-year anniversary of the grant: 40%. a. The individual performance goals are the employee's year-end performance rating for the year preceding the vesting date at "A" rating or higher for the performance year preceding each vesting date. b. The Company's operating operational objectives indexes include the revenue growth rate and operating margin ("OPM%"); provided that the achievement level of the indexes in each year will be calculated based on the achievement of the Company's business performance metrics, as detailed in the following point. The achievement of one of the indexes is deemed to have achieved. The judgement of the achievement level of the indexes shall be based on the Company's consolidated financial statements certified by a certified public accountant for the corresponding performance periods. The actual percentage and number of the RSAs to be vested in each year will be calculated based on the achievement of the Company's business performance metrics and the employee's achievement of job performance criteria, which will be set by the Company and agreed with the employee.

Company's Operation Objectives	Operating Target A	Operating Target B
Revenue	Increase ≧ 5% YoY	Higher than the average of previous three years
Operating Margin (%)	Increase ≧ 2% YoY	

Type of New Restricted Employee Shares	2022 New Restricted Employee Shares
Restricted Rights of New Restricted Employee Shares	a. Except for inheritance, employees are prohibited from and shall not sell, pledge, transfer, give to another person, create any encumbrance on, or in any other way dispose of any unvested RSAs. b. Rights to attend the Company's shareholder's meeting, submit proposals, or speak and vote at the meeting attributed to ownership of stock with respect to any unvested RSAs will be the same as those of the common shares of the Company but shall be subject to and performed in accordance with the trust agreement. c. Rights to dividends, interest, capital reserve, and share subscription warrants attributed to ownership of stock with respect to any unvested RSAs will be the same as those of the common shares of the Company and shall be subject to and performed in accordance with the trust agreement. d. If any Shares vest on a date that falls during a period in which the Company is prohibited from altering the Company's shareholders' roster, including but not limited to, for reasons pertaining to the Company's issuance of bonus or cash dividends, or conducting a rights offering, convening shareholder's meeting pursuant to paragraph 3 of Article 165 of the Company Act, the release of the restrictions on such RSAs set forth in this Article 6 shall be in accordance with the trust agreement and applicable laws and regulations.
Custody Status of New Restricted Employee Shares	a. All Shares under each RSAs under these Rules shall be deposited in a trust/custody governed by the trust agreement immediately after the granting of the RSAs and execution of Company-required documentation. The employee shall have no right to request and shall not request that the trustee(s) release unvested RSAs held in the trust account for any reason or in any method. b. During the period when the granted RSAs are deposited in a trust/custody account, each employee must enter into an agreement authorizing the Company to, among others, negotiate, execute, modify, extend, rescind, and terminate the trust/custody agreement with the trustee/custodian, and give instructions to deliver, use, and dispose of any of the properties under the trust/custody, on their behalf, with full power and authority.
Measures to be Taken When Vesting Conditions are not Met	a. All unvested RSAs will be forfeited and canceled by the Company without consideration in accordance with these Rules. b. Any unvested RSAs will be forfeited on the effective date of separation due to a voluntary separation, separation with a severance, or retirement of such executives. The Company will reclaim the RSAs granted to them and cancel the same at no extra cost to the Company.
Number of New Restricted Employee Shares that have been Redeemed or Bought Back	0
Number of Released New Restricted Employee Shares	492,000
Number of Unreleased New Restricted Employee Shares	256,000
Ratio of Unreleased New Restricted Employee Shares to Total Issued Shares (%)	0.22%
Impact on possible dilution of shareholdings	Dilution of original shareholders' holding is limited.

6.2 List of Executives Receiving New Restricted Employee Shares and the Top Ten Employees with New Restricted Employee Shares

As of March 31, 2025; Unit: shares

	Title	Name	No. of New Restricted Shares	New Restricted Shares as a Percentage of Shares Issued (Note)	Released				Unreleased			
					No. of Shares	Issued Price (NT$)	Amount	Released Restricted Shares as a Percentage of Shares Issued (Note)	No. of Shares	Strike Price (NT$)	Amount	Unreleased Restricted Shares as a Percentage of Shares Issued (Note)
Managerial officer and employee	CSO Spokesperson Vice President Vice President Vice President Vice President	Fu-Chi Teng Lin-Chung Huang(resigned) Jau-Yan Lin(resigned) Meng-Hui Lin(resigned) Mei-Ying Tan Chien-Hsueh Lin	680,000	0.58%	300,000	0	0	0.25%	128,000	0	0	0.11%
	Employee Employee Employee Employee Employee Employee Employee Employee	Yan-yuan Huang Qing-tian Zhao Cai-lun Peng Qing-xun Zheng Jun-yuan Zheng Feng-chun Yeh Wen-wen Zeng Chi-chihYu	320,000	0.27%	192,000	0	0	0.16%	128,000	0	0	0.11%

Note: The issued shares refer to the shares listed on the changes registered in the MOEA as of the date of publication.

7. Shares Issuance for Mergers and Acquisitions

None.

8. Funding Use Plan and Execution

None.

4 Operational Highlights

1. Business Overview
2. Markets & Sales Overview
3. Human Resources
4. Environmental Protection Expenditure
5. Employee Relations
6. Cyber Security Management
7. Major Contracts

Operational Highlights

1. Business Overview

1.1 Business Scope

(1). The Main Business Activities

The main business scope of the Company and its subsidiaries is research, development, production, testing and sales of Power MOSFETs. Power MOSFETs are widely used in almost all electrical and electronic systems, such as automotive, consumer electronics, industrial automation and other related fields, including personal computers, switching power supplies, fan, motor drives, battery management systems, etc.

(2). Revenue Breakdown

Unit: NT$'000

Item	Revenue in 2024	% of total
Low Voltage MOSFET	1,217,456	41.72
Medium Voltage MOSFET	945,235	32.39
High Voltage MOSFET	692,400	23.72
Others	63,316	2.17
Total	2,918,407	100.00

(3). Main products

A. Low Voltage MOSFET

B. Medium Voltage MOSFET

C. High Voltage MOSFET

D. IGBT

(4). New products to be developed

The Company, in collaboration with Korean semiconductor wafer factories, has developed a new generation SGT process platform optimized for Figure Of Merit (FOM). This new ultra-junction process platform offers higher cost-effectiveness for high, medium, and low-voltage Power MOSFETs. These are suitable for various applications such as personal computers, laptops, cloud/AI servers, next-generation gaming consoles, catering to the power supply needs of consumer and commercial markets. It also provides the optimal product solution for applications involving BLDC motors.

In collaboration with analog power IC design companies, we are developing DrMOS products slated for mass production in 2025. These products aim to meet the demands for high performance and system miniaturization in the consumer PC market, offering optimal solutions.

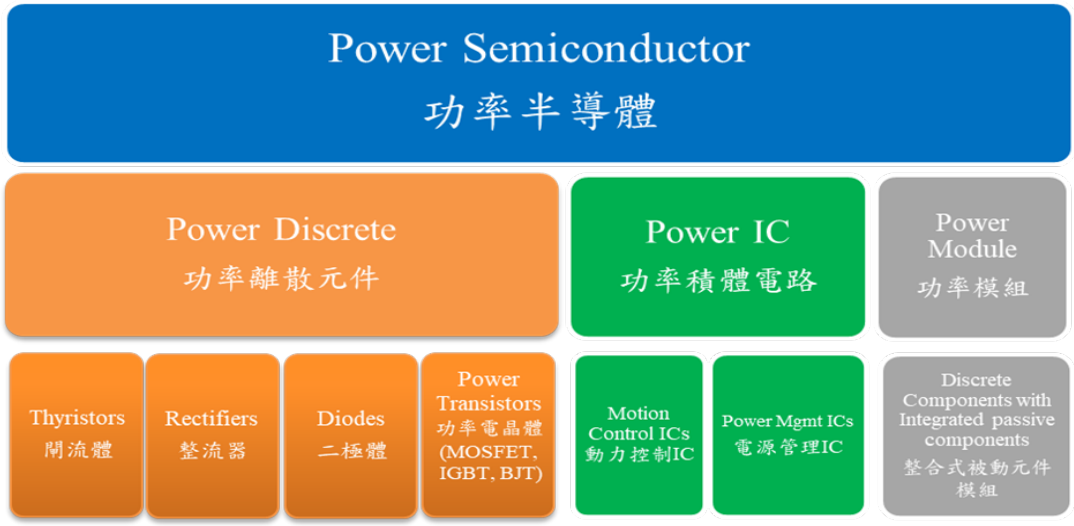
The increasing demand in the third-generation semiconductor market has led to the completion of product development for SiC SBD and fully developed SiC MOSFETs, enabling us to provide trial production of these products to meet customer demands.

1.2 Industry Overview

(1). Industry status and development

Power semiconductors can be divided into three categories, namely power discrete, power IC (Integrated Circuit) and power module. Among them, power discrete products comprise thyristors, rectifiers, diodes and power transistors. Power transistors mainly include power MOSFET (Metal Oxide Semiconductor Field Effect Transistors), IGBT (Insulated Gate Bipolar Transistors) and bipolar power Transistor. They are widely used in the computer, communications, automotive and consumer electronics industries, serving as the indispensable components for power conversion and power management.

Power semiconductors can be categorized as follows：



Source： IEK Consulting, ITRI (2018/12)

Power discrete components, including Power MOSFETs, IGBTs, and Bipolars, play a vital role in various applications. Among these, Power MOSFETs have consistently accounted for over 50% of the market share. They find extensive use in power conversion systems, controlling and handling high currents and voltages. With the growing demand in hybrid electric vehicles, electric vehicles, power supplies, and photovoltaic (PV) systems, artificial intelligence (AI), cloud computing, and big data driven by the emergence of Silicon Carbide (SiC) and Gallium Nitride (GaN) power semiconductors alongside traditional silicon (Si) technology, the market share of Power.

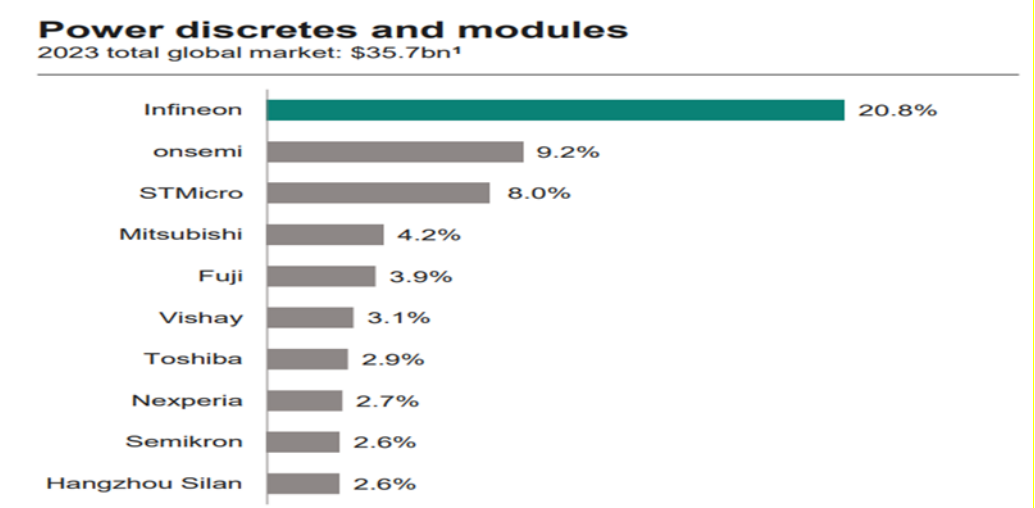
The global MOSFET market is poised for significant growth, fueled by rising energy efficiency demands, the proliferation of electric vehicles, and the expansion of renewable energy initiatives. Technological advancements in household appliances have further accelerated market momentum. Additionally, increased adoption of electronic devices among millennials, innovations in healthcare technologies, and the expected rise of hybrid

and electric vehicles continue to reinforce a strong foundation for the MOSFET market, supported by ongoing innovation and technological evolution.

According to Topology Industry Research Institute, the power semiconductor market of Power MOSFET is projected to grow by about 5.0% in 2024 compared to 2023, and the growth rate from 2023 to 2024 is slower than the previous two years.

According to a research report by Global Information, Inc. (GII), the global MOSFET market is estimated to reach USD 9.8 billion in 2023. Furthermore, it is projected to grow from USD 10.59 billion in 2024 to USD 19.75 billion by 2032. During the forecast period spanning 2025 to 2032, the market is expected to expand at a compound annual growth rate (CAGR) of 8.1%.

Power discrete components in Europe, America, and Japan are mostly in IDM mode, with complete wafer fabs and packaging facilities. Leading companies such as Infineon and ON Semiconductor operate in IDM mode. The concentration of the power discrete components industry is high. According to the annual report of Infineon for the year 2024, the top 5 power semiconductor manufacturers globally held approximately 50% market share in 2023. Infineon, in particular, is the largest power discrete components manufacturer globally with a market share of 20.8%.

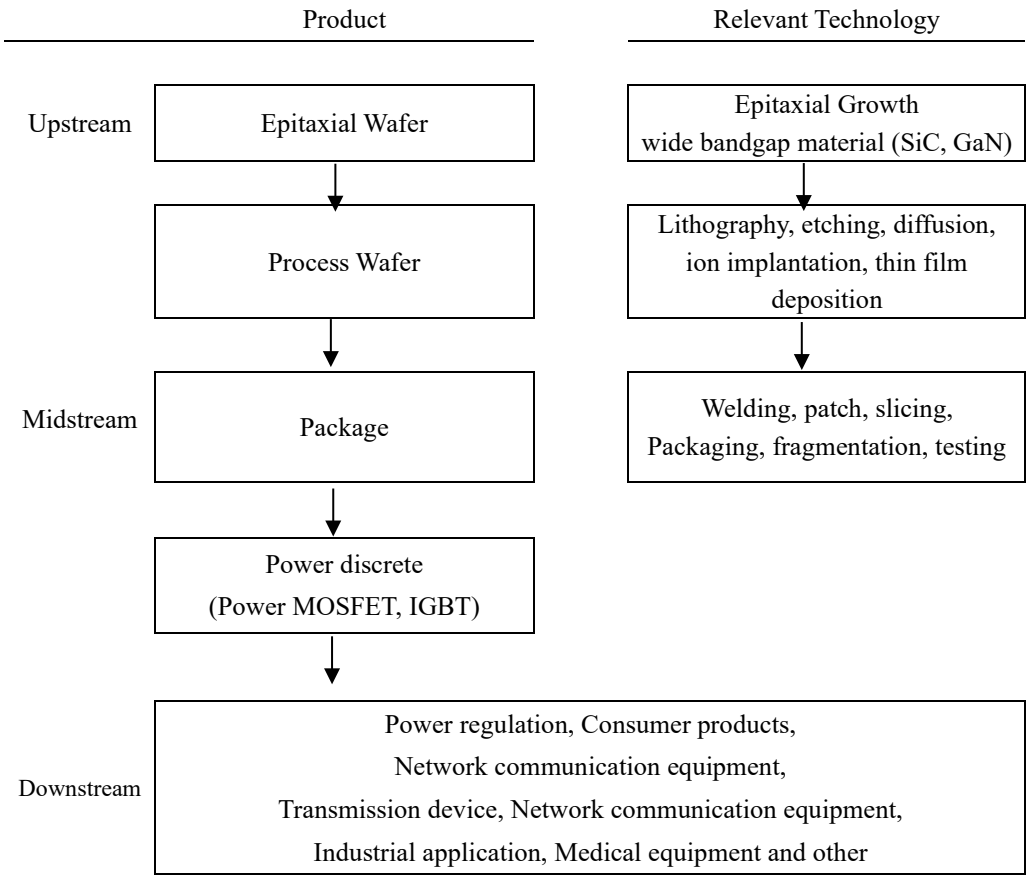


Source: Infineon 2025-02-04 Q1 FY25 Investor Presentation

Tariffs and trade barriers arising from US-China disputes have exacerbated the conflict between Taiwan and China, and the recent trade restrictions have also hindered global economic growth. In this context, China and the United States have each shaped their own supply chain structures, which consequently promotes the polarization of regional supply chain development. In response to the US blockade on semiconductor technology and industries, Chinese enterprises are pursuing independence and innovation by accelerating product substitution processes and striving to build an independent semiconductor supply chain to mitigate the impact of future risks. With the aid of market demand derived from emerging technologies and government policy support, the market share of Chinese Power MOSFET suppliers saw significant increases in 2024. Hangzhou Silan's market share was

2.6%, ranking tenth globally among power discrete component manufacturers. As for Taiwan's power semiconductor industry, it has leveraged cost and customization advantages when competing with foreign companies under amid the US-China trade war. Manufacturers are accelerating the establishment of supply chain bases outside of China, hoping to seize new opportunities for growth amid the ongoing geopolitical tensions between two major powers.

(2). Industry value chain



(3). Various Development Trends and Competitions of Products

A. Net-zero emissions accelerate energy system transformation

a. With a constantly growing world population and increasing industrialization, global demand for energy is rising. The long-term objective is to achieve global decarbonization by 2050. To achieve this target, it will be necessary to develop renewable sources of energy at a faster rate than originally envisaged. The power semiconductor segment has been playing a crucial part in contributing to achieving global energy savings goals, by improving performance with reduced power loss when power transmitted and distributed, in order to lower and save overall power usage across the widest application spectrum, e.g. in industrial applications, computer power supplies, consumer electronics, and electric vehicles (EVs), etc. Therefore, we see the growing need for power-efficient products as one of the key elements that is helping to drive the demand for power semiconductor market.

b. New materials of the third-generation semiconductors

In order to achieve higher performance, power semiconductors require higher specifications of operating voltage and switching frequency, as well as reducing the size of components. The third-generation semiconductor materials such as silicon carbide (SiC) and gallium nitride (GaN) (known as compound semiconductors), enable higher power densities and low switching losses, both of which contribute towards improved efficiency of power electronic systems and therefore, suitable for high-frequency communication and high-power electronic circuits, high electronic conversion efficiency, thereby reducing losses and bringing energy-saving effects.

The advantages of SiC and GaN have led to their widespread adoption across various sectors. In new energy vehicles and charging stations, SiC power devices are used in key systems like motor drives and onboard chargers. For instance, Tesla's Model 3 employs STMicroelectronics' SiC MOSFET modules, boosting driving range and charging speed. This success has driven other automakers to increase investments in SiC R&D and applications. Trend Force forecasts the global SiC power device market for EVs to reach USD 3.94 billion by 2026, with a CAGR of 29.4%.

GaN has seen rapid growth in consumer electronics, especially in fast-charging applications. Major smartphone brands have launched compact, high-efficiency GaN chargers, gaining strong market traction. GaN is also being adopted in AI 48V modules and for efficient 5G signal transmission. The GaN market is expected to exceed USD 5.8 billion by 2025.

B. Competitions of Products

In the development of global power semiconductors, major technologies have been dominated by global integrated devices makers (IDMs) such as Infineon, ON Semi, etc. which have complete wafer fabrication and packaging plants. The world's top five power semiconductor manufacturers accounted for more than 50% of the market share. The players in Taiwan are mainly focused in the low-voltage MOSFETs. Due to the limitation in capital, technologies and talents, the overall scale of the players is small, and the deployment of the industry is scattered. Under the impact of the US-China trade tensions, the trend of China and the United States forming their own supply chains has made the development of regional supply chains more polarized. To get rid of the long-term dependence on the technologies, product supply and patent licensing of the US semiconductor industry, China intends to implement the strategy of vertical integration that combines players from the upstream, midstream, and downstream of the industry, creating an independent and controllable semiconductor industry chain. In terms of US strategy, through cooperation with Taiwan, Japan, and South Korea in semiconductor and related industries, Taiwan's technology industry has to transform from globalization to two systems, and accelerate the establishment of supply chains outside China.

The IDM model is more competitive. On the contrary, the players in Taiwan are mainly fabless, which do not have wafer capability and difficult to obtain stable wafer supply during wafer shortage. Supply chain management and wafer capacity allocation have a

high impact on the company's growth. Therefore, in the face of market pressure, how to improve product technology levels, strengthen tacit cooperation between customers and strategic investment in the supply chain is an urgent issue in the face of industrial competition.

1.3 Research and Development

(1). Major R&D Expenditures which was NT$134,027 thousand in 2024.

(2). Major R&D Achievements in 2024:

A. The 4th generation of Low voltage Power MOSFET

The 30V~45V Power MOSFET solutions for core voltage synchronous rectification power supplies such as CPU and GPU of personal computers and graphics cards have passed the customer's performance verification and has been introduced into mass production.

B. The 3rd generation of Medium voltage Power MOSFET

60V~150V Power MOSFET, featuring next-generation optimizations enhance performance, have been mass-produced and provided for applications such as power supplies, power batteries, and BLDC motors.

C. The 4th generation of High voltage Power MOSFET

The 600V/650V high-voltage process technology platform with super junction has been completed and entered the stage of mass production, and has been gradually designed into the power supply ODM manufacturers.

D. Insulated Gate Bipolar Transistors (IGBT)

The 600V/1200V 15A,30 A IGBT has been developed and the reliability verification has been completed, and will be promoted for the machine tool and air conditioner inverter markets.

E. SiC Power MOSFET

The 600V~1200V SiC Power MOSFET has been developed and passed the product reliability verification, and a series of products will be developed according to the market demand of the power supplies, renewable energy, electric vehicles and charging piles.

1.4 Corporate Development Plan

(1). Short-term Corporate Development Plan

A. Marketing Strategy

In the conflict of tariff disputes and trade restrictions between China and the United States, to build overseas agent channels and strengthen triangular trade logistics functions, provide customers with immediate product consulting services and solve customers' problems in technology use to increase product market penetration.

B. Production Strategy

In 2024, the global Semiconductor Industry encountered a myriad of intricate challenges. To address challenges arising from underperformance in end-market applications, extended inventory adjustment times, and escalating tensions in the US-China tech conflict, the Company continues to enhance cooperation with existing suppliers in wafer foundries, packaging, testing, and other relevant facilities. This strategic focus ensures our company and its subsidiaries secure and maintain access to

production capacity while retaining control over product delivery schedules. The ultimate goal is to achieve stability in outsourced manufacturing capacity and prices.

C. R&D Strategy

According to the development trend of the 3rd-generation semiconductor materials and the market demand of power supplies, renewable energy, electric vehicles and charging piles, in order to provide customers with green environmental protection, energy saving and carbon reduction power management solutions, shorten the time to market and enhance product functions.

D. Financial Planning

By means of diversified channels for funding in the capital market, establish strategic investment partnerships and meet requirements of the Company's development plan in order to maintain financial soundness and protect shareholders' rights and interests.

(2). Long-term Corporate Development Plan

A. Marketing Strategy

Not only continuing to enhance the training of professional marketing personnel and strengthen channel functions with the Company's strategic investment partnerships, provide opportunities close to market services and attract domestic and foreign industry leaders to become the Company and subsidiaries' strategic customers.

B. Production Strategy

By investing in key packaging equipment and prepaying capacity deposits, in addition to ensuring the production capacity of the Company and subsidiaries, it can also accelerate the development of advanced products, with a view to high-efficiency manufacturing advantages to become a professional power semiconductor leader.

C. Product Development Direction

Expand product lines and deepen technical capabilities through strategic investment and cooperation, with a view to developing products required for green environmental protection such as energy saving and low power consumption, enhancing the market competition and value of products of the Company and subsidiaries, and widening the gap with competitors.

2. Markets & Sales Overview

2.1 Market Analysis

(1). Sales regions:

Unit: NT$'000

Item \ Year		2023		2024	
		Amount	% of total	Amount	% of total
Domestic Sales	Taiwan	394,145	13.82	728,179	24.95
Export Sales	Asia	2,456,009	86.14	2,186,408	74.92
	Others	1,008	0.04	3,820	0.13
Net sales		2,851,162	100.00	2,918,407	100.00

The export ratio of the Company and subsidiaries was 75.05% in 2024, mainly in mainland China and Japan.

(2). Market share and future market supply & demand and growth

A. Market share

Power semiconductors are primarily used to control and handle large currents and high voltages; power discrete devices are widely used in almost all electric appliances and electronic systems, such as automobiles, consumer electronics, industrial automation, etc. Major products in power discrete devices, also called power semiconductor devices (within the transistor domain), include power MOSFETs, IGBTs, and bipolar transistors. Of these, power MOSFETs account for more than 50% of the market, and are most widely used in power conversion systems.

According to the research report by Global Information Inc. (GII), the annual sales of Power MOSFETs are expected to reach $105.9 billion USD in 2024. Based on the estimated sales of our company and its subsidiaries in 2024, the ratio of our sales to the global semiconductor market total is still low.

B. Future Market Supply, Demand, and Growth Prospects

According to the research report by Global Information Inc. (GII), the global MOSFET market is projected to grow from $105.9 billion USD in 2024 to $197.5 billion USD by 2032, with a compound annual growth rate (CAGR) of 8.1% from 2025 to 2032. Since Q3 2022, the power semiconductor market has seen a supply-demand reversal, and weakened macroeconomic conditions have reduced consumer electronics demand. Sales have focused on inventory reduction, and after 2023 adjustments, inventory levels have normalized. The industry is expected to grow steadily from 2025.

The Company and its subsidiaries pay constant attention to developing technologies for our product lines. By taking advantage of the comprehensive semiconductor industry clusters in Taiwan and using flexible marketing strategies to expand our marketing channels, we can reinforce long-term collaborative relationships with current customers while also acquiring new customers in a variety of product fields. Through our active efforts, we can enhance the Company's market share.

(3). Competitive niche

A. Strong management and R&D team

The Company and subsidiaries have been devoted to the development of power semiconductor components since its establishment in 1998. There are as much as 88 more items of patent rights which have been acquired or that are under application. The Company and subsidiaries' management team have practical experiences in mask design and allocation, technology development, and product applications for many years, with leading members as talents for power semiconductor components and process design. Also, the main decision makers at the units of management, business, and quality assurance all have complete practical experience and definite business philosophy. Under the excellent leadership of the management team, it provides a great help for the Company and subsidiaries to enhance the competitiveness.

B. Possess independent R&D capability

The relevant technologies of multiple power semiconductor components possessed by the Company and subsidiaries are all the results of its own research and development. It is beneficial to obtain product key technologies, speed new product development schedule, and make product lines complete and diversified. The Company and subsidiaries also continue to put into considerable R&D expenses every year for research and development, which will be very beneficial to maintain R&D results and continuously develop new products. In addition, the R&D personnel of the Company and subsidiaries have a low turnover rate, and can effectively integrate their technical expertise to the development of each new product and improve the competitiveness of products.

C. Control foundry capacity and improve production efficiency

Through production capacity guarantee cooperation and key packaging equipment investment, the Company and subsidiaries have stabilized supply sources. Taiwan has the advantage of robust semiconductor industry clusters to improve production efficiency. Therefore, when there is a shortage of wafer capacity, we can timely strive for production timeliness, so as not to delay business opportunities, thereby enhancing the competitiveness of the Company and subsidiaries.

D. Provide customers with excellent product development and after-sales service

In order to help customers shorten the product development time and enhance market competitiveness, the Company and subsidiaries provide a complete integrated development system and analog modules for simulation, verification, sample production, and verification circuit boards before product production. Under the shortage of global wafer capacity, it can grow together with customers and maintain a positive relationship.

(4). Advantage and disadvantage factors of development vision and responsive measures

A. Advantage factor

a. In the development of global power semiconductors, major technologies have been dominated by global integrated devices makers (IDMs). Given the rising trend of energy saving and ESG awareness these years, the Company and subsidiaries continuously develop the products to be applied in the green environment market, e.g. energy-saving and low power consumption and provide the low to high voltage products comparable to these products from the international majors.

b. The Company and subsidiaries strive for stable development in the marketing strategy of power semiconductor components. The long-term customers of the Company and subsidiaries are leading manufacturers with a good image and have stable cooperative relations with the Company and subsidiaries.

c. The Company and its subsidiaries provide a complete portfolio of power management products, and accelerate the launch of new products according to customer needs

under the shortage of wafer foundry capacity. The product quality and supply are recognized and trusted.

B Disadvantage factors and responsive measures

a. In the US-China trade tensions, how to use the advantages of Taiwan's semiconductor industry to increase market share to obtain greater profits

◆Responsive measures:

The Company and subsidiaries use the advantages of Taiwan's complete semiconductor industry to improve production efficiency. Therefore, when there is a shortage of capacity, we can timely strive for production timeliness, turn the crisis into a turning point, and serve customers closer to the market. A more flexible way to enrich product lines and increase profit margins.

b. It takes longer to cultivate professional and senior R&D personnel. In addition, the Company and subsidiaries have to pay higher labor costs to enhance R&D personnel's coherence to the Company and subsidiaries.

◆Responsive measures:

The Company and subsidiaries do the best to value and train the R&D personnel and recruit R&D personnel. The R&D personnel can not only get profit feedback from Employee Stock Options, Restricted Employee Shares and Employee Stock Ownership, but also have a good working environment and comprehensive job training, which is advantageous in the cultivation of professional R&D talents.

c. As a fabless design company, the capacity is easily limited by the foundry. When the market is booming, it is often faced with the dilemma of insufficient production capacity of the fab, which will affect the shipment to downstream manufacturers.

◆Responsive measures:

Through production capacity guarantee cooperation and key packaging equipment investment, the Company and subsidiaries have stabilized supply sources.

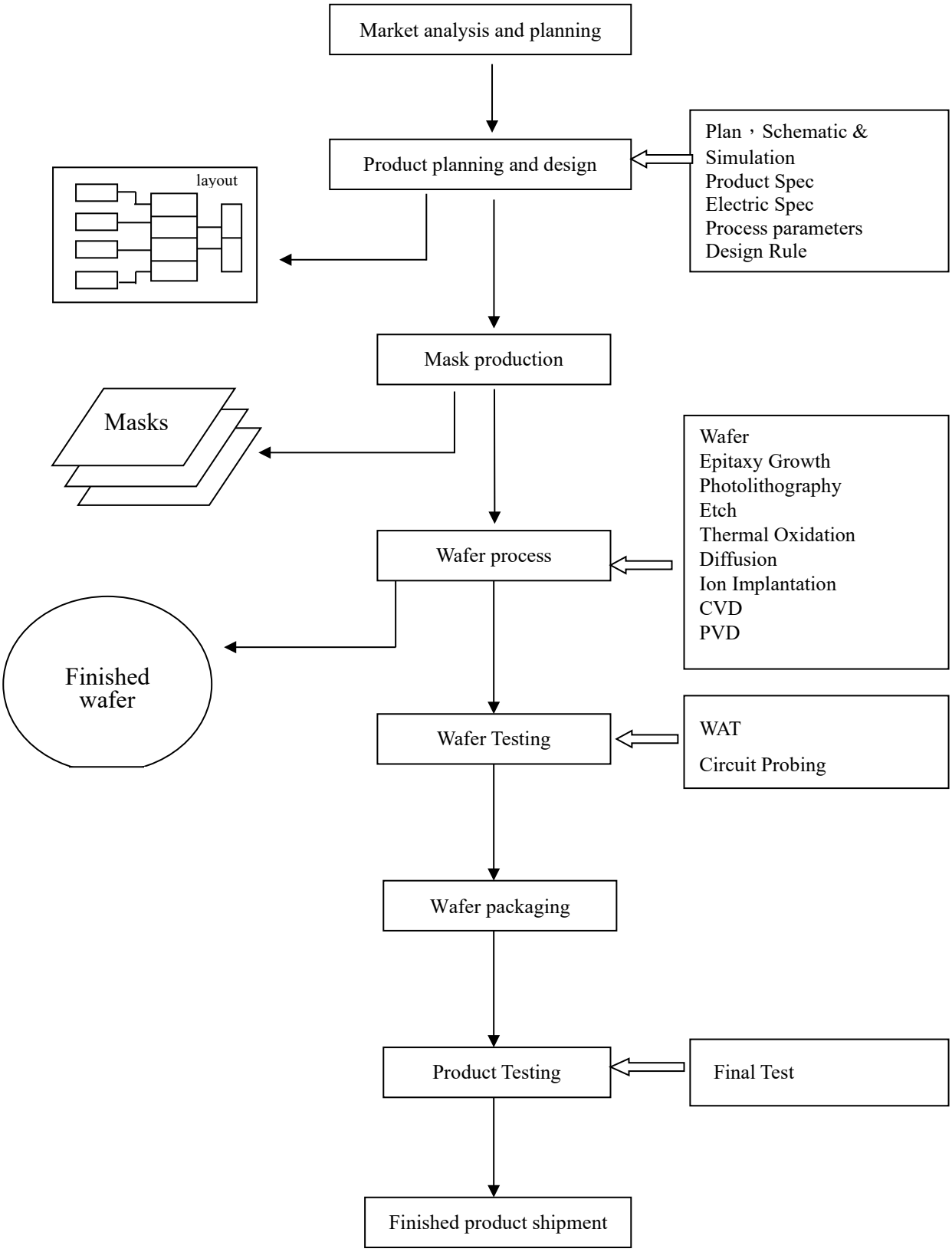
2.2 The key purposes and production process of the main products

(1). The application of main products

Main Products	Application
Low Voltage MOSFET	This is a power control component for information products, with characteristics of low conduction internal resistance, high switching speed, low gate charging capability, high withstand voltage and high current. This is power control systems for portable products such as notebooks, tablets, mobile phones and server systems used in cloud computing.

Main Products	Application
Medium and High Voltage MOSFET	This type of products has the characteristics of high withstand voltage, high current, low conduction internal resistance, and high capability to endure avalanche breakdown. They are applied to the low-watt switching power supplies and adapters, such as the charger for mobile phone batteries, and the adapter of notebooks and monitors. Furthermore, they are widely applied to the high-watt switching power supplies for PFC, Lighting, HID lights for care and servers, satisfying the demands for main switching power loads.
Insulated Gate Bipolar Transistor (IGBT)	It has the advantages of high switching speed, low switching loss, resistance to pulse current impact, reduced conduction voltage, high input impedance, voltage drive and low drive power, etc., and can be applied to electric vehicle motor inverters. The high-speed IGBT has high current drive and high withstand voltage capabilities, and through appropriate manufacturing processes, meets the requirements of rapid switching of components. It can be applied to power supplies for machine tools, electromagnetic heating and other home appliances.
Gallium Nitride (GaN)	Gallium Nitride (GaN) is a third-generation semiconductor material with superior physical properties compared to silicon (Si). It offers high power capability, high-temperature resistance, high breakdown voltage, high current density, and high-frequency performance. These advantages allow for significantly reduced chip size, simplified peripheral circuit design, and improved overall power density. GaN is now widely used in smartphone chargers, high-power AI server totem-pole PFC circuit architectures, as well as in 48V power applications such as DC-DC (D2D) converters and communication power supplies.
SiC MOSFET	Due to the very low switching loss of SiC MOSFET, the power system can support higher frequency operation, which can reduce the use of peripheral devices (transformers, capacitors). In addition to greatly reducing power loss, it has excellent operating characteristics in high temperature environments. It can simplify the heat dissipation design of the existing IGBT/Si MOSFET, thereby saving space and cost, and giving the product a greater competitive advantage.

(2) The Production process of the main products



2.3 Supply of major raw materials

Major raw materials	Suppliers	Condition of supply
Epitaxial Wafer	EPISIL-PRECISION	Good
Process Wafer	PSMC, HHGrace	Good
Package Assembly	GEM, GTBF	Good

2.4 Major Customers with over 10% net sales and Suppliers with over 10% total purchases of the last two fiscal years

(1). Major Suppliers of the last two fiscal years

Unit: NT$'000

Item	2023				2024			
	Name	Amount	Percentage of net annual purchase (%)	Relation with issuer	Name	Amount	Percentage of net annual purchase (%)	Relation with issuer
1	FN012	494,868	25.52	None	FN012	470,910	26.28	None
2	PN011	402,258	20.75	None	FN013	291,635	16.27	None
3	FN013	291,449	15.03	None	PN011	243,106	13.57	None
4					PN019	217,770	12.15	
	Others	750,300	38.70		Others	568,724	31.73	
	Total	1,938,875	100.00		Total	1,792,145	100.00	

Explanation of the increase or decrease:

The company and subsidiaries have maintained good relationships with major suppliers in the last two years. The supply and demand have remained stable, and there have been no major increases or decreases.

(2). Major Customers of the last two fiscal years

Unit: NT$'000

Item	2023				2024			
	Name	Amount	Percentage of net annual sales (%)	Relation with issuer	Name	Amount	Percentage of net annual sales (%)	Relation with issuer
1	T130044	726,616	25.48	None	T130044	494,667	16.95	None
2					F110044	295,492	10.13	None
	Others	2,124,546	74.52		Others	2,128,248	72.92	
	Total	2,851,162	100.00		Total	2,918,407	100.00	

Explanation of the increase or decrease:

The sales of the company and subsidiaries in 2024 decreased compared with that in 2023, there was no major increase or decrease in the structure of major customers.

3. Human Resources

Unit: EA

Year		2023	2024	As of March 31, 2025
Employee	Manufacturing	44	42	40
	R&D	41	36	36
	Sales and Marketing	40	32	32
	General and Administrative	32	26	30
	Total	157	136	138
Average age		41.12	43.35	44.17
Average years of service		7.74	9.02	8.06
Education Distribution %	PhD Degree	0.74	0.74	0.72
	Master Degree	16.18	16.18	18.12
	College /University	80.88	80.88	78.99
	Senior High School	2.20	2.20	2.17
	Junior High School and below	0	0	0

4. Environmental Protection Expenditure

Losses Related to Environmental Pollution for the Most Recent Year and Up To the Publication Date of this Annual Report

The Company has taken into consideration any potential risks or breach of environmental regulations in formulating its environmental management system. The Company also closely monitors developments in the government's environmental policies or regulations to be able to design precautionary measures. It does not expect any substantial expenditure arising from environmental pollution.

5. Labor Relations

5.1 Any employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests

(1). Although the Company has established a labor-management meeting, it has not yet signed a Collective Agreement because the labor-management meeting has not requested to the Company so far.

(2). Employees' welfare package

The Company and subsidiaries have always held the philosophy of the union of the employer and the employees, co-existence and co-prosperity, and emphasizes the reasonable, systematic, and humane management that respects the needs of employees. Also on the basis of interests-sharing, everything is handled by the Laws and regulations, and through the full communications and coordination, the good relationship between employer and the employees is established. Therefore, the Company's employees shall unit together, work together, to achieve the business goals in a harmonious working environment.

Talents are the most important resources of the Company, as well as the critical keys for the future growth. Therefore, the except various benefit plans, the Employee Benefit Committee and the Trust of the Employees' Shareholding are established to promote the harmonious relationship between the labor and the management and the best of the employees' benefits.

A. Comprehensive employee health management:

Annual health checkup and health consultation: establish physicians and nurses, provide integrated health management and health promotion services, and take care of employee safety and health. Build employee gyms so that employees don't forget to exercise after work.

B. Various employee benefit plans:

Annual leaves are better than the days specified in the Labor Standards Act; Subsidies for wedding, funeral, and birth; Subsidies for training; Health check, Employee's family health check discount; Employee share ownership trust; The bonuses at the year-end, Dragon Boat Festival, Autumn Moon Festival, and Labor Day; Birthday money; Childcare allowance; incentives for senior employees; and other employee welfare measures.

(3). Employee Communication Channel

The Company and its subsidiaries actively establish communication channels with employees, and conduct two-way communication through different channels to ensure immediate response and achieve labor-management harmony. The relevant communication channels are as follows:

A. The Company's internal website: Publish the company's major events and recent promotional content to help employees quickly obtain company-related information.

B. Labor-management meetings: Labor-management meetings are held quarterly to coordinate labor-management relations, promote labor-management cooperation, and prevent various labor problems from happening.

C. Employee feedback and complaints: According to different matters, corresponding channels are provided on the company's internal website and Email, allowing employees to respond to work, environment and other related issues and suggestions, and respond immediately to ensure smooth feedback channels.

(4). Education and training

The Company and subsidiaries have established the "Procedures for Employee Trainings" to accommodate the guidelines of operations, enhance the knowledge and skills of the employees, for the purpose of improving the efficiency of works and quality of products. The trainings are divided into newcomer training and on-the-job training and conducted by focusing the features of the works and the demands in the professional areas.

The training expenses of the company and subsidiaries for the year 2024：

Training Expenses ($)	Training Hours (hour)	People Trained
880,975	1,748.3	1,158

(5). Code of employee's conducts and ethics

The Company and subsidiaries have established the related guidelines and rules for all the employees to understand the concepts of ethics, rights, obligations and the code of conducts, so they may comply with them. The introductions to the guidelines are as the following:

A. The Company's major divisions are separated by functions. Each division is tasked with specific job responsibilities and this separation of functions has strengthened the Company's core competency.

B. The Company's work rules clearly define the rights and obligations of management and employees. Its modern management approach has promoted cooperation among employees and benefited the Company.

C.The Company's "Work Rules" include regulations on preventing sexual harassment in the workplace and promoting gender equality. The Company disseminates information on laws and procedures for filing complaints on sexual harassment on the intranet to serve as a guideline for employees.

D.The Company and subsidiaries have a Code of Conduct in order to improve the behavioral quality, professional ethics and professional ability of all employees, and to pursue the interests of the company within the legal scope. Every employee has the responsibility to prevent the decrease and damage of the company's interests and to maintain the company's reputation to ensure the company's sustainable growth and development.

(6). Working environment and worker's safety protection

A. For the labor safety and health, the Company and subsidiaries have established the "Best Practices for Health and Safety" pursuant to the regulations of the competent authorities for the employee to adhere for health and safety issues. To coordinate, plan, supervise, and promote the labor health and safety affairs, pursuant to the "Directions of Occupational Safety and Health Management," the occupational health and safety personnel are established to promote the management of health and safety, as well as to conduct the automatic inspections.

B. The Best Practices for Health and Safety of the Company and subsidiaries is to prevent the accidents, promote the safety and health of the employees, and protect the assets of the Company through the spirit of management as planning, executing, inspecting, and acting. The safety management of the Company and subsidiaries, not only strives to prevent accidents, but also draft the contingency plans for disasters. In case of disasters, the plans will protect the safety of employees, and prevent or reduce the impacts from the accidents to the society and environment. Also, the Company and subsidiaries have improved the working environment based on the characteristics of the operation sites, to provide a safe and comfortable working environment.

C. The key points of the Best Practices for Health and Safety of the Company and subsidiaries are to construct a safe working environment, actively prevent the occupational injuries and diseases, protect the mental and physical health of employees, and deepen the awareness to environment, health and safety among the

employees, as well as the responsibility assumptions and cultural cultivation. Besides, the regular health check is provided to all employees to ensure their health.

D. Except the regular fire extinguish system by the Company and subsidiaries, the regular fire drills are also conducted regularly along with the management center of the building, to focus on the improvement of management and hardware. There is an access control. No entrance is allowed without permits, so the safety of the employees is secured.

(7). Retirement plan

The Company and subsidiaries have established the retirement guidelines for employees, covering all the permanent employees. The "Labor Pension Act" has been enforced from July 1, 2005, is a defined contribution plan for retirement. The amount of labor pension borne by the employer pursuant to the Act shall not be less than six percent of the worker's monthly wage.

The Company and subsidiaries withheld NT$7,347 thousand for labor pensions in 2024.

(8). The Labor-Management Negotiation

The Company takes the humane management as the first priority, and recognizes the employees and the employer are an integral part, co-existing, and co-prosperous. The labor-management meetings are convened regular for the smooth communications between the two parties.

5.2 Losses Related to Labor Disputes for the Most Recent Year and Up To the Publication Date of this Annual Report

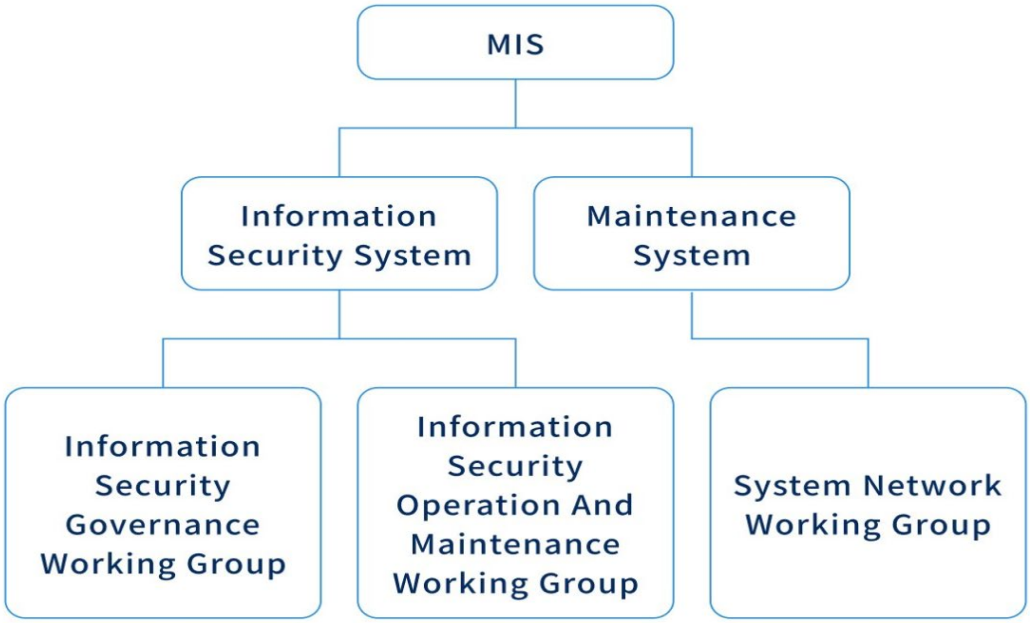
The Company maintains a harmonious management/employee relationship and there were no material disputes.

6. Cyber Security Management

6.1 The Company's Cyber security management framework, Cyber security policies, management plan and investments in resources for cyber security

1. The Company's Cyber security management framework

(1). The Company's Cyber Security Governance Organization



The Company has established a Cyber Security Promotion team and a Cyber Security Operations and Maintenance Task Force, which are responsible for coordinating the formulation, implementation, and risk management of information security and protection-related policies. Every year, the internal and external audit conduct cyber security management audit, and regularly report to the board of directors on the effectiveness of cyber security management, issues and directions related to cyber security.

(2). Cyber Security Risk Management

The Company has gradually established risk assessment criteria for cyber security risks. From the organizational level, it will carry out risk management and control on important information assets and core systems according to the impact level and occurrence probability of risks such as value, weakness, and threat.

At the technical level, cyber security technical review is conducted through the management of system and software architecture, vulnerability scanning and review, setting and operation and maintenance, etc.

Through the process of risk management and continuous improvement, reduce the threat to corporate information security, and establish confidential cyber protection that complies with legal norms, customer needs, and corporate operations.

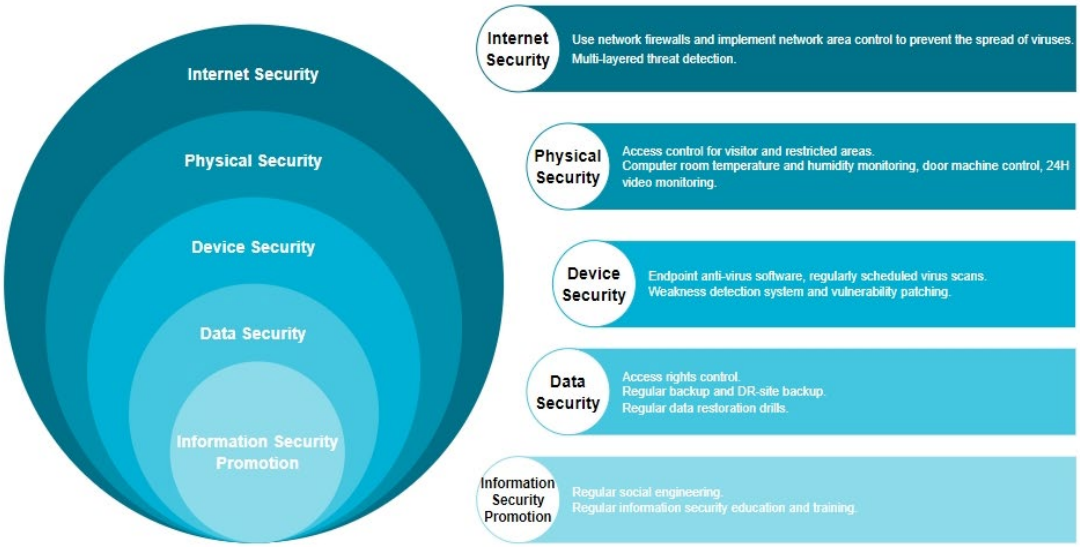
2. Cyber Security Policy

(1). Cyber Security Management Policy

Conduct cyber security risk management through risk assessment, and establish a complete cyber security management system based on the management cycle mechanism of planning, execution, checking and action (Plan-Do-Check-Act, PDCA).

Continuously review the applicability and protection measures of cyber security policies, effectively implement cyber security management, ensure the confidentiality, integrity and availability of cyber assets, and smoothly promote the Company's various businesses.

(2). Specific Management Plan



3. Cyber Security Risks and Countermeasures

(1) Enhance employees' cyber security awareness

To instill information security awareness in every employee, the Company provides e-learning courses and conducts annual social engineering drills that simulate phishing emails sent by hackers, aiming to assess employees' cyber security risk awareness. Starting from 2024, social engineering drills have been increased to twice a year, supplemented by cyber security awareness campaigns and training programs to further enhance employees' vigilance and understanding of information security.

In 2024, general employees received training through online courses or in-person sessions. The main topics included emerging cyber security threats and defensive strategies, safe computer usage practices, and an introduction to social engineering via email along with preventive measures. In total, the Company completed 369.5 hours of employee cyber security training during the year.

Countermeasures	Objective	Result of 2024
Perform annual social engineering simulations	Social engineering simulation email, with an employee click rate of less than 10%.	4.93%

(2) Network and system vulnerability detection

To protect company and personal information, as well as internal and external communication systems from leaks, theft, destruction, or damage caused by human error or natural disasters, the company conducts monthly internal vulnerability scans and commissions third-party professionals to perform annual penetration tests. These measures aim to assess the security of the network and systems, validate the effectiveness of current cyber security defenses, and guide improvements to strengthen system security.

(3) Cyber Security Alert Notification and Incident Management

In line with cyber security incident management protocols, the Company ensures systematic reporting, classification, handling, and tracking of incidents. In the event

of a security breach, prompt notification and response are carried out to minimize disruption to business operations. The Company utilizes Advanced Persistent Threat (APT) monitoring and operates a Security Operations Center (SOC), supported by external experts. The cyber security team swiftly manages alerts and incidents, enhancing detection and response capabilities.

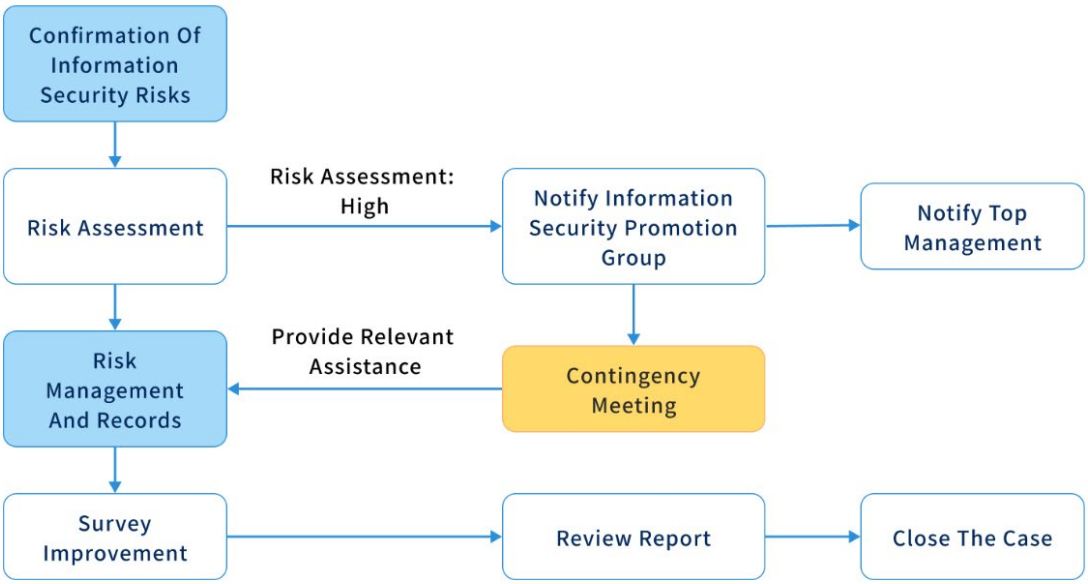
(4) Disaster Recovery Drill

To ensure business continuity and mitigate the risk of service disruption from major disasters, the Company conducts annual disaster recovery or cyber security incident response drills. These drills ensure the Company's ability to quickly restore operations to normal or acceptable levels, maintaining the functionality of critical systems and preventing operational downtime.

(5) Specific management plan

A. Identify stakeholders of the information security management system and regularly assess their needs (including customer security requirements).
B. Conduct social engineering drills and employee training to enhance cyber security awareness.
C. Establish clear guidelines and procedures to institutionalize the information security management system.
D. Perform regular risk assessments to identify high-risk items and allocate resources for mitigation or transfer.
E. Use tools and technologies for effective identification, protection, detection, response, and recovery.
F. Establish procedures for responding to and recovering from security incidents, minimizing impact.
G. Conduct annual disaster recovery drills for critical systems to ensure effectiveness.
H. Perform regular internal and external audits to ensure proper operation and continuous improvement.
I. Stay updated on new security information and technologies to counter emerging threats and reduce risks.

(6) Documentation and Management



4. Investment in Cyber Security Management

The Company uses current events and cases as information security promotion. In order to strengthen Cyber security, an appropriate budget has been prepared in 2023 to strengthen information technology and security protection.

6.2 Losses Related to Cyber Security for the Most Recent Year and Up To the Publication Date of this Annual Report

None.

7. Major Contracts

Contract Types	Contract Party	Contract Period	Major Content	Restrictions
Procurement	GEM Tech Ltd. Taiwan Branch. (Samoa)	Apr. 23, 2021 ~ Apr. 22, 2028	Package capacity supply assurance	None
Procurement	Powerchip Semiconductor Manufacturing Corp.	Jan. 1, 2022 ~ Sept. 30, 2025	Foundry capacity supply assurance	None
Procurement	Mosel Vitelic Inc.	Jan. 1, 2023 ~ Dec. 31, 2024	Foundry capacity supply assurance	None

5 Financial Status, Operating Results and Status of Risk Management

1. Financial Position
2. Financial Performance
3. Cash Flow
4. Major Capital Expenditure
5. Investment Policies
6. Risk Management
7. Others

Financial Status, Operating Results and Status of Risk Management

1. Financial Position

1.1 Consolidated balance sheet analysis:

Unit: NT$'000

Item \ Year	2024	2023	YoY change	
			Amount	%
Current assets	4,866,944	4,382,652	484,292	11.05
Property, plant and equipment	441,776	461,687	(19,911)	(4.31)
Intangible assets	2,803	3,083	(280)	(9.08)
Other assets	928,905	1,050,051	(121,146)	(11.54)
Total assets	6,240,428	5,897,473	342,955	5.82
Current liabilities	618,436	582,503	35,933	6.17
Non-current liabilities	14,917	4,049	10,868	268.41
Total liabilities	633,353	586,552	46,801	7.98
Paid-in capital	1,184,432	1,178,905	5,527	0.47
Capital surplus	3,005,869	3,001,320	4,549	0.15
Retained earnings	1,499,524	1,229,030	270,494	22.01
Other equity	(81,652)	(96,576)	14,924	15.45
Equity attributable to owners of the parent	5,608,173	5,312,679	295,494	5.56
Non-controlling interests	(1,098)	(1,758)	660	37.54
Total equity	5,607,075	5,310,921	296,154	5.58

1.2 Analysis for any variation plus and minus (+/-) 20% and over NT$ 10 million:

(1). Non-current liabilities increased: Mainly due to Deferred tax liabilities increased.

(2). Retained earnings increased: Mainly due to Net profit increased.

2. Financial Performance

2.1 Consolidated Statements of Comprehensive Income analysis

Unit: NT$'000

Item \ Year	2024	2023	YoY change	
			Amount	%
Revenues	2,918,407	2,851,162	67,245	2.36
Gross profit	833,932	745,015	88,917	11.93
Income from operations	473,633	308,896	164,737	53.33
Non-operating income and expenses	206,134	85,494	120,640	141.11
Income before income tax	679,767	394,390	285,377	72.36
Net income	565,960	329,666	236,294	71.68
Total comprehensive income	554,030	341,917	212,113	62.04
Net profit attributable to owners of the parent	565,220	330,426	234,794	71.06
EPS (NT $)	4.80	2.83	1.97	69.61

2.2 Analysis for any variation plus and minus (+/-) 20% and over NT$ 10 million:

(1).Income from operations increased: Mainly due to operating revenue increased and benefit from product portfolio.

(2).Non-operating income and expenses increased: Mainly due to foreign currency exchange gains arising from the depreciation of the New Taiwan dollar increased.

(3).Income before income tax, net income, total comprehensive income and net profit attributable to owners of the parent increased: Mainly due to revenues, gross profit and foreign currency exchange gains increased.

3. Cash Flow

3.1 Analysis of Consolidated Cash Flows for the Recent Year

Unit: NT$'000

Item \ Year	2024	Analysis
Net cash generated from operating activities	843,755	Mainly due to pre-tax net profit increased.
Net cash generated from/ (used in) investing activities	(704,456)	Mainly due to proceeds from financial assets measured at amortized cost increased.
Net cash generated from / (used in) financing activities	(267,897)	Mainly due to cash dividends distributed.

3.2 Source of Funding for Negative Cash Flow in 2024: Not applicable.

3.3 Cash Flow Analysis for 2025:

Unit: NT$'000

Cash balance, beginning of the year	Forecast net cash inflow from operations	Forecast cash outflow from investment and financing activities	Cash balance, end of the year	Source of funding for negative cash balance	
				Cash inflow from investment activities	Cash inflow from financing activities
662,988	732,120	417,383	977,725	-	-

(1). Cash Flow Analysis for 2025:

A. Projected cash inflow from operating activities: Expected to remain relatively stable.

B. Projected cash outflow from investment activities: For capital expenditure.

C. Projected cash inflow from financing activities: From cash dividend distribution.

(2). Projected cash inflow from financing activities: From cash dividend distribution: Not applicable.

4. Major Capital Expenditure

4.1 Major Capital Expenditures and Source of Funding

Unit: NT$'000

Plan	Actual or Planned Source of Capital	Estimated Capital Requirement	Status of Actual or Projected Use of Capital	
			2024	2023
Experimental Equipment and Machinery Equipment	Cash flow generated from operation	29,199	14,853	30,593

4.2 Expected Benefits

Experimental Equipment and Machinery equipment used for the Company's R&D process to shorten the product development cycle.

5. Investment Policies

The Company and its subsidiaries focus on making long-term and strategic investments. The objective is to strengthen and diversify its core business activities and expand into new fields to create synergies. The investment gain accounted for using equity method in 2024 is NT$ 42,185 thousand. For future investments, the Company will continue to make decisions based on prudent strategic assessments.

6. Risk Management

6.1 Risks Associated with Interest Rate Fluctuation, Foreign Exchange Volatility, and Inflation:

(1). Impact on Company Profit and Loss

Unit: NT$'000

Items	2024	2023
Interest Income, Net	60,075	63,259
Foreign Exchange Gains/(Loss)	101,846	6,444
Revenues	2,918,407	2,851,162
Income Before Income Tax	679,767	394,390
Interest Income, Net as % of Revenues	2.06%	2.22%
Interest Income, Net as % of Income Before Tax	8.84%	16.04%
Foreign Exchange Gains/(Loss) as % of Revenues	3.49%	0.23%
Foreign Exchange Gains/(Loss) as % of Income Before Tax	14.98%	1.63%

A. Impact of interest rate fluctuations

The US dollar interest rate remained unchanged from January to August in 2024, and started to fall from September. The US dollar interest rate range is 5.30%~5.835%. The Taiwan dollar interest rate has been continuously raised due to policy factors such as stabilizing housing prices. The Taiwan dollar interest rate range is 1.20%~1.75%. Due to the anticipation of a US dollar interest rate cut, the company has been gradually reducing its US dollar holdings from the beginning of 2024. However, as there is still a 4% interest rate differential between the US dollar and the Taiwan dollar, the overall interest income in 2024 has decreased slightly compared to 2023.

B. Impact of exchange rate fluctuations

Most of the Company and subsidiaries' sales are denominated in US dollars, and thus the movement of exchange rates impacts the income of the period. In the first half of 2024, due to the interest rate differential between the U.S. dollar and the Taiwan dollar and the strong U.S. stock market attracting capital flows, the U.S. dollar remained strong and the Taiwan dollar continued to depreciate. However, due to the clear forecast of a U.S. interest rate cut, the Company continued to reduce its U.S. dollar holdings in the first half of 2024. At the end of July, the U.S. dollar also led to a sharp rise in the Taiwan dollar as the trend of a U.S. interest rate cut was established. Although the extent of the U.S. interest rate cut was not as expected, resulting in a

depreciation of the Taiwan dollar, the overall exchange gains was still greatly increased.

However, overall, both the Company and subsidiaries continued to monitor market exchange rate fluctuations and adjust their foreign exchange positions in real-time. They maintained a natural hedge between foreign currency assets and liabilities to reduce exchange rate risks for both the Company and subsidiaries.

C. Impact of inflation

The 2024 consumer price index (CPI) increased by 2.18% compared with that in 2023. Raw material and energy prices are currently subject to substantial fluctuations due, among others, to inflation, which affects production prices and supply risks. The Company and its subsidiaries always pay attention to the fluctuation of market prices and maintain a good interaction with suppliers and customers to avoid the adverse impact of inflation on the Company's profit and loss.

(2). Mitigating Measures

To minimize the impact from the movement of exchange rate to the profit/loss of the Company and subsidiaries, the quotations take into account of the adjustment of prices resulted from the movement of exchange rate, to protect the reasonable profits of the Company and subsidiaries. The finance department works closely with the banks to grasp the movement of exchange rate for timely reactions. For the US dollars receivables and payables, the natural off-set approach is taken. The sales are denominated in US dollars, and the imported goods are paid with US dollars. The flexible payment mechanism (early or delayed payment) is applied to mitigate the risks from the movement of exchange rate. For the inflations, the Company and subsidiaries will react by monitoring the global economics situations.

6.2 Risks Associated with High-Risk/High-Leveraged Investment; Lending, Endorsements, and Guarantees for Other Parties; and Financial Derivative Transactions:

(1).High-risk, High-leverage Financial Instruments: None.

(2).Loans, Debt Guarantees: The Company passed the Rules and Procedures on Lending and Making Endorsement/Guarantees to supervise its financing and endorsement activities. The Company and its subsidiaries are not conducted in Lending and Making Endorsement/Guarantees.

(3).Derivatives transaction: The Company's engagement in derivative transactions has been conducted in accordance with the established "Procedures for Acquisition or Disposal of Assets."

As part of the Company’s conservative financial management, it does not engage in investments that are either high-risk or highly leveraged. The Company has in place a complete and thorough policy and internal control scheme governing lending, endorsements, guarantees for other parties, and financial derivative transactions. The Finance Department is responsible for related risk management.

6.3 Future Research and Development Projects and Corresponding Budget

Unit: NT$'000

R&D project	Plan description	Intellectual property rights	Projected Budget
1. Development of high-speed super junction POWER MOSFET and 5th-generation semiconductor 2. Development of SiC MOSFET and 2nd-generation semiconductor	Optimize material of POWER MOSFET and 5th-generation semiconductor materials	Material of Power MOSFET	22,001
	Optimize material of SiC MOSFET and 2nd-generation semiconductor materials		
	Optimize semiconductor process parameters of POWER MOSFET and 5th-generation semiconductor	Fab process of Power MOSFET	36,052
	Optimize semiconductor process parameters of SiC MOSFET and 2nd-generation semiconductor		
	Develop new package and optimize package structure of POWER MOSFET and 5th-generation semiconductor	New package and package structure	53,792
	Develop new package and optimize package structure of SiC MOSFET and 2nd-generation semiconductor		
	Optimize dynamic characteristics of POWER MOSFET and 5th-generation semiconductor	Integrated circuit architecture of Power MOSFET	38,989
	Optimize dynamic characteristics of SiC MOSFET and 2nd-generation semiconductor		

The progresses of the said development are expected to complete the process platforms and start to produce commercially.

6.4 Risk Associated with Changes in the Political and Regulatory Environment

The Company and subsidiaries have been watching any domestic or overseas policies potentially affecting the finance and business of the Company, and the risk management procedures are established accordingly. For the daily operation, the Company and subsidiaries always abide by the applicable domestic and overseas laws and regulations while monitoring the trend of domestic and overseas policy development and the changes of laws and regulations and collecting the relevant information as the reference to the management, for the purpose of adjusting the operating strategies for the Company and subsidiaries. As of now, the finance and business of the Company and subsidiaries have not yet impacted materially due to any change to the domestic and overseas key policies and laws.

The HR Administration Department and Finance Department are responsible for risks associated with changes in the political and regulatory environment.

6.5 Impact of New Technology and Industry Changes

The Company constantly monitors the developments and changes in the relevant technology within our industry. The international situation, post-epidemic normalcy, environmental protection consensus, and policy support, especially electric self-driving cars, cloud services, and green energy power generation, will become the trend of future industrial development. The Company and subsidiaries will actively develop a new generation of low, Medium, and high-voltage Power MOSFETs in line with the trend of industry development.

The Company and subsidiaries have always valued the cultivation of R&D talents and the development of products and technologies. Currently, the Company and subsidiaries have a solid financial position with sufficient funds to react to the needs for future technology development.

To promote the cyber security policies, implement the cyber security incident reporting and contingency measures, the Company and subsidiaries regularly evaluate the cyber security risks, implement the cyber security education and training, and formulate an audit mechanism for the implementation of the security maintenance plan, and strictly implement the security risk management.

The Company's Business Units are responsible for risks associated with new technology and industry changes.

6.6 Changes in Corporate Image and Impact on Company's Crisis Management

The most essential image of the Company and subsidiaries is integrity without seeking illegal benefits. This is also the critical principle for corporate culture. Therefore, integrity has become the nature of the Company regarding corporate governance.

The Company's Business Units are responsible for risks associated with the Company's image and impact on the Company's crisis management.

6.7 Risks Associated with Mergers and Acquisitions

As of the most recent year and up to the publication date of this annual report, the Company and subsidiaries have no plan for M&A. However, shall there be any M&A plan in the future, a rigorous assessment will be conducted to see if any tangible synergy will be achieved for the Company and subsidiaries so that the interests of the shareholders are protected.

6.8 Risks Associated with Facility Expansion

As of the most recent year and up to the publication date of this annual report, the Company and subsidiaries have no plan for facility expansion.

6.9 Risks Associated with Purchase Concentration and Sales Concentration

(1). Purchasing:

The Company and subsidiaries are professional IC design company. The needed purchases mainly are epitaxial wafers or outsourced production to OEM foundries. To diversify the source of purchases, the Company and subsidiaries have selected have cooperation with professional foundries to ensure the diversified product developments and sufficient supplies of capacities.

(2). Sales:

To maintain the stable operating revenue, the Company and the subsidiaries maintain good partnerships with customers under the principles of equality and co-benefit and the satisfactions of supplies and demands for both parties. Meanwhile, the Company and the subsidiaries strive to upgrade the quality and portfolio of products in the recent years, and diversify the customers portfolio. The Company is not subjected to the risks of sales concentration, as the Company maintains good relationships with long-term customers while gaining new customers aggressively.

The Operations Division and Sales Division are responsible for managing the risks associated with purchase concentration and sales concentration.

6.10 Risks Associated with Sales of Significant Numbers of Shares by the Company's Directors and Major Shareholders Who Own 10% or more of the Company's Total Outstanding Shares

None.

6.11 Risks Associated with Change in Management

None.

6.12 Risks Associated with Litigations

None.

6.13 Other Material Risk

None.

7. Others：None.

6 Subsidiary Information and Other Special Notes

1. Affiliated Companies in 2024
2. Private Placement Securities in the Most Recent Year and up to the Publication Date of this Annual Report
3. Other Supplementary Information
4. Material Impact, pursuant to Article 36-3-2 of the Securities and Exchange Act, on Shareholders' Equity or Share Price in the Most Recent Year and up to the Publication Date of this Annual Report

Subsidiary Information and Other Special Notes

1. Affiliated Companies in 2024

1.1 Consolidated Operation Report of the Company and Affiliates

This information is available at the Market Observation Post System (MOPS)

(Website: https://mopsov.twse.com.tw/mops/web/t57sb01_q10)

1.2 Consolidated Financial Report of the Company and Affiliates：None.

1.3 Affiliation Report：None.

2. Private Placement Securities in the Most Recent Year and up to the Publication Date of this Annual Report：None.

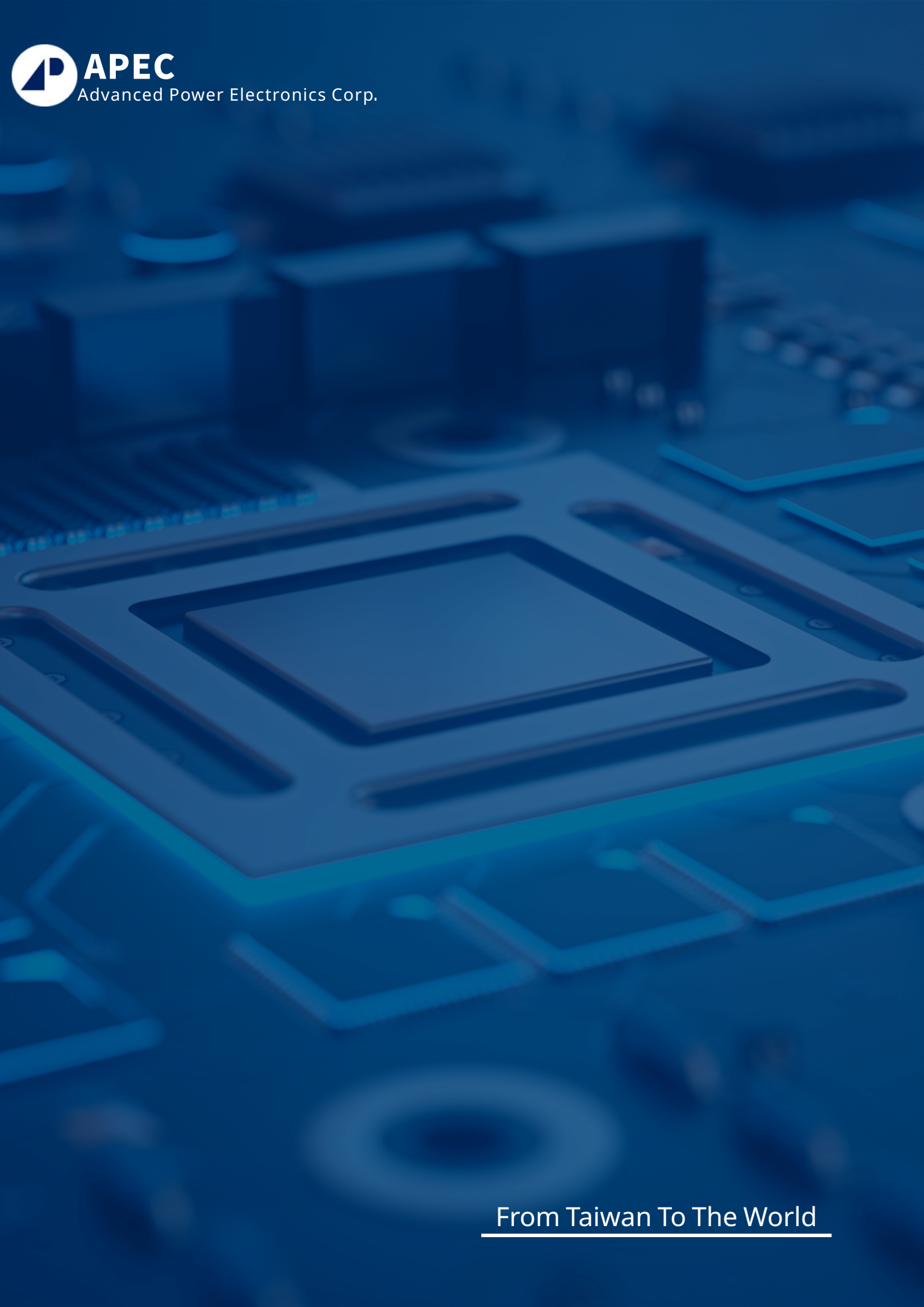
3. Other Supplementary Information

None.

4. Material Impact, pursuant to Article 36-3-2 of the Securities and Exchange Act, on Shareholders' Equity or Share Price in the Most Recent Year and up to the Publication Date of this Annual Report

None.

APEC
Advanced Power Electronics Corp.



From Taiwan To The World