

# ULTRACHIP

## 2024 Annual Report

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**Company website:**<http://www.ultrachip.com>

**Name of transaction location for overseas marketable stock listing transaction and method for inquiring the information of such overseas marketable stock: Not Applicable**

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## One: Report to shareholders

Dear Shareholders :

Here are our report of 2024 perating results and future company prospect.

### I.2024 operating results

#### 1. Planned implementation results for operating

Unit: NT\$ 1,000

Accounting items	2023	2024	Difference in amount	Growth rate %
Operating revenue	1,852,883	1,507,390	(345,493)	(18.65)
Gross profit	639,855	580,253	(59,602)	(9.31)
Net amount after tax (excluding non-controlling interests)	84,169	87,023	2,854	3.39

In 2024, driven by AI technologies, new applications, and the recovery of markets, such as 5G and automotive electronics, shipments of industrial control and automotive products remained stable. However, electronic paper-related products experienced a decline in both shipment volume and revenue compared to 2023, due to price declines from market competition and delays in new product mass production. As a result, overall revenue and gross profit margin in 2024 decreased by 18.65% and 9.31%, respectively, compared to 2023. Nevertheless, thanks to product mix optimization and the depreciation of the New Taiwanese dollar against the U.S. dollar in 2024, the gross profit margin improved by approximately 3.96% compared to 2023. Additionally, supported by non-operating exchange gains, after-tax net profit grew by 3.39% compared to 2023.

#### 2. Analysis of financial revenue and expenditure as well as profitability

Items		2023	2024
Financial structure	Percentage of liabilities to assets (%)	28.90	32.65
	Percentage of long-term funds to fixed assets (%)	596.68	867.93
Solvency	Current ratio (%)	244.35	584.87
	Quick ratio (%)	123.56	421.15
Profitability	Return on assets (%)	2.97	1.78
	Return on shareholders' equity (%)	4.15	2.07
	Net profit margin (%)	5.41	3.32
	Earnings per share (NT\$)	1.13	1.16

#### 3. Research and development status

In terms of research and development, NT\$ 360,840 thousand was paid for research and development in 2024, accounting for about 24% of the turnover of NT\$ 1,507,390 thousand. In the future, the Company will continue to invest in the development of new display technologies in addition to continuously optimizing existing products to expand new application fields. It is

estimated that the investment and expenses on research and development of new products and technologies will maintain 15%~25% of the total turnover in the future.

#### 4. Budget performance

The Company only set internal budget targets for 2024 and did not disclose financial forecasts to the public. The overall revenue and profit were affected by changes in the industry and market competition. As a result, the achievement rate of internal budget in 2024 was lower than expected, but the Company was still profitable for the whole year, and the earnings per share reached NTD 1.16.

## II. Business Plan Summary for 2025

### 1.Impacts of External Competition, Regulatory, and Overall Business Environment

The Company will continue to monitor the impact of U.S.-China trade war, international tariff policies, and geopolitical factors, while appropriately adjusting production capacity allocations across various manufacturing processes to ensure product quality, to reduce production costs, enhance capacity stability, and achieve the most efficient production mix.

### 2. Business guidelines and goals:

The Company will actively invest in R&D of new products and technologies to boost product competitiveness, strengthen the stability of its R&D workforce, and provide customers with sustainable and smart diverse solutions. The Company aims to seize new opportunities in the green technology market, achieve outstanding revenue and profit performance when the global economy recovers in the future.

### 3.Future company development strategy and the important policy of phurase and sell

Post-pandemic shifts in consumption patterns and the global ESG trend toward energy conservation and carbon reduction have rapidly popularized electronic shelf labels (ESLs) in the retail industry worldwide. ESLs not only enhance automation and operational efficiency but also enable retailers to reduce recurring costs and efficiently adjust prices, product assortments, and promotion campaigns, making them a major trend in retail automation technology. The Company's have developed four-color electronic paper products and is progressively putting them into mass production and shipment. Moving forward, to meet diverse environmental demands, the Company will focus on improving product yield and optimizing cost structures while actively exploring new application markets beyond shelf labels to enhance the competitiveness of its electronic paper driver ICs. Since integrating touch technology, STN products have seen steady growth in applications, such as industrial control, home appliances, and automotive dashboards. Amid the global ESG trend, the Company will develop more energy-efficient products and actively introduce solutions for new energy vehicles, to maintain stable production capacity to meet customer order demands.

Under the rapidly changing global economy, the sustainable management is still our goal. The Company will actively invest in the research and development of new display technologies, and pursue the driver IC with higher quality and saving energy and electricity, to hope to create maximum benefits for all shareholders!

Chairman      Yu-Tung Hsu

Two. Company Profile

I. Information of Directors, Supervisors, President, Vice Presidents, Associate Vice Presidents, Managers of Departments and Branches

(I) 1. Directors and Supervisors Information

April 30, 2025

Title	Nationality or place of registration	Name	Gender Age	Date of election (appointment) date	Term of office	Date of first election	Shareholding when elected		Number of shares currently held		Current shareholding of spouse and minor children		Shareholding by nominee arrangement		Main experience (educational background)	Current adjunct positions at the Company and other companies	Other managers, directors or supervisors with relationship of spouse or within second degree of kinship			Remarks
							Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Title	Name	Relation ship	
Chairman-cum -President	R.O.C.	Yu-Tung Hsu	Male 66-70 years old	2022.5.12	3 years	2004.04.26	1,421,273	1.90%	1,701,273	2.26%	369	0.0005%	0	0.00%	Master of Management Science, University of Massachusetts, USA Marketing Manager of Intel Corporation, Sales Manager of Vanguard International Semiconductor Corporation, Sales and Marketing Assistant Vice President of Elite Semiconductor Memory Technology Inc., Sales and Marketing Vice President of SmartASIC, Technology Inc.	Chairman and President of Ultra Chip Inc., Chairman and Corporate Director Representative of Ultradisplay Inc., Chairman and Corporate Director Representative of Ultra Capteur Co., Ltd., Chairman and Corporate Director Representative of Jinghong Electronics (Shanghai) Inc., Chairman and Corporate Director Representative of Dongguan Ultra Chip Inc.	None	None	None	(Note1)
Director	R.O.C.	Hsueh-Jen Chien	Male 71-75 years old	2022.5.12	3 years	2006.06.14 (Notr 2)	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Master of Chemical Engineering, Massachusetts Institute of Technology, USA Chairman of Vanguard International Semiconductor Corporation	Chairman of Fu-Chu Investment Co., Ltd., Chairman of Fu-Chu General Contractor Co., Ltd., Director of Yong Cheng Construction Co., Ltd., Supervisor of Zhu Jian Enterprise Co., Ltd., Independent Director of Wistron Corporation, Independent Director of Nan Ya Printed Circuit Board Corporation, Independent Director of ION electronic materials Co.,Ltd.	None	None	None	None
Director	R.O.C.	Chih-Cheng Chou	Male 71-75 years old	2022.5.12	3 years	2004.11.19 (Notr 3)	0	0.00%	0	0.00%	0	0.00%	0	0.00%	PhD. of Accountancy, Shanghai University of Finance and Economics Partner Accountant and Director of Taipei Branch of WeTec International CPAs, Chairman of CPA Associations ROC (Taiwan)	Partner Accountant of WeTec International CPAs, Independent Director of Usun Technology Co.,Ltd., Director of Medical Imaging Corporation, The natural person performing juristic person director duties of Ancang Construction Co., Ltd.	None	None	None	None
Independent Director	R.O.C.	Chiu-Yung Huang	Male 66-70 years old	2022.5.12	3 years	2013.04.18	0	0.00%	0	0.00%	0	0.00%	0	0.00%	EMBA Program of National Taiwan University Chairman of Ichia Technologies Co., Ltd.	Chairman of Ichia Technologies Co., Ltd., Chairman of Ferrari Investment Co., Ltd., Chairman of Creative Investment Co., Ltd., Director of Ichia Technologies(Malaysia) Co., Ltd., Chairman of ICHIA USA Inc., Director of ICHIA RUBBER INDUSTRY(M) SDN BHD	None	None	None	None
Independent Director	R.O.C.	Chien-Hua Hsu	Male 66-70 years old	2022.5.12	3 years	2016.05.27	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Master of Chemical Engineering, National Cheng Kung University Manager, Factory Director, Senior Vice President of United Microelectronics corp. General Manager and Chairman of He-Jian Technology (Suzhou) Co., Ltd.	Chairman and CEO of Corporate Director Representative of Episil Holding Inc., Chairman and CSO of Corporate Director Representative of Episil Technologies Inc., Chairman and President of Corporate Director Representative of Wellknown Holding Company Ltd.	None	None	None	None
Independent Director	U.S.A.	Jonathan Ross	Male 61-65 years old	2022.5.12	3 years	2010.06.04	0	0.00%	0	0.00%	0	0.00%	0	0.00%	MBA, Harvard University U.S.A. Asian Pacific Region Semiconductor Chief Analyst of The Goldman Sachs Group, Inc.	Director of Nitronix International Holdings Limited.	None	None	None	None
Independent Director	R.O.C.	He-Wei Wang	Male 51-55 years old	2022.5.12	3 years	2015.09.30	0	0.00%	0	0.00%	0	0.00%	0	0.00%	PhD. of Healthcare Services Management Institute, National Taiwan University President of Optoelectronics Division, TrendForce Corp.	Chairman of Sulfurscience Technology Co., Ltd.	None	None	None	None

(Note1) Where the Company’s Chairman and President or equivalent job position (highest managerial officer) refer to the same individual, or being spouse or first-degree relative of each other, it is necessary to explain the reason and relevant information on the reasonability, necessary and responsive measures (such as the method of increase of independent director seats, a majority of directors without concurrent job position of employee or managerial officer etc.): The Chairman of the Company also concurrently acts as the President for the purpose of improving the decision making execution and operation efficiency. However, to enhance the independence of the board of directors, the Company has further added one more seat of independent director (more than half of all directors are independent director), and more than half of all directors are not concurrently acting as employees or managerial officers, in order to improve the competency of the board and to enhance the supervision function.

(Note 2) From April 18, 2013 to May 11, 2022, he/she did not serve as a director or independent director of the Company.

(Note 3) From May 27, 2016 to June 10, 2019, he/she did not serve as a director or independent director of the Company.

2. Major shareholders of corporate shareholders: None

3. Major shareholders of aforementioned corporate shareholders as the major shareholders: None

4. Disclosure of professional qualification of directors and supervisors and independence of independent directors:

Criteria Name	Professional qualification and experience	Independence status	Number of companies for adjunct independent directors of other public offering companies
Director -Yu-Tung Hsu	Master of Management Science, University of Massachusetts, USA Marketing Manager of Intel Corporation, Sales Manager of Vanguard International Semiconductor Corporation, Sales and Marketing Assistant Vice President of Elite Semiconductor Memory Technology Inc., Sales and Marketing Vice President of SmartASIC, Technology Inc. Chairman and President of Ultra Chip Inc., Chairman and Corporate Director Representative of Ultradisplay Inc., Chairman and Corporate Director Representative of Ultra Capteur Co., Ltd., Chairman and Corporate Director Representative of Jinghong Electronics (Shanghai) Inc., Chairman and Corporate Director Representative of Dongguan Ultra Chip Inc.	Not applicable	None
Director -Hsueh-Jen Chien	Master of Chemical Engineering, Massachusetts Institute of Technology, USA Chairman of Vanguard International Semiconductor Corporation Chairman of Fu-Chu Investment Co., Ltd., Chairman of Fu-Chu General Contractor Co., Ltd., Director of Yong Cheng Construction Co., Ltd., Supervisor of Zhu Jian Enterprise Co., Ltd., Independent Director of Wistron Corporation, Independent Director of Nan Ya Printed Circuit Board Corporation, Independent Director of ION electronic materials Co., Ltd.		3 companies (Note 1)



Criteria Name	Professional qualification and experience	Independence status	Number of companies for adjunct independent directors of other public offering companies
Director -Chih-Cheng Chou	PhD. of Accountancy, Shanghai University of Finance and Economics Partner Accountant and Director of Taipei Branch of WeTec International CPAs, Chairman of CPA Associations ROC (Taiwan) Partner Accountant of WeTec International CPAs, Independent Director of Usun Technology Co.,Ltd., Director of Medical Imaging Corporation, The natural person performing juristic person director duties of Ancang Construction Co., Ltd.		1 company (Note 2)
Independent Director -Chiu-Yung Huang	EMBA Program of National Taiwan University Chairman of Ichia Technologies Co., Ltd. Corporate Director Representative of Ichia Technologies Co., Ltd., Chairman of Ferrari Investment Co., Ltd., hairman of Creative Investment Co., Ltd., Director of Ichia Technologies (Malaysia)Co., Ltd., Chairman of ICHIA USD INC., Director of ICHIA RUBBER INDUSTRY(M) SDN BHD	(1) Not an employee of the Company or any of its affiliates. (2) Not a director or supervisor of the Company or any of its affiliates. (Not applicable in cases where the person is an independent director of the Company, its parent company, or any subsidiary as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary.) (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 ten in holdings. (4)Not a manager in preceding subparagraph (1) or 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 subparagraph (2) and (3). (5) Not a director, supervisor, or employee of a corporate shareholder who directly holds 5% or more of the total number of issued shares of the Company, or that ranks among the top five in shareholdings, or designates its representative to	None

Criteria Name	Professional qualification and experience	Independence status	Number of companies for adjunct independent directors of other public offering companies
Independent Director -Chien-Hua Hsu	Master of Chemical Engineering, National Cheng Kung University Manager, Factory Director, Senior Vice President of United microelectronics corp. General Manager and Chairman of He-Jian Technology (Suzhou) Co., Ltd. Chairman and CEO of Corporate Director Representative of Episil Holding Inc., Chairman and CSO of Corporate Director Representative of Episil Technologies Inc., Chairman and President of Corporate Director Representative of Wellknown Holding Company Ltd.	serve as a director or supervisor of the Company under Article 27(1) or (2) of the Company Act. (Not applicable in cases where the person is an independent director of the Company, its parent company, or any subsidiary as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary.) (6) Not a director, supervisor or employee of other company such that a majority of the Company's director seats or voting shares are controlled by the same person. (Not applicable in cases where the person is an independent director of the Company, its parent company, or any subsidiary as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary.) (7) The chairperson, president, or a person holding an equivalent position of the Company is not a director (or governor), supervisor, or employee of other company or institution, or are spouses. (Not applicable in cases where the person is an independent director of the Company, its parent company, or any subsidiary as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary.)	None
Independent Director -Jonathan Ross	MBA, Harvard University U.S.A. Asian Pacific Region Semiconductor Chief Analyst of The Goldman Sachs Group, Inc. Director of Nitronix International Holdings Limited.	(8) Not a director (or governor), supervisor, manager, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company. (Not applicable in cases where the specified company or institution holds at least twenty percent but not exceeding fifty percent of the total number of issued shares of the Company, and the person is an independent director of the Company,	None
Independent Director -He-Wei Wang	PhD. of Healthcare Services Management Institute, National Taiwan University President of Optoelectronics Division, TrendForce Corp. Chairman of Sulfurscience Technology Co., Ltd.		None

Criteria Name	Professional qualification and experience	Independence status	Number of companies for adjunct independent directors of other public offering companies
		<p>its parent company, or any subsidiary as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary.)Article 27 of the Company Act.</p> <p>(9) Not a professional, sole proprietorship, partnership, business owner of a company or institution, partner, director, supervisor, manager, and the spouse thereof that provides audit or business, legal, financial, accounting, or other related services for which the cumulative amount of remuneration received in the last two years is less than NT\$ 500,000 for the Company or its affiliated companies. However, this shall not apply to the members of the Remuneration Committee, the Public Tender Offer Review Committee or the Special Committee on Mergers and Acquisitions who perform their functions and responsibilities in accordance with relevant provisions of the Securities and Exchange Act or the Business Mergers and Acquisitions Act.</p> <p>(10)Not a spouse of or a relative within the second degree of kinship with other directors.</p> <p>(11)There is no situations listed in Article 30 of the Company Act.</p> <p>(12)Not elected as a director on behalf of the government, a legal person, or the representative thereof under</p>	

Note 1: Director, Hsueh-Jen Chien is also the independent director of Wistron Corporation and Nan Ya Printed Circuit Board Corporation and ION electronic materials Co.,Ltd

Note 2: Director, Chih-Cheng Chou is also the independent director of Usun Technology Co.,Ltd.,

#### 5. Diversity policy, goal and achievement status of the board of directors:

In addition to “Articles of Incorporation”, the Company has also established the “Procedures for Election of Directors” to clearly specify the candidate nomination system for the nomination and qualification review of the election of directors. In addition, the directors are also approved through resolution of board of directors’ meeting and submitted to the shareholders’ Meeting for appointment. According to Article 3 of the “Procedures for Election of Directors” of the Company,

it explicitly specifies that the composition of the board of directors shall be determined by taking diversity into consideration, and shall establish an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the standards of the following two main aspects:

I. Basic requirements and values: Gender, age, nationality, and culture, etc.

II. Professional knowledge and skills: professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience, etc.

Each board member shall have the necessary knowledge to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. Operational judgment ability. 2. Accounting and financial analysis ability. 3. Business management ability. 4. Crisis handling ability. 5. Knowledge of the industry. 6. International market perspective. 7. Leadership. 8. Decision-making ability. 9. Risk management knowledge and skills.

The current board of directors of the Company consists of 7 directors, including 4 independent directors and 3 directors. The proportion of independent directors is 57%. All the board of directors are equipped with extensive experience and expertise in various areas of finance, accounting, risk management and law. In addition, the Company also focuses on the gender equality of the board member composition. The target ratio for female directors is above 20%. Presently, there are 7 directors, and no female directors. The Company will continue to exert effort in reaching the target ratio for female directors. The board member diversity implementation status is as follows:

Diversity item Director name	Basic composition					Industry experience				Professional ability			
	Nationality	Gender	Concurrent position as employee of the Company	Age	Seniority of independent director	Leadership and decision making	Business management	Knowledge of the industry	International market	Law	Accounting	Marketing management	Risk Management
Chairman - Yu-Tung Hsu	R.O.C.	Male	President	66-70 years old	Not applicable	V	V	V	V	V	V	V	V
Director - Hsueh-Jen Chien	R.O.C.	Male	None	71-75 years old	Not applicable	V	V	V	V		V	V	V
Director - Chih-Cheng Chou	R.O.C.	Male	None	71-75 years old	Not applicable	V	V	V	V	V	V		V
Independent Director - Chiu-Yung Huang	R.O.C.	Male	None	66-70 years old	9 years to 12 years	V	V	V	V	V		V	V
Independent Director - Chien-Hua Hsu	R.O.C.	Male	None	66-70 years old	6 years to 9 years	V	V	V	V	V		V	V
Independent Director – Jonathan Ross	U.S.A.	Male	None	61-65 years old	over 12 years	V	V	V	V	V	V		V
Independent Director – He-Wei Wang	R.O.C.	Male	None	51-55 years old	6 years to 9 years	V	V	V	V	V		V	V

## (II) Information of President, Vice President, Associate Vice President, Supervisors of Departments and Branches:

April 30, 2025

Title	Nationality	Name	Gender	Election (appointment) date	Shareholding		Shareholdings of spouse and minor children		Shareholding by nominee arrangement		Main experience (educational background)	Current adjunct positions at other companies	Managerial officers with relationship of spouse or within second degree of kinship			Remarks
					Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Title	Name	Relationship	
Chairman-cum-President	R.O.C.	Yu-Tung Hsu	Male	2002.01	1,701,273	2.26%	369	0.0005%	0	0.00%	Master of Management Science, University of Massachusetts, USA Marketing Manager of Intel Corporation, Sales Manager of Vanguard International Semiconductor Corporation, Sales and Marketing Assistant Vice President of Elite Semiconductor Memory Technology Inc., Sales and Marketing Vice President of SmartASIC, Technology Inc.	Chairman and Corporate Director Representative of Ultradisplay Inc., Chairman and Corporate Director Representative of Ultra Capteur Co., Ltd., Chairman and Corporate Director Representative of Jinghong Electronics (Shanghai) Inc., Chairman and Corporate Director Representative of Dongguan Ultra Chip Inc.	None	None	None	(Note)
President	R.O.C.	Cheng-Hsin Chang	Male	2004.11	276,340	0.37%	0	0.00%	0	0.00%	Master of Electronics Engineering, Columbia University, USA Senior Engineer of IC-Media Inc., Sony	President and Corporate Director Representative of Ultra Capteur Co., Ltd., Corporate Director Representative of Ultradisplay Inc.	None	None	None	None
Vice President	R.O.C.	Chien-Ting Chen	Male	2014.09	102,000	0.14%	0	0.00%	0	0.00%	Master of Electrical Engineering, National Cheng Kung University Supervisor of ELAN Microelectronics Corp., Chief Engineer of FocalTech Electronics Co., Ltd.	None	None	None	None	None

Title	Nationality	Name	Gender	Election (appointment) date	Shareholding		Shareholdings of spouse and minor children		Shareholding by nominee arrangement		Main experience (educational background)	Current adjunct positions at other companies	Managerial officers with relationship of spouse or within second degree of kinship			Remarks
					Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Title	Name	Relationship	
Assistant Vice President	R.O.C.	Yung-Teng Lai	Male	2006.11	64,948	0.09%	0	0.00%	0	0.00%	Master of Industrial Engineering, Tsinghua University Engineer of Macronix International Co., Ltd., Novatek Microelectronics Corp.	None	None	None	None	None
Assistant Vice President	R.O.C.	Sheng-Fang Wang	Female	2013.03	271,414	0.36%	0	0.00%	0	0.00%	Bachelor of Department of Accounting, Ming Chuan University Ernst & Young Global Limited	Corporate Director Representative of Ultra Capteur Co., Ltd, Corporate Supervisor Representative of Jinghong Electronics (Shanghai) Inc., Supervisor of Ultradisplay Inc.	None	None	None	None

(Note) Where the Company's Chairman and President or equivalent job position (highest managerial officer) refer to the same individual, or being spouse or first-degree relative of each other, it is necessary to explain the reason and relevant information on the reasonability, necessary and responsive measures (such as the method of increase of independent director seats, a majority of directors without concurrent job position of employee or managerial officer etc.): The Chairman of the Company also concurrently acts as the President for the purpose of improving the decision making execution and operation efficiency. However, to enhance the independence of the board of directors, the Company has further added one more seat of independent director (more than half of all directors are independent director), and more than half of all directors are not concurrently acting as employees or managerial officers, in order to improve the competency of the board and to enhance the supervision function.

## II. Remuneration Paid to Directors, Supervisors, President and Vice Presidents in the Most Recent Fiscal Year.

### (I) Remuneration of Directors and Independent Directors

December 31, 2024 Unit: NT\$ thousand / thousand shares

Title	Name	Remuneration of directors								Total of four items of A+B+C+D as a percentage of net income after tax (%)		Remuneration received for serving as an employee concurrently								Total of seven items of A+B+C+D+E+F+G as a percentage of net income after tax		Whether compensation from investees other than subsidiaries is received
		Remuneration (A)		Severance and pension (B)		Remuneration of directors (C)		Business execution expenses (D)				Remuneration, bonus, and allowance (E)		Severance and pension (F)		Employee remuneration (G)						
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
Cash amount	Stock amount															Cash amount	Stock amount					

Director	Yu-Tung Hsu(1)	0	0	0	0	1,486	1,486	0	0	1,486 1.71%	1,486 1.71%	10,000	10,000	0	0	4,600	0	4,600	0	16,086 18.48%	16,086 18.48%	None
	Hsueh-Jen Chien(2)																					
	Chih-Cheng Chou(3)																					
Independent Director	Chiu-Yung Huang(4)	960	960	0	0	526	526	0	0	1,486 1.71%	1,486 1.71%	0	0	0	0	0	0	0	0	1,486 1.71%	1,486 1.71%	None
	Chien-Hua Hsu(5)																					
	Jonathan Ross(6)																					
	He-Wei Wang(7)																					

Range of Remuneration table

Range of Remunerations to each Director of the Company	Director name			
	Sum of foregoing four items (A+B+C+D)		Sum of foregoing seven items (A+B+C+D+E+F+G)	
	The Company	All companies in the financial statements	The Company	All companies in the financial statements
Under NT\$1,000,000	(1)、(2)、(3)、(4)、 (5)、(6)、(7)	(1)、(2)、(3)、(4)、 (5)、(6)、(7)	(2)、(3)、(4)、 (5)、(6)、(7)	(2)、(3)、(4)、 (5)、(6)、(7)
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)	-	-	-	-
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	-	-	-	-
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)	-	-	(1)	(1)
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)	-	-	-	-
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)	-	-	-	-
Above NT\$100,000,000	-	-	-	-
Total	7 persons in total	7 persons in total	7 persons in total	7 persons in total

(II) Remuneration of supervisors: Since the Company has established the Audit Committee, the supervisor system is not applicable.

(III) Remuneration of Presidents and Vice Presidents

December 31, 2024 Unit: NT\$ thousand / thousand shares

Title	Name	Salary (A)		Severance and pension (B)(Note 1)		Bonus and allowance (C)		Employee remuneration (D)				Total of four items of A, B, C and D as a percentage of net income after tax (%)		Compensation from investees other than subsidiaries received
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
Chairman-cum-President	Yu-Tung Hsu(8)	16,661	16,661	216	216	3,835	3,835	6,994	0	6,994	0	27,706 31.84%	27,706 31.84%	None
President	Cheng-Hsin Chang(9)													
Vice President	Chien-Ting Chen(10)													

Note 1: For the defined contribution of pension, the Company appropriates pension fund equivalent to 6% of monthly salary for depositing into the employee personal accounts of the Bureau of Labor Insurance, and the appropriation amount was recognized as current expense. The 2024 current pension expense information is as shown in the table below.

December 31, 2024 Unit: NT\$ thousand

	2024	2023
Net pension cost of defined contribution (New pension system)	14,674	14,461

Range of Remuneration table

Range of remunerations to each President and Vice President of the Company	Name of President and Vice President	
	2024	
	The Company	All companies in the financial statements
Under 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)	(10)	(10)
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	(9)	(9)
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	-	-
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)	(8)	(8)
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)	-	-
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)	-	-
Above NT\$100,000,000	-	-
Total	3 persons in total	3 persons in total



(IV) Name of Managerial Officers for Distribution of Employees' Remuneration and Distribution Status:

December 31, 2024 Unit: NT\$ thousand

	Title	Name	Stock amount	Cash amount	Total	Total as a percentage of net income after tax (%)
Managerial officers	Chairman-cum-President	Yu-Tung Hsu	0	8,092	8,092	9.30%
	President	Cheng-Hsin Chang				
	Vice President	Chien-Ting Chen				
	Assistant Vice President	Yung-Teng Lai				
	Assistant Vice President	Sheng-Fang Wang				

(V) Analyze the total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by the Company and by all companies included in the consolidated financial statements in the most recent two years to directors, supervisors, president, and vice president, and describe remuneration policies, standards and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

1. Analysis of remuneration paid to Directors, Supervisors, Presidents, and Vice Presidents of the Company paid by the Company and companies included in the individual financial statements in proportion to the net income after tax referred to in the financial statements in the most recent two years:

Title	Proportion of the total remuneration of directors, supervisors, general managers and vice general managers of the Company to the after-tax net profits of individual or individual financial reports which are paid in the parent company (%)			
	2024		2023	
	The Company	All companies in the financial statements	The Company	All companies in the financial statements
Director	3.42%	3.42%	6.44%	6.44%
Supervisors	-	-	-	-
Presidents and Vice Presidents	31.84%	31.84%	36.27%	36.27%

2. Policy, standard and combination for payment of remuneration, establishment of procedure of remuneration, and correlation between the business performance and future risk

a. Remuneration for directors:

According to the Company's Articles of Incorporation, when there are accumulated losses for the year, the amount for loss coverage should be reserved first, and then the remaining balance shall be used to calculate directors' remuneration. If there are profits, no more than 5% shall be allocated as directors' remuneration. The remuneration is determined by referring to the "Board Members' (Self or Peer) Evaluation Questionnaire," Board performance evaluation, directors' attendance records, and directors' continuing education status. After review by the Remuneration Committee, it is submitted to the Board of Directors for approval, then reported to the shareholders' meeting, and distributed according to the number of directors.

b. Remuneration for President, Vice Presidents, and senior officers:

This includes fixed remuneration, performance bonuses, employee compensation, and other remuneration, determined according to the position held, responsibilities assumed, and contributions to the Company, with reference to industry standards for similar positions. The Company conducts performance evaluations twice a year, incorporating assessments of job and management effectiveness, annual performance targets, and ESG sustainability performance indicators (including development of energy-saving green products, improving production capacity utilization to avoid waste of resources, timely disclosure of financial information to protect shareholders' interests, perfecting employee retention and reward systems, and implementing information security policies to prevent confidential leaks). The above evaluation items are linked to variable compensation, which is reviewed by the Remuneration Committee before being submitted to the Board of Directors for approval and implementation, in order to achieve sustainable operation goals.

### III. Corporate Governance Status

(I) Board Meeting Operation Status: In the most recent year, there were 5 board meetings (A), and the attendance status of directors is as follows:

Title	Name	Attendance in person B	Number of attendance by proxy	Actual attendance rate (%) [B / A]	Remarks
Chairman	Yu-Tung Hsu	5	0	100.00%	
Director	Hsueh-Jen Chien	5	0	100.00%	
Director	Chih-Cheng Chou	5	0	100.00%	
Independent Director	Chiu-Yung Huang	3	2	60.00%	
Independent Director	Chien-Hua Hsu	5	0	100.00%	
Independent Director	Jonathan Ross	5	0	100.00%	
Independent Director	He-Wei Wang	5	0	100.00%	

#### Additional information:

- I. Where the operation of a board meeting is subject to one of the following, the board meeting date, session, proposal content, opinion of all independent directors and Company's handling for the opinions of independent directors shall be described:
- (I) Matters specified in Article 14-3 of Securities and Exchange Act: Please refer to the following table for details.
- (II) Except for the aforementioned matters, other resolutions of board meetings subject to dissenting opinions or qualified opinions and equipped with records or written statements: None.
- II. For the execution status of recusal of directors due to conflicts of interest, the name of directors, proposal content, reasons of recusal and participation in voting shall be described:
- (I) On 2024.02.23, the board of directors reviewed the 2023 proposal for distribution of remunerations of directors and employees, and all directors were interested parties of this proposal, such that each individual directors actively recused from the discussion and resolution of the proposal. The proposal was approved by all directors according to the content proposed without objections.
- (II) On 2024.07.31, the board of directors reviewed the proposal for adjustment of employee salaries and job titles of the Company and subsidiaries, and the Chairman Mr. Yu-Tung Hsu recused himself from discussion and voting of the proposal. The proposal was approved by the rest of the attending directors according to the content proposed without objections.
- (III) On 2024.07.31, the board of directors reviewed proposal for loaning of funds for subsidiary of Ultradisplay Inc., and the Chairman Mr. Yu-Tung Hsu of the Company of Ultradisplay Inc., recused himself from discussion and voting of the proposal. The proposal was approved by the rest of the attending directors according to the content proposed without objections.
- III. Information on the evaluation cycle and period, evaluation scope, method and evaluation content, etc. of the self-evaluation (or peer evaluation) of the board of directors, and the board evaluation execution status: Please refer to the board evaluation implementation status of the Company described in the table below.
- IV. Goals (such as establishment of Audit Committee, improvement of information transparency etc.) for establishment of and execution status evaluation on the enhancement of functions of the board of directors for the current year and the most recent year: The Company has established the Audit Committee, and all material proposals are submitted to the board of directors for discussion and are also reported to the Audit Committee according to the nature of each issue in order to inquire the opinions of independent directors and to obtain their consensus and agreement for execution. After a material proposal is approved by the board of directors, it is announced publicly according to relevant laws and requests of competent authority to comply with the information transparency requirements.

Board of Directors Evaluation Implementation Status: On 2020.07.31, the Company has established the “Procedures for Board of Directors Performance Evaluation” through resolution, in order to execute evaluation annually for improving the operation of board of directors and functional committees and to use it as the basis for review and improvement.

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Once annually	2024.01.01~2024.12.31	Board of directors performance evaluation, individual board member performance evaluation	Board of Directors internal evaluation	(1) Participation in the operation of the company
				(2) Quality of the board of directors' decision making
				(3) Composition and structure of the board of directors
				(4) Election and continuing education of the directors
				(5) Internal control
			Board member self-evaluation	(1) Alignment of the goals and mission of the company
				(2) Awareness of the duties of a director
				(3) Participation level in the operation of the company
				(4) Management of internal relationship and communication
				(5) Director's professionalism and continuing education
				(6) Internal control
Once annually	2024.01.01~2024.12.31	Performance evaluation by Audit Committee and performance evaluation by Remuneration Committee	Internal evaluation by the Audit Committee and the Remuneration Committee	(1) Participation in the operation of the Company
				(2) Awareness of the responsibilities of the Audit Committee and the Remuneration Committee
				(3) Improving the decision-making quality of the Audit Committee and the Remuneration Committee
				(4) Composition and member selection of the Audit Committee and the Remuneration Committee
				(5) Internal control

The Company has completed the performance evaluation of the Board of Directors, the Audit Committee and the Remuneration Committee in 2024, and submitted the report of the Board of Directors on February 21, 2025. The overall average score of the Board of Directors' self-evaluation is 4.88 points (total of 5 points), and the overall average score of individual board members' self-evaluation is 4.82 points (total of 5 points); the overall average performance self-evaluation scores of the Audit Committee and the Remuneration Committee are 4.97 points and 4.96 points (total of 5 points), indicating that the overall Board of Directors and functional committees are functioning well.

Board meeting proposals specified in Article 14-3 of the Securities and Exchange Act:

Board of Directors	Proposal content and subsequent handling	Matters specified in Article 14-3 of Securities and Exchange Act	Dissenting or qualified opinions of independent directors
9th Meeting of 9th Term 2024.02.23	1. Proposal for appointment and remuneration of CPAs of the company	V	None
	2. Proposal for independent of CPAs of the Company	V	None
	3. Proposal for amendment to parts of the “The Articles of Incorporation”	V	None
	Opinion of independent directors: None.		
	Company’s handling for the opinions of independent directors: None.		
	Result of resolution: Approved by all attending directors.		
10th Meeting of 9th Term 2024.03.22	1. Proposal for 2023 distribution of earnings	V	None
	2. Issuance of new restricted employee shares.	V	None
	3. Issuance of employee stock warrants.	V	None
	4. proposal of issuing common shares to participate in overseas depositary receipts by increasing cash capital or issuing common shares by increasing cash capital in the way of private placement	V	None
	5. Issue the 3rd Domestic Unsecured Convertible Bonds	V	None
	Opinion of independent directors: None.		
12th Meeting of 9th Term 2024.07.31	Company’s handling for the opinions of independent directors: None.		
	Result of resolution: Approved by all attending directors.		
	1. Proposal for loaning of funds for subsidiary of Ultradisplay Inc.	V	None
	2. Proposal Office expansion purchase.	V	None
	Opinion of independent directors: None.		
	Company’s handling for the opinions of independent directors: None.		
13th Meeting of 9th Term 2024.11.05	Result of resolution: Approved by all attending directors.		
	1. Amendment to certain provisions of the "Internal Control System Self-Inspection Implementation Procedures"	V	None
	2. Amendment to certain provisions of the Internal Control System of the Company and its subsidiaries and addition of internal control-related operation controls	V	None
	3. Proposal for amendments to parts of the “The Procedures for the Loaning of Funds”	V	None
	4. Proposal Office expansion purchase.	V	None
	5. Proposal for amendments to parts of the “The Accounting System”	V	None
	6. Amendment to certain provisions of the "Hierarchical Responsibility and Approval Authority Regulations" of the Company and its subsidiaries	V	None
	7. Participation in the cash capital increase of Ultradisplay Inc.	V	None
	Opinion of independent directors: None.		
	Company’s handling for the opinions of independent directors: None.		
	Result of resolution: Approved by all attending directors.		

(II) Audit Committee Implementation Status

There were 5 (A) Audit Committee meetings convened in the most recent year, and the attendance status of the independent directors is as follows:

Title	Name	Attendance in person B	Number of attendance by proxy	Actual attendance rate (%) [B / A]	Remarks
Independent Director	Chiu-Yung Huang	3	2	60.00%	
Independent Director	Chien-Hua Hsu	5	0	100.00%	
Independent Director	Jonathan Ross	5	0	100.00%	
Independent Director	He-Wei Wang	5	0	100.00%	

Additional information:

- I. Where the operation of Audit Committee is subject to one of the following, the board meeting date, session, proposal content, dissenting opinion of independent directors, reserved opinions or major recommendation item content, resolution result of the Audit Committee meeting and the Company's handling with respect to the opinions of the Audit Committee shall be described.
- (I) Matters specified in Article 14-5 of Securities and Exchange Act: Please refer to the following table for details.
- (II) Except for the aforementioned matter, other resolutions not approved by the Audit Committee but had the consent of more than two-thirds of all directors: None.
- II. For the execution status of recusal of independent directors due to conflicts of interest, the name of independent directors, proposal content, reasons of recusal and participation in voting shall be described: None.
- III. The communications between the independent directors, the internal auditors, and the independent auditors are listed in the table below (shall include major events, methods and results, etc. communicated in relation to the company's financial and business status):
- (I) The internal audit officer of the Company communicates the audit report result with the Audit Committee members, and internal audit report is also provided during the quarterly Audit Committee meeting. In case of any special condition, it is also reported to the Audit Committee members timely. Up to the printing date of the annual report for the current year, there has been no special conditions mentioned above. The communication status between the Audit Committee of the Company and the internal audit officer is proper.
- (II) The CPAs of the Company report the financial statements audit result of the current quarter and other communication matters required by the laws and regulations during the Audit Committee meetings quarterly, and in case of any special conditions, CPAs also report to the Audit Committee timely. Up to the printing date of the annual report for the current year, there has been no special conditions mentioned above. The communication status between the Audit Committee of the Company and the CPAs is proper.

Audit Committee meeting proposals specified in Article 14-5 of the Securities and Exchange Act

Audit Committee Meeting	Proposal content and subsequent handling	Matters specified in Article 14-5 of the Securities and Exchange Act	Resolutions not approved by the Audit Committee but with the consents of more than two-thirds of all directors.
8th Meeting of 3rd Term 2024.02.23	1. Proposal for 2023 Financial Statements.	V	None
	2. Proposal for 2023 “Internal Control System Effectiveness Self-Evaluation” and “Statement of Internal Control System”	V	None
	3. Proposal for appointment and remuneration of CPAs of the Company	V	None
	4. Proposal for independence of CPAs of the Company	V	None
	Resolution Result of Audit Committee: Approved by the all Audit Committee members.		
	Company’s Handling for Opinions of Audit Committee: Approved by all attending directors.		
9th Meeting of 3rd Term 2024.03.22	1. Issuance of new restricted employee shares.	V	None
	2. Issuance of employee stock warrants.	V	None
	3. Proposal of issuing common shares to participate in overseas depositary receipts by increasing cash capital or issuing common shares by increasing cash capital in the way of private placement.	V	None
	4. Issue the 3rd Domestic Unsecured Convertible Bonds	V	None
	Resolution Result of Audit Committee: Approved by the all Audit Committee members.		
	Company’s Handling for Opinions of Audit Committee: Approved by all attending directors.		
11th Meeting of 3rd Term 2024.07.31	1. Proposal for 2024 2nd quarter consolidated financial statements	V	None
	2. Proposal for loaning of funds for subsidiary of Ultradisplay Inc.	V	None
	3. Proposal Office expansion purchase.	V	None
	Resolution Result of Audit Committee: Approved by the all Audit Committee members.		
	Company’s Handling for Opinions of Audit Committee: Approved by all attending directors.		
12th Meeting of 3rd Term 2024.11.05	1. Amendment to certain provisions of the "Internal Control System Self-Inspection Implementation Procedures"	V	None
	2. Amendment to certain provisions of the Internal Control System of the Company and its subsidiaries and addition of internal control-related operation controls	V	None
	3. Proposal for amendments to parts of the “The Procedures for the Loaning of Funds”	V	None
	4. Proposal Office expansion purchase.	V	None
	5. Proposal for amendments to parts of the “The Accounting System”	V	None

Audit Committee Meeting	Proposal content and subsequent handling	Matters specified in Article 14-5 of the Securities and Exchange Act	Resolutions not approved by the Audit Committee but with the consents of more than two-thirds of all directors.
	6. Amendment to certain provisions of the "Hierarchical Responsibility and Approval Authority Regulations" of the Company and its subsidiaries	V	None
	7. Participation in the cash capital increase of Ultradisplay Inc.	V	None
	Resolution Result of Audit Committee: Approved by the all Audit Committee members.		
	Company's Handling for Opinions of Audit Committee: Approved by all attending directors.		



(III) Corporate Governance Operation Status and Discrepancies with the Corporate Governance Best Practice Principles for TWSE / TPEX Listed Companies and Reasons:

Assessment Item	Implementation Status			Discrepancies from the Corporate Governance Best Practice Principles for TWSE / TPEX Listed Companies and Reasons
	Yes	No	Summary	
I. Has the Company established and disclosed its corporate governance practices according to the “Corporate Governance Best Practice Principles for TWSE / TPEX Listed Companies”?	V		The Company has established the “Corporate Governance Best Practice Principles” and has disclosed these Principles on the Market Observation Post System (MOPS) website and the Company’s website.	No major difference.
II. Company’s ownership structure and shareholders’ equity				
(I) Has the Company established the internal procedures for handling shareholders’ proposals, doubts, disputes, and litigation matters; in addition, have the procedures implemented accordingly?	V		(I) The Company has established the “Internal Control System - Stock Affairs Operation”, and relevant departments have been assigned to be responsible for the handling of shareholders, doubts, disputes and litigation matters. In addition, stock affairs have also been entrusted to professional stock affairs agency institution for handling, and the Company has established the spokesperson system.	No major difference.
(II) Is the Company constantly informed of the identities of its major shareholders and the ultimate controllers?	V		(II) The Company is constantly informed of the identities of its major shareholders and the ultimate controller according to the shareholders’ roster provided by the stock affairs agency institution periodically, and also discloses relevant information of major shareholders according to the regulations to ensure the stability of management right.	No major difference.
(III) Has the company established and implemented risk management practices and firewalls for companies it is affiliated with?	V		(III) The Company has established relevant internal regulations of the “Rules Governing Financial and Business Matters Between Affiliated People”, “Regulations for Supervision of Subsidiaries”, “Procedures for Acquisition and Disposal of Assets”, “Procedures for Making Endorsements / Guarantees” and “The Procedures for Loaning of Funds to Others”, and implements internal audit periodically. In addition, the Company has also established appropriate risk control mechanism and firewall. Furthermore, the assets and financial management responsibilities among affiliated enterprises are independent from each other.	No major difference.
(IV) Has the Company established internal policies that prevent insiders from trading securities against non-public information?	V		(IV) The Company has established the “Procedures for the Prevention of Insider Trading” and “Procedures for Handling Material Inside Information and Insider Reporting” in order to prevent insiders from trading securities against non-public information. Furthermore, the Company has also specified in the “Corporate Governance Best Practice Principles” that directors and insiders shall not trade their shares thirty days before the public announcement of annual financial report and during the suspension period of fifteen days before the public announcement of quarterly financial report, in order to prevent insider trading.	No major difference.
III. Composition and responsibility of board of directors				
(I) Has the board of directors established diversity policy, specific management goal and has executed properly?	V		(I) 1. According to Article 17 of the Articles of Incorporation of the Company, the directors adopt the “Candidate Nomination System”. All director candidates reviewed for qualification by the board of directors through resolution, followed by submitting to the shareholders’ meeting for election. 2. According to the provision of Paragraph 3 of Article 20 of the “Corporate Governance Best Practice Principles” of the Company, the composition of the board of directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the company’s business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards: (1) Basic requirements and values: gender, age, nationality, and culture, etc. (2) Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance or marketing), professional skills, and industry experience, etc. 3. According to Paragraph 4 of Article 20 of the “Corporate Governance Best Practice Principles” of the Company, the board members shall generally possess the knowledge, skills, and quality necessary for performing job duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities: (1) Operational judgment ability, (2) Accounting and financial analysis ability, (3) Business management ability, (4) Crisis handling ability, (5) Industry knowledge, (6) International market perspective, (7) Leadership, and (8) Decision-making ability. 4. The current board of directors of the Company consists of 7 directors, including 4 independent directors and 3 directors. The proportion of independent directors is 57%. All directors are equipped with extensive experience and expertise in various areas of finance, accounting, risk management and law. The Company also focuses on the gender equality of the board member composition. The target ratio for female directors is above 20%. Presently, there are no female directors. The Company will continue to exert effort in reaching the target ratio for female directors. Please refer to the annual report for the board member diversity implementation status.	No major difference.

Assessment Item	Implementation Status			Discrepancies from the Corporate Governance Best Practice Principles for TWSE / TPEx Listed Companies and Reasons
	Yes	No	Summary	
(II) Apart from the Remuneration Committee and Audit Committee, has the Company assembled other functional committees at its own discretion?	V		(II) The Company has established the Remuneration Committee and Audit Committee. The Audit Committee was established by law to assist the supervision of all material financial matters, effective implementation of internal control, relevant regulatory compliance and identification and assessment of risk control of the Company, in order to enhance corporate governance.	No major difference.
(III) Has the Company established a set of policies and assessment tools to evaluate the board's performance? Is performance evaluated regularly at least on an annual basis? In addition, has the result of the performance assessment been submitted to the board of directors' meeting and used as reference for the remuneration and nomination or re-election of individual director?	V		(III) On 2020.07.31, the Company's board of directors has approved the "Procedures for Board of Directors Performance Evaluation" and evaluation method thereof, and performance evaluation is performed annually. The 2024 performance evaluation result has been reported to the board of directors on 2025.02.21. The evaluation result will be used as the basis for the Remuneration Committee to discuss the performance and remuneration of directors and supervisors, which is to be approved by the Remuneration Committee and submitted to the board of directors for discussion and approval.	No major difference.
(IV) Does the Company assess the independence of Certified Public Accountant (CPA) on a regular basis?	V		(IV) The Company regularly reviews the independence of attesting CPAs every year. In addition to requiring the attesting CPAs to provide the Statement of Independence and Audit Quality Indicators (AQIs), the Company also evaluates the independence and 13 AQIs. Please see the table of CPA Independence assessment standard. It is confirmed that the audit experience and training hours of the Company's attesting CPAs and their firms are better than the industry average. In the future, we will continue to introduce innovative audit tools and cloud audit platforms to improve the audit quality and efficiency. The evaluation results for the most recent year were approved by the Audit Committee on February 21, 2025, and a resolution was submitted to the Board of Directors, agreeing on the independence and suitability of the CPAs. The rotation of CPA also complies with relevant regulations.	No major difference.
IV. Has the publicly listed company designated a department or personnel that specializes (or is involved) in corporate governance affairs (including but not limited to providing directors / supervisors with the information needed to perform their duties, convention of board meetings and shareholders' meetings according to the law, company registration and changes, preparation of board meeting and shareholders' meeting minutes etc.)?	V		(I) According to the resolution of the board of directors' meeting dated 2020.07.31, the Assistant Vice President of Financial and Accounting Administrative Division, Mr. Wang, was appointed to act as the corporate governance officer to protect the rights and interests of shareholders and to strengthen the functions of the board of directors. Assistant Vice President, Mr. Wang, is equipped with more than three years of experience in the position of officer of financial and accounting administration of public company.	No major difference.
	V		(II) Main responsibilities of corporate governance officer and handling staff are: 1. Handling company registration and change registration. 2. Plan appropriate company system and organizational structure in order to promote the independence of board of directors, to achieve company transparency and legal compliance as well as to implement internal control system. 3. Handle matters relating to board meetings and shareholders meetings according to laws, and assisting the Company to comply with relevant laws for the convention of board meetings and shareholders meetings. 4. Prepare meeting minutes of board meetings and shareholders' meetings. 5. Provide information necessary for business execution of directors and the latest development of laws related to corporate management in order to assist directors to comply with the laws. 6. Report to the Board of Directors the review results on whether the qualifications of independent directors during nomination, election, and office tenure comply with the relevant statutes and regulations. 7. Handle matters related to investor relationship. 8. Other matters specified in the Articles of Incorporation or contracts. 9. To participate in promotional activities or courses related to the "Sustainable Development Action Plan for Listed Cabinet Companies" and report to the board of directors.	No major difference.
	V		(III) 2024 duty execution status is as follows: 1. Assist independent directors and general directors to perform job duties, provide necessary documents and arrange the training for the directors: 1.1. For the amendment and development of latest laws and regulations in the corporate operation field and corporate governance relevant field, provide periodic notices to members of the board of directors. 1.2. Examine the confidentiality level of relevant information and provide company information necessary for directors, maintain the smoothness of communication and exchange among directors and all business supervisors. 1.3. According to the industrial characteristics of the Company and the educational background and experience of the directors, assist directors to establish the annual continuing training plan and arrange courses.	No major difference.

Assessment Item	Implementation Status			Discrepancies from the Corporate Governance Best Practice Principles for TWSE / TPEX Listed Companies and Reasons
	Yes	No	Summary	
	V		<p>2. Assist with the legal compliance of board of directors' meeting and shareholders' meeting procedure and resolution:</p> <p>2.1. Determine whether the shareholders' meeting and board of directors' meeting conventions comply with the relevant laws and the corporate governance best practice principles.</p> <p>2.2 After a board of directors' meeting, responsible for verifying the major information announcement of important resolutions in order to ensure the legality and accuracy of the major information content and to ensure the properness of the investor transaction information, etc.</p> <p>3. Maintain investor relationship: Arrange exchange and communication with directors and major shareholders, institutional investors or general shareholders depending upon the needs, in order to allow investors to obtain sufficient information to assess and determine the reasonable capital market value of the company and to responsibilities achieve proper maintenance of the interests and rights of shareholders.</p> <p>4. The draft agenda of the board meeting shall be sent to the board of directors at least seven days in advance, and meeting materials shall be provided in the meeting. Reminders shall be given in advance when there is a conflict of interest in a proposal for recusal, and the board meeting minutes shall be completed within twenty days after the meeting.</p> <p>5. Handle the shareholders' meeting date preliminary registration, prepare meeting notice, meeting handbook and meeting minutes within the statutory deadlines and handle the registration alternation matters for the amendment of articles of incorporation or the election of directors.</p> <p>(IV) 2024 continuing education status of the corporate governance officer is as shown in corporate governance officer continuing education status:</p>	No major difference.
V. Has the Company provided proper communication channels and created dedicated sections on its website to address corporate social responsibility issues that are of significant concern to stakeholders (including but not limited to shareholders, employees, customers and suppliers)?	V		(I) The Company has set up the stakeholders section on the Company's website, and responsible personnel have been assigned to provide response to stakeholders properly, and contact method is also provided.	No major difference.
	V		(II) Stakeholders are able to obtain the operation information of the Company timely via the MOPS website or the Company's website.	No major difference.
	V		(III) The Company has set up the spokesperson and deputy spokesperson as the external communication channel.	No major difference.
VI. Has the Company commissioned professional stock agency institution to handle shareholders' meeting affairs?	V		The Company has commissioned the professional stock agency institution - Grand Fortune Securities Co., Ltd. to handle shareholders' meeting related affairs.	No major difference.
VII. Information Disclosure				
(I) Has the Company established a website that discloses financial, business, and corporate governance-related information?	V		(I) The Company has set up the website of www.ultrachip.com, to disclose relevant financial business and corporate governance information.	No major difference.
(II) Has the Company adopted other means to disclose information (e.g. English website, assignment of specific personnel to collect and disclose corporate information, implementation of a spokesperson system, broadcasting of investor conferences via the company website)?	V		<p>(II) 1. The Company has set up responsible personnel to handle public information internet relevant information reporting operation, and has also set up the spokesperson to be responsible for the handling of the external communication of the Company.</p> <p>2. All historical information of investor conferences of the Company is published on the Company's website, and the meeting processes are also published on the Company's website.</p>	No major difference.
(III) Has the Company made public announce and report the annual financial statements within a period of two months after the end of each fiscal year, and has the Company also made announcement and provided report of the first, second and third quarter financial statements as well as the monthly business operation status early before the deadline?	V		(III) The Company makes public announce and reports the annual financial statements within a period of two months after the end of each fiscal year, and also makes announcement and provides quarterly financial reports as well as the monthly business operation status before the time-limit specified.	No major difference.

Assessment Item	Implementation Status			Discrepancies from the Corporate Governance Best Practice Principles for TWSE / TPEX Listed Companies and Reasons
	Yes	No	Summary	
VIII. Does the Company has other important information (including but not limited to employees' benefits and rights, employee care, investor relationship, supplier relationship, rights of stakeholders, educational training status of directors and supervisors, implementation of risk management policy and risk measurement standards, customer policy implementation status, purchase of liability insurance for directors and supervisors of the Company etc.) helpful to the understanding of the corporate governance operation status of the Company?	V		(I) Employee benefits: The Company's employee treatment complies with the Labor Standards Act and relevant laws.	No major difference.
	V		(II) Employee care: Establish Employee Welfare Committee to provide various subsidies and to organize activities.	No major difference.
	V		(III) Investor relationship: Establish relevant departments to be responsible for handling shareholders' doubts, disputes and litigations, and also maintain proper interaction with shareholders.	No major difference.
	V		(IV) Supplier relationship: Maintain proper interaction with suppliers.	No major difference.
	V		(V) Rights of stakeholders: Stakeholders may communicate with and recommend to the Company in order to maintain their legitimate rights and benefits.	No major difference.
	V		(VI) Directors' continuing education status: Directors of the Company are equipped with relevant knowledge, directors and supervisors have been planned to receive relevant professional courses and trainings according to relevant regulations of the competent authority. Please refer to the table for the continuing education status of 2024.	No major difference.
	V		(VII) Implementation of risk management policy and risk measurement standard: The Company has established various internal management rules according to the law, and has also implemented various risk management assessment according to the rules.	No major difference.
	V		(VIII) Customer policy implementation status: The Company maintains stable and proper relationship with customers in order to create profits for the Company.	No major difference.
	V		(IX) The Company has purchased liability insurance with all directors and supervisors, in order to enhance the protection of the rights and interests of shareholders. In addition, relevant information has been published on the MOPS website.	No major difference.
IX. Please provide explanation on the improvement status of the corporate governance evaluation announced by Taiwan Stock Exchange (TWSE) in the most recent year, and provide priority enhancement and measures for matters yet to be improved: The 2024 11th term of corporate governance assessment result of the Company indicated the Company at 21% to 35% among the TPEX listed companies. The list of explanation on the improvement status and the Company will continue to provide priority enhancement and measures for matters yet to be improved.				
(I) Improvements for the Eleventh Corporate Governance Assessment Corporate governance officer continuing education status:				
1. The Company has established written regulations for financial and business operations between related parties, which include management procedures for transactions such as purchases and sales, acquisition or disposal of assets, etc. Significant transactions should be approved by resolution of the Board of Directors and submitted to the shareholders' meeting for approval or reporting.				
2. After the shareholders' meeting, the Company uploads uninterrupted audio and video recordings of the entire meeting.				
3. The company will publish the annual financial report verified and signed-off by the accountants within two months after the end of the fiscal year.				
(II) Priority improvement matters and measures for this year (2025)				
1. The Company will establish succession planning for Board members and key management personnel, and disclose its implementation on the website or in the annual report.				
2. The Company will disclose the connection between performance evaluation and remuneration of directors and managers in the Company's annual report.				
3. The Company will establish financial, operational, and corporate governance information on its English website.				

CPA Independence assessment standard:

Item	Whether the independence criteria are satisfied
1. Up to the most recent certification operation, there is no occurrence of CPA without change for 7 years.	■Yes □No
2. CPA has no material financial interests with the trustor.	■Yes □No
3. CPA prevents to have any inappropriate relationship with the trustor.	■Yes □No
4. CPA shall request its assisting personnel to properly comply with the requirements for integrity, fairness and independence.	■Yes □No
5. The financial statements of the institutions serviced within two years before practice shall not be audited and certified.	■Yes □No
6. The name of CPA shall not be provided to others for use.	■Yes □No
7. CPA does not hold shares of the Company and associates.	■Yes □No
8. CPA does not engage in any loan or borrowing with the Company and associates.	■Yes □No
9. CPA does not engage in any relationship of joint investment or share of profit with the Company and associates.	■Yes □No
10. CPA does not concurrently hold a routine job position at and receive a fixed salary from the Company or associates.	■Yes □No
11. CPA does not involve in the management position or function for decision making of the Company or associates.	■Yes □No
12. CPA does not concurrently operate other business that may cause the loss of his / her independence.	■Yes □No
13. CPA is not in any relationship of spouse, lineal relative by blood or by marriage or relative within second degree of kinship with the management of the Company.	■Yes □No
14. CPA does not collect commission related to any business.	■Yes □No
15. Up to the present day, there has been no sanction or violation of the principle of independence.	■Yes □No

Continuing education status of directors:

Title	Name	Course date	Organizer	Course title	Training Hours
Director	Yu-Tung Hsu	2024/09/26	Corporate Operating and Sustainable Development Association	Promoting corporate sustainability through risk management	3
		2024/12/05		Effective approaches to reducing cybersecurity risks in enterprise operations	3
Director	Hsueh-Jen Chien	2024/07/09	Taipei Exchange (TPEX)	AI strategy and governance for TPEX-Listed companies	3
		2024/09/20	Taiwan Corporate Governance Association	Legal risk analysis for enterprises in the age of AI and open source	3
				Building DEI culture to enhance sustainable competitive advantage	3
Director	Chih-Cheng Chou	2024/05/10	Taiwan Corporate Governance	ESG-related legal issues for Board consideration	3

Title	Name	Course date	Organizer	Course title	Training Hours
		2024/05/10	Association	From a Director's perspective: The impact of economic substance law and global anti-tax avoidance on corporate governance	3
Director	Chih-Cheng Chou	2024/06/27	Corporate Operating and Sustainable Development Association	Corporate sustainable development and net-zero transition	3
		2024/11/08		Corporate internal investigation - Getting ahead to avoid the impacts of the ESG wave	3
		2024/08/26	CPA Associations R.O.C.(Taiwan)	Housing market tax reform impact: A comprehensive analysis from real estate capital gains tax to vacant property tax	3
Independent Director	Chiu-Yung Huang	2024/09/06	Securities & Futures Institute	2024 Insider Trading Prevention Educational Seminar	3
		2024/10/07	The Chinese National Association of Industry and Commerce (CNAIC)	2024 Taishin Net Zero Summit	3
Independent Director	Chien-Hua Hsu	2024/10/02	Taiwan Corporate Governance Association	Practical business management: New knowledge on AI transformation in manufacturing	3
		2024/10/29		Enterprise risk management and crisis handling - From a Director/Supervisor's perspective	3
Independent Director	Jonathan Ross	2024/10/31	Corporate Operating and Sustainable Development Association	Practical analysis of corporate mergers, equity investment planning, and joint venture agreements	3
		2024/12/05		Effective approaches to reducing cybersecurity risks in enterprise operations	3
Independent Director	He-Wei Wang	2024/07/09	Taiwan Corporate Governance Association	Discussion of corporate employee reward strategies and tool applications	3
		2024/11/08		Practical analysis of corporate mergers, equity investment planning, and joint venture agreements	3

Corporate governance officer continuing education status:

Personnel	Continuing education institution	Course title	Training Hours
Corporate Governance Officer	Taipei Exchange (TPEX)	TPEX and emerging market listed companies' Insider equity information seminar	3
		How internal auditors apply digital forensics to trade secret protection and investigation	6
	Accounting Research and Development Foundation	Compilation and analysis of relevant regulations for annual reports/sustainability information/financial statement preparation and internal control management practices	6

(IV) If the Company has established the Remuneration Committee, the composition, responsibilities and operations of the Remuneration Committee shall be disclosed:

(1) Information of Remuneration Committee Members

April 30, 2025

Identity	Criteria Name	Professional qualification and experience	Independence status	Number of public companies where the person also holds positions in their remuneration committees
Independent Director	Chiu-Yung Huang	Please refer to Pages 5 to 8 Table 1 Relevant Information of Directors		None
Independent Director	Jonathan Ross			None
Independent Director	He-Wei Wang			None

(2) Operation Status of Remuneration Committee

1. The Company's Remuneration Committee consists of 3 members.
2. Term of office of present term of members: May 12, 2022 to May 11, 2025. A total of 2 (A) Remuneration Committee meetings were convened in the most recent year, and committee member qualification and attendance status are as follows:

Title	Name	Attendance in person (B)	Number of attendance by proxy	Actual attendance rate (%) (B / A)	Remarks
Convener	Chiu-Yung Huang	2	0	100.00%	
Committee member	Jonathan Ross	2	0	100.00%	
Committee member	He-Wei Wang	2	0	100.00%	

Additional information:

1. In the event where the Remuneration Committee's proposal is rejected or amended in a board of directors meeting, please describe the date and session of the meeting, details of the agenda, the board's resolution, and how the company had handled the Remuneration Committee's proposals (describe the differences and reasons, if any, should the board of directors approve a solution that was more favorable than the one proposed by the Remuneration Committee): None.
2. In case where any member object or express qualified opinions to the resolution made by the Remuneration Committee, whether on-record or in writing, please describe the date and session of the meeting, details of the agenda, the entire members' opinions, and how their opinions were addressed: None.

The operation status of the current year is as follows:

Remuneration Committee Meeting	Proposal content and subsequent handling	Resolution result	Company's handling for opinions of Remuneration Committee
5th Meeting of 5th Term 2024.03.22	1. Proposal for 2023 distribution of remuneration of directors and employees	Proposal approved by all committee members	Submitted to the board of directors' meeting and approved by all attending directors
6th Meeting of 5th Term 2024.07.31	1. Proposal for adjustment of employee salaries and job titles of the Company and subsidiaries	Proposal approved by all committee members	Submitted to the board of directors' meeting and approved by all attending directors

(3) Remuneration Committee's responsibilities and authorities:

Based on the professional and objective approach, establish and periodically review and establish the policy, system, standard and structure for the performance evaluation and salary / remuneration of directors, supervisors and managerial officers, and to submit recommendations to the board of directors as reference for its decision making.

(4) Periodically assess the salary / remuneration of directors and managerial officers, remuneration of directors and managerial officers according to their participation level in the operation of the Company and personal performance contribution, and also implement assessment items specified in the "Procedures for Performance Evaluation of Directors", such as understanding of the Company's objectives and missions, understanding of responsibilities of directors, participation level to the operation of the Company, internal relationship management and communication, professional and continuing education of directors; in addition, the distribution principle recommended by the Remuneration Committee is also considered, which is then submitted to the Chairman for approval according to the business performance.



(V) Deviation of the Company’s actual promotion of sustainable development execution status from the Sustainable Development Best Practice Principles for TWSE / TPEX Listed Companies and cause thereof: Please refer to the table below for details.

Promotion Item	Execution Status			Deviation from the Sustainable Development Best Practice Principles for TWSE / TPEX Listed Companies and cause thereof
	Yes	No	Summary	
I. Has the Company established the governance structure for promoting the sustainable development, and set up a unit that specializes (or is involved) in the promotion of sustainable development, and does the board of director authorize the senior management for handling such mater, and the supervision status of the board of directors?	V		(I) The Company has established the responsible unit in 2013, and changed the name to - Sustainable Development Committee according to the law in 2024. Its responsibility is to handle the proposal and execution of sustainable development policy, system or relevant management directives and promotion of actual plans. In addition, all unit superiors of the division level act as the responsible person of each team, and the Chairman is appointed as the committee chairperson. In addition to the establishment of the Sustainable Operation Risk Team responsible for the operation of the promotion team, it also assesses the capability Company’s risks of operation, environment and society. The Green Production and Sales Supply Chain Team is responsible for the benefits of products for the environment and society, and the quality control among suppliers. The Humanity Care Team is responsible for the internal and external regulatory information and relevant education and training.	No major difference.
	V		(II) The Committee implements the operation, audit and review according to the plan. At the end of each year, all data is provided to the members of each responsible team and the response strategies are assessed. In addition, the project goal for the next year is also established, which is also promoted and executed after the verification by the Committee chairperson.	No major difference.
	V		(III) The sustainable development Committee reports the sustainable development implementation result once annually, in order to review the operational effectiveness and the issues of relevant stakeholders, and the proposal content includes (1) identification of sustainable issues of the Company, and establish responsive actions; (2) establishment of sustainable development goals and strategies; (3) supervision of the implementation and execution status of sustainable operation. Each director usually puts forward the key points of execution, evaluates, adjusts and gives suggestions on the sustainable management issues that he/she has formulated. The management team is also requested to propose amendments to the Board of Directors at any time during the implementation of the current year if the possibility is low due to changes in practices, so as to urge the completion of the objectives.	No major difference.
II. Has the Company implemented the risk assessment of environmental, social, and corporate governance issues related to corporate operation, and has the Company established relevant risk management policies or strategies based on the principle of materiality?	V		(I) Environmental protection: The Company is mainly in the business operation of IC design, research and development and does not engage in direct manufacturing of products. Nevertheless, the Company understands the importance of environmental sustainability, and not only enhances the environmental protection awareness of employees but also continues to promote relevant internal energy saving and carbon reduction of the Company, in order to increase the recycle use efficiency of various resources.	No major difference.
	V		(II) Product liability: Request processing supplier to obtain environmental permit, approval and registration certificates, and to maintain and update such certificates periodically. In addition, the Company also requests suppliers to identify and manage the release of chemicals that may cause hazards to the healthy and environment, in order to ensure that they are safely treated, stored, used, recycled, reused and disposed.	No major difference.
	V		(III) Labor-management relationship: The Company establishes manpower demand according to the annual employment plan, and seek outstanding talents complying with the core values of the Company via diverse recruitment channels. The Company values the retention of talents, and through interviews, employees’ reason of resignation is understood objectively. In addition to analysis the improvement, feedbacks are also provided to department supervisors for management. To support local education and community opportunities, the Company planned to collaborate with National Cheng Kung University for industry-university cooperation in 2023 and 2024, providing students with an opportunity to apply their acquired professional skills and gain practical work experience. Additionally, the Company	No major difference.

Promotion Item	Execution Status			Deviation from the Sustainable Development Best Practice Principles for TWSE / TPEX Listed Companies and cause thereof
	Yes	No	Summary	
	V		established the plan of summer internships with the Southern Taiwan University of Science and Technology.	No major difference.
	V		(IV) Customer privacy: The Company rigorously comply with the non-disclosure of trade secrets, and it is prohibited to seek or collect any trade secrets and intellectual property rights of trademarks and patents of irrelevant suppliers and customers, and it is also prohibited to disclose the non-disclosure agreements of customers and suppliers to others. (V) The Company has established the responsible unit of Human Resources Assessment Committee in order to report the ethical management implementation status to the board of directors, to assist the board of directors to inspect and assess whether the preventive measures of ethical management have been operated effectively. To implement sustainable development responsibility, and to promote the improvement of economy, environment and society, in order to achieve sustainable development goal, the Company has established the “Sustainable Development Best Practice Principles”, “Procedures for Preventing Insider Trading”, “Procedures for Ethical Management and Guidelines for Conduct” and “Procedures for Internal Control System Self-Evaluation” for the implementation of the risk management policy, and their contents have been stipulated according to relevant government laws.	No major difference.
III. Environmental Issues				
(I)Has the Company established environmental policies suitable for the Company’s industrial characteristics?	V		(I) The main raw materials of the Company refer to wafers. During the manufacturing process, if there is any defects or scraps, they are discarded and recycled by legitimate disposal company. The Company mainly outsources the processing to contractors, and does not involve in the sustainable manufacturing of products that may cause impact on the environment; therefore, the environment or energy management system certifications of ISO14001, ISO50001 or similar certificates are not applicable. Nevertheless, the Company still establishes the following management regulations: 1. According to the request of customer, registration in the Company’s prohibited substance control list is made in order to implement control. 2. Te Company signs the non-use of prohibited and restricted substance statement with suppliers annually. 3. The Company’s product planning requirements (during design / manufacturing) must be reviewed. 4. The Company’s product hazardous substance risk identification: Suppliers are requested to provide Material Safety Data Sheet (MSDS) / RoHS requirements and SGS / ICP_Report review. 5. The Company’s product hazardous substance reduction plan: In case of misuse of hazardous substance, it is necessary to submit improvement measures (such as change of material / supplier, etc.). 6. Periodic audit / sampling: ISO internal audit / supplier audit / sampling for submission to SGS.	No major difference.
(II)Is the Company committed to achieving efficient use of resources, and using renewable materials that produce less impact on the environment?	V		(II) The Company is dedicated to the use efficiency of various resources, such as:1.employees are encouraged to bring own ceramic cups in order to reduce the use of paper cups.2. bring lunch box and eco-friendly chopsticks in order to reduce the use of paper lunch boxes.3 repetitive use of envelops and kraft paper bags, in order to use them for internal document transmission bags.4.copy machines and printers use eco-friendly toner.	No major difference.
(III) Has the Company evaluated the climate change on the present and future potential risks and opportunities of the corporation, and has the company adopted responsive actions on climate related issues?	V		(III)Due to the rapid climate change, the Company emphasizes economic benefit and recycle use, and also encourages repetitive use of resources for office environment, such as 1.the introduction of electronic invoices, use of government e-document exchange, 2.double-side printing for papers, copy machines and printers with recycled paper zone, in order to reduce unnecessary waste of papers. 3.During summer time, the office air conditioners are set at constant 25 degree Celsius, 4.and lights are turned off for lunch break and non-working hours, in order to save electricity and to mitigate global warming.	No major difference.

Promotion Item	Execution Status			Deviation from the Sustainable Development Best Practice Principles for TWSE / TPEX Listed Companies and cause thereof
	Yes	No	Summary	
(IV) Has the company statistically analyzed the greenhouse gas emission, water usage and waste total weight over the past years, and has the company established policies for energy saving, carbon reduction, greenhouse emission reduction, reduction of water usage or other waste management?	V		<p>(IV)1. The Company is an IC design company and does not own factories. Accordingly, the goal of energy saving and carbon reduction is achieved through the reduction of carbon dioxide emitted due to the use of electricity and water at Category 2 - the business locations. (Category 1 and 2 information contain the Company's business location)</p> <p>2. The Company actively promotes various energy saving plans, and for each period of 3 years, the company has set the goal of reduction of carbon dioxide emissions by 2% due to the electricity and water consumption of the office for each period. The annual carbon dioxide emissions for the electricity consumption from 2020 to 2024 were calculated to be approximately 306,253 · 275,541 · 272,862, 256,675 and 253,556 kg of CO<sub>2</sub> / kWh respectively. The results indicate that the Company has reached the targets set for the past years. The annual carbon dioxide emissions for the water consumption from 2020 to 2024 were calculated to be approximately 183 · 301 · 323 · 393 and 348 kg of CO<sub>2</sub>/kWh respectively. From 2021 to 2023 years ago, due to an increase in employee numbers and the expansion of the public office, the overall water usage increased compared to the previous year. In addition, the results indicate that the Company has reached the targets set for the other years.</p> <p>3. The Company is a professional IC design company, and the driven chips are produced and manufactured by OEMs. The abandoned materials generated in the daily operation of the Company are handled by professional and legal manufacturers in accordance with the procedures stipulated by government decrees every year. The Company generated 0.133 tons and 0.513 tons of business waste in 2024 and 2023.</p>	No major difference.
<p>IV. Social Issues</p> <p>(I) Has the Company established relevant management policies and procedures stipulated in accordance with the relevant laws and regulations and International of Human Rights?</p> <p>(II) Has the Company developed and implemented reasonable employee welfare measures (including compensation, leave of absence and other benefits), and appropriately reflected business performance or outcome in employees' compensations?</p>	V		<p>(I) The Company complies with the internationally accepted human rights standards of the International Bill of Rights and the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization, in order to fulfill corporate social responsibility and to implement human rights protection properly, thus eliminating and preventing any conducts infringing and violating human rights. Accordingly, relevant human rights management policy and procedure established by the Company are as follows:</p> <ol style="list-style-type: none"> <li>1. Prohibition on child labor, and any contractors or suppliers subject to child labor are rejected.</li> <li>2. Respect employees' freedom, and any contractors or suppliers subject to compulsory labor are rejected.</li> <li>3. Provide safe and healthy working environment, and ensure employee safety and health.</li> <li>4. Encourage employees to self-organize clubs, and provide comprehensive employee welfare plan.</li> <li>5. Establish fair working environment, and any form of discriminative actions are prohibited.</li> <li>6. Respect human rights, protect privacy, and any actions insulting personalities are prohibited. The Company attaches importance to the safety and equal environment of employees, and provides courses related to sexual harassment prevention every year, ensures that employees are not treated differently due to gender, race, religion or age. As of 2023, female employees worldwide accounted for 35% of the total number of employees. In terms of system, the Company has established internal regulations such as "Employee Handbook", "Work Regulations", "Sexual Harassment Prevention", and "Recruitment and Employment Management", which clearly state the rights of employees with respect to age, working hours, absence from work, and gender to ensure that employees are taken care of properly.</li> </ol> <p>(II) 1. Flexible work arrangements and reward systems: The Company implements flexible clock in / out at work, respects self-management, provides job promotion based on annual performance evaluation, salary adjustment and various reward performance systems, and also provides profit sharing and employee bonus systems.</p>	<p>No major difference.</p> <p>No major difference.</p>

Promotion Item	Execution Status			Deviation from the Sustainable Development Best Practice Principles for TWSE / TPEX Listed Companies and cause thereof
	Yes	No	Summary	
(III) Does the Company provide employees with a safe and healthy work environment, and provide safety and health education to employees regularly?	V		<p>2. Comprehensive Insurance and Health Management: The Company provides various labor insurance, health insurance, pension appropriation, group insurance, accident insurance, occupational accident insurance, travel safety insurance, and organizes employee health examination annually. In addition, wedding, childbirth, parking space, funeral subsidies are provided, and birthday, three-holiday bonuses and child education scholarship are offered.</p> <p>3. Employee Training and Career Development: The Company respects internal and external professional education and training as well as employee travel. In addition, maternity leave, paternity leave and parental leave are provided according to the laws.</p> <p>4. Work atmosphere and employee care: The Company provides dinner party of division and desserts for afternoon tea.</p>	No major difference.
(IV) Does the Company have an effective career capacity development training program established for the employees?	V		<p>(III) 1. The office building entrance / exit of the Company are installed with 24-hour guard or security, and the floor access control is also implemented, in order to ensure personnel and property safety.</p> <p>2. The office building implements the fire safety inspection and elevator as well as public area electrical and mechanical system inspection annually, in order to ensure the safety of public environment and equipment.</p> <p>3. The office water drinking machine is maintained periodically, and filter is also replaced timely, in order to ensure the drinking water cleanness and safety for employees.</p> <p>4. The Company applies for commercial general liability insurance periodically, in order to provide guarantee on the safe environment for employees and visitors.</p> <p>5. The Company performs building public safety inspection reporting periodically once every three years, and has also obtained the “Autonomous Management Inspection Qualification Mark”.</p> <p>6. Two times of fire prevention seminar and drill and one time of health examination were organized in 2024. There are no any fire incident in 2024.</p>	
	V		<p>(IV) All departments of the Company participate in the external training for job contents in order to improve professional competency and development. In addition, daily education and training are also implemented irregularly in order to establish complete and diverse development path.</p>	
(IV) Has the Company complied with relevant laws and international standards with respect to customers’ health, safety and privacy, marketing and labeling in all products and services offered, and implemented consumer or customer protection policies and complaint procedures?	V		<p>(V) The Company values opinions of customers, and in addition to field visit in person, the Company also provides product contact window and e-mail address on the Company’s website. In addition, the Company has established the stakeholder section on the Company’s website in order to provide the complaint and recommendation submission channel. The Company upholds the principle of good faith to protect the rights and interests of consumers.</p>	No major difference.
(VI) Has the Company established supplier management policy, requested suppliers to comply with relevant regulations with regards to the issues of the environmental protection, occupational safety and health or labor rights etc. and the implementation status thereof?	V		<p>(VI) The Company has specified the “Quality System Management Competency Evaluation” of suppliers in the Procedures for Supplier Management. Through periodic audit of cooperating suppliers, the Company is able to ensure that suppliers comply with relevant regulations for the environmental protection, safety or health issues, thereby enhancing the corporate social responsibility. In case of violation against the Company’s policies, and any impacts on the environment and society</p>	No major difference.
V. Has the Company stipulated standards or guidelines according to the internationally accepted report, prepared sustainability report and reports for disclosing non-financial information of the Company? Has the aforementioned reports obtained the assurance or guarantee opinions from a third verification unit?	V		<p>V. The Company will prepare ESG report; however, it will assess the company's condition for third-party verification in the future and based on the consideration of the international trend and market change.</p>	No major difference.
VI. If the Company has established its own sustainability development principles in accordance with the “Sustainable Development Best Practice Principles for TWSE / TPEX Listed Companies” please describe its current practices and any discrepancies from the Best Practice Principles: Please refer to the diverse content of above fields for details.				

Promotion Item	Execution Status			Deviation from the Sustainable Development Best Practice Principles for TWSE / TPEX Listed Companies and cause thereof
	Yes	No	Summary	
VII. Other important information to facilitate the understanding of the execution status of promotion of sustainable development: To establish sustainable environment and to implement social responsibility, the Company makes donation to disadvantaged groups and institutions periodically and annually. In 2024, the Company provided donations NTD200,000 to New Taipei City Ling Jiou Mountain Charity Foundation (established according to the approval letter of 83 Bei-Fu-She-III-Zi No. 099267) . 5,000 boxes of food supplies were donated to help low-, middle-income families throughout Taichung. Purchased handmade cookies from The Wonderful Heart Educational Foundation, a social welfare organization for individuals with disabilities, as gift boxes for the holiday season. Donation of NT\$100,000 to The Association of South Unk Health Care Promotion for Taitung County (Government Social Department Letter No. 0990136895, November 26, 2010) for the Superman Doctor 300 Heroes Charity Run event, ensuring children in remote areas of South Link don't have to worry about their next meal or lack of care when they are sick. Sponsored the New Taipei City Philharmonia Orchestra (Fu-Show-Wen-Yen-Jeng-Zi No. 1050003) concert with NT\$50,000, with the entire amount donated to Saint Joseph Center For Special Education as funding for local disability services.				

Implementation on weather related information: Not applicable

Item	Implementation status
1. Describe the supervision and governance of the Board of Directors and the managerial level for risks and opportunities related to the weather.	Not applicable
2. Describe how the risks and opportunities of identified weather will impact the businesses, strategies and finance of the enterprise (short-term, mid-term and long-term).	
3. Describe the financial impacts from extreme climate incidents and transformation actions.	
4. Describe the identification, evaluation and management processes of weather risks, and how to integrate them into the overall risk management system.	
5. If scenario analysis is used to assess the resilience of climate change risks, the scenario, parameters, assumptions, analysis factors and main financial impacts used should be described.	
6. If there are transformation plans in response to the management of climate related risks, contents of the plan shall be explained, as well as the indicators and targets used to identify and manage physical risks and transformation risks.	
7. If internal carbon pricing is used as the planning tool, the basis for price setting shall be explained.	
8. If targets related to the weather is set, information such as the activities covered, greenhouse gas emission categories, plan schedule, annual achievement progress, etc., shall be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve the related targets, the source and quantity of carbon reduction credits or the quantity of renewable energy certificates (RECs) used for offset shall be stated.	
9. Greenhouse gas inventory, confirmation situation, reduction target, strategies and specific action plans (also fill them in 1-1 and 1-2).	

(1) Greenhouse gas inventory and confirmation situation of the past two years: Not applicable.

1. Greenhouse gas inventory information: Describe the amount of greenhouse gas emissions (tons CO<sub>2</sub>e), density (tons CO<sub>2</sub>e/million dollars) and the information coverage range for the last two years.
2. Greenhouse gas confirmation information: Describe the confirmation situation in the last two years until the publication date of the new annual report, including the scope of confirmation, confirmation agency, confirmation standards and confirmation opinions.

(2) Greenhouse gas reduction target, strategy and specific action plan: Describe the greenhouse gas reduction benchmark year and its data, reduction target, strategy, and specific action plans, as well as the achievement of the reduction plan: Not applicable.

(VI) Ethical Corporate Management Practices, and Deviations from Ethical Corporate Management Best Practice Principles for TWSE / TPEX Listed Companies and Reasons:

Assessment Item	Implementation Status			Discrepancies with the Ethical Corporate Management Best Practice Principles for TWSE / GTSM Listed Companies and Reasons
	Yes	No	Summary	
I. Establishment of ethical management policies and plans				
(I) Has the company established ethical management policies approved by the board of directors' meeting and stated in its memorandum or external correspondence about the policies and practices it has to maintain business integrity? Are the board of directors and the management committed in fulfilling this commitment?	V		(I) The board of directors of the Company has approved the establishment of the "Ethical Corporate Management Best Practice Principles" on 2013.1.23, and has been amended according to the laws and approved by the board of directors on 2015.2.13 and 2016.7.29 respectively, which has also been disclosed on the Company's website and the MOPS website. During the execution of job duties, the board of directors and senior management level of the Company uphold the ethical concept for performance and supervision, in order to establish the management environment of sustainable development of the Company.	No major difference.
(II) Has the Company established assessment mechanism for unethical conduct risk, performed periodic analysis and assessed operating activities of relatively higher unethical conduct risk in the scope of business, and has established unethical conduct solution accordingly, and at least covering the preventive measures for the conducts described in each subparagraph of Paragraph 2 of Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE / GTSM Listed Companies"?	V		(II) The "Procedures for Ethical Management and Guidelines for Conduct" established by the Company explicitly specify that any unethical conducts of bribery action and receipt of bribe, provision or acceptance of illegal benefits, provision of illegal political contribution, any unfair competition action, improper donation or sponsorship, disclosure of trade secrets and damage of rights and interests of stakeholders are prohibited. In addition, preventive measures and educational promotion are also implemented to comply with the Ethical Corporate Management Best Practice Principles.	No major difference.
(III) Has the company defined and enforced operating procedures, behavioral guidelines, penalties and grievance systems as part of its preventive measures against dishonest conducts? Are the above measures reviewed and revised on a regular basis?	V		(III) The Company engages in business activities based on the principles of fairness, honesty, trust and transparency. To implement the ethical management policy, the Company has established and amended the "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" according to relevant laws in order to explicitly specify precautions, operation procedures, disciplinary actions for violation and complaint filing system, etc. for personnel of the Company during execution of job duties. The applicable scope includes the subsidiaries of the Company, any foundation to which the Company's cumulative direct or indirect contribution of funds exceeds 50% of its endowment, and other institutions or juristic persons and group enterprises and organizations that are effectively controlled by the Company, in order to establish the corporate culture of ethical management sound development of the Company.	No major difference.
II. Implementation of ethical management				
(I) Has the Company evaluated the record of the counterparties on business ethics, and explicitly stated business integrity as an integral part of the contracts when entering into agreements with counterparties of trade?	V		(I) The Ethical Corporate Management Best Practice Principles of the Company specify that during the signing of contract with others, it is necessary to sufficiently understand the ethical management status of the other party, and the ethical management shall be included in the contract terms or ethical requirements shall be specified.	No major difference.
(II) Has the Company established a dedicated unit directly under the board of directors and responsible for the promotion of corporate ethical management, and reporting its ethical management policy and proposal for prevention of unethical conducts as well as supervision of implementation status to the board of directors' meeting periodically (at least once annually)?	V		(II) The Company has established the Personnel Evaluation Committee as the responsible unit for the Ethical Corporate Management Best Practice Principles, and it is responsible for assisting the board of directors and the management level to establish and supervise the execution of ethical management policy and preventive plan, in order to ensure the proper implementation of Ethical Corporate Management Best Practice Principles, and to handle the regulations amendment, execution, interpretation, consulting service as well as to report content and registration filing. Furthermore, the unit also reports the implementation status to the board of directors annually.	No major difference.
(III) Has the Company established policies to prevent conflicts of interest, provided appropriate methods for stating one's conflicts of interest, and implemented them appropriately?	V		(III) The Company has established "Regulations for Reporting of Illegal and Immoral or Unethical Conducts", in order to prevent conflict of interests, to provide complaint filing channel, to allow the external to file report via the stakeholder window on the Company's website, to allow the internal to file named or anonymous report, and to provide appropriate rewards. The Company has established conflict of interest prevention related clauses for the daily work substitution system and contracts with customers and suppliers.	No major difference.

Assessment Item	Implementation Status			Discrepancies with the Ethical Corporate Management Best Practice Principles for TWSE / GTSM Listed Companies and Reasons
	Yes	No	Summary	
(IV) Has the Company established effective internal accounting and control systems for the implementation of ethical corporate management policies, prepared audit plans according to the evaluation results of dishonesty risks, and have they results audited by internal auditors or CPAs?	V		(IV) To effective control unethical conducts and operation procedures, the Company has established comprehensive and effective control mechanism in the accounting system and the internal system. Auditors include high risk items in the annual audit plan according to the annual risk assessment, and the audit plan implementation status is reported to the board of directors quarterly. In addition, the Company and subsidiaries perform internal control self-evaluation operation annually in order to ensure the effectiveness of the system and design.	No major difference.
(V) Has the Company provided internal and external training on ethical management regularly?	V		(V) The Company implements ethical management policy properly. In 2024, a total 1,147people-time and a total of 3,525.5 hours of internal and external education and training on ethical management (including ethical management related laws, accounting and internal system related courses) were organized	No major difference.
III. Implementation of the Company’s whistleblowing system				
(I) Has the Company established a substantive reporting and reward and punishment system and convenient channels for reporting, and appointed designated personnel for handling the targets of reports?	V		(I) The Company has specified reporting system related requirements in the “Ethical Corporate Management Best Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct”. In addition, the Company has also specified disciplinary action and reward related regulations, and employees are able to file report with the responsible unit via telephone or mail. There were no material reporting matters in 2024.	No major difference.
(II) Has the Company established standard operation procedures for responding to reports and complaints, the measures to be taken after the investigation, and related mechanisms for confidentiality?	V		(II) The Company has established relevant non-disclosure mechanism, and written documents are kept for reporting matters, report acceptance, investigation process and result. For relevant procedure, please refer to the “Regulations for Reporting of Illegal and Immoral or Unethical Conducts” of the Company.	No major difference.
(III) Has the Company taken any measures for the protection of the informants from suffering undue treatment?	V		(III) The Personnel Evaluation Committee of the Company adopts confidentiality measures on the reporting personnel list, and reporting cases are kept confidential and verified via independent channel, in order to protect the reporter, thereby protecting the reporter from any improper treatment due to reporting matters.	No major difference.
IV. Enhancement of information disclosure				
Has the Company disclosed the content of its Corporate Governance Best Practice Principles and the effectiveness of the implementation of the principles on its website and the MOPS?	V		The Company’s website www.ultrachip.com, has established the corporate governance section to disclose ethical management related information.	No major difference.
V. If the Company has established its own ethical corporate management best practice principles according to the “Ethical Corporate Management Best Practice Principles for TWSE / GTSM Listed Companies”, please specify the difference between its operation and the principles: Please refer to the content of each field above.				
VI. Other important information that is helpful in understanding the corporate ethical management operation of the Company? (Such as, the Company has the corporate ethical management best practice principles amended, etc.): The Company will monitor the development of ethical management related regulations, in order to review and improve the Ethical Corporate Management Best Practice Principles and the Procedures for Ethical Management and Guidelines for Conduct of the Company, thereby improving the ethical management outcome.				



(VII) Other information material to the understanding of corporate governance within the Company may be disclosed altogether:

1. With regard to the internal material information handling, the Company has established the “Procedures for Prevention of Insider Trading” according to the “Regulations Governing Establishment of Internal Control Systems by Public Companies” and based on the resolution of the board of directors on December 23, 2009. In addition, all employees, managerial officers and directors are informed, in order to prevent any violation and occurrence of insider trading.
2. To cooperate with the amendment of the law, the board of directors of the Company has approved the amendment to the “Procedures for Handling Material Inside Information and Insider Information Reporting” on October 28, 2022.
3. The Company has amended the “Ethical Corporate Management Best Practice Principles”, “Procedures for Ethical Management and Guidelines for Conduct” and “Sustainable Development Best Practice Principles” according to the laws, in order to implement the Company’s principles of fairness, honesty, trust and transparency for business activities, thereby achieving the objective of sustainable development.
4. The Company will further include the items of ethical management and sustainable development practice in the annual supplier review items, in order to implement corporate governance and to protect the social welfare.
5. The training courses participated by the managerial officers of the Company in 2024 were as follows: In the future, the Company will continue to arrange managerial officers and supervising staff to participate in relevant professional training courses.

Personnel	Continuing education institution	Course title	Training Hours
Financial and accounting officer	Taipei Exchange (TPEX)	TPEX and emerging market listed companies’ Insider equity information seminar	3
	Accounting Research and Development Foundation	Common internal control and management flows and practical case analysis in reviewing the financial statement.	6
		Analysis of ESG sustainability policy regulations and the impact of net-zero carbon emissions on financial statements	6
Financial and accounting deputy supervisor	Accounting Research and Development Foundation	Accounting supervisor course	12
Audit Officer	Internal audit association	Latest industry issues (AI, ESG, cybersecurity, etc.) and internal audit responses	3
		The role of internal audit in "sustainability information management" internal control	3
		Development of sustainability information and emerging risks	3
		How to diligently serve as a corporate guardian—discussing the intersecting application of internal audit ethics and law	3

Personnel	Continuing education institution	Course title	Training Hours
Audit Officer	Internal audit association	Analysis of sustainability information disclosure and management policies and related audit points	6
		Preparation and execution of audit tasks	3
		Ending workplace violence campaign	3
		Corporate integrity management and greenwashing risk management	3
		Common deficiencies in information internal control audits & practices & strengthening corporate cybersecurity governance: How to implement IPO cybersecurity	6
	Taipei Exchange (TPEX)	2024 Promotional seminar on internal control system for management of sustainability information	2
	Accounting Research and Development Foundation	New ESG laws for annual reports_Internal control practices	6
	Li & Cai Intellectual Property Office	Establishing trademark management systems after acquisition of trademark rights: Insights from trademark litigation cases	2
Audit deputy supervisor	Taipei Exchange (TPEX)	Promotional seminar on preparation and production of sustainability reports	3
		Practical training course on sustainability report preparation for TPEX-Listed companies	3
		TPEX and emerging market listed companies' Insider equity information seminar	3
		2024 Promotional seminar on internal control system for management of sustainability information	2
	Accounting Research and Development Foundation	Latest "Annual Report/Sustainability Information/Financial Report Preparation" related laws and regulations analysis and internal control management practices	6
	Securities & Futures Institute	ESG report legal compliance audit workshop	6

6. For further information, please view and inquire the Company's corporate governance related item implementation status on the "MOPS" website.

(VIII) Internal Control System Execution Status and Required Disclosure:

1. Statement of Internal Control System: Please refer to the Market Observation Post System/ Single Company/ Corporate Governance/ Company Regulation/ Internal Control Statement. Announcement(<https://mops.twse.com.tw/mops/#/web/t06sg20>)
2. If the internal control system was reviewed by CPA, the CPA's review report shall be disclosed: None.

(IX) Major resolutions made by the Shareholders' Meeting and the Board of Directors during the latest financial year, up till the publication date of this annual report:

1. Major Resolutions of Shareholders' Meeting

Convention date	Meeting type	Important resolution
2024.05.16	Shareholders' Meeting	1.Approved the 2023 Financial Statements 2.Approved the 2023 Earnings Distribution Proposal 3.Approved amendments to "The Procedures for Acquisition or Disposal of Assets" 4.Approved amendments to "The Articles of Incorporation" 5.Approved issuance of new restricted employee shares. 6.Approved the proposal of issuing common shares to participate in overseas depositary receipts by increasing cash capital or issuing common shares by increasing cash capital in the way of private placement.

## 2. Major Resolutions of the Board of Directors' Meeting

Convention date	Meeting type	Important resolution
2024.02.23	Board of Directors	1. Approved the 2023 financial statements. 2. Approved the 2024 budget proposal. 3. Approved the proposal for 2023 "Internal Control System Effectiveness Self-Evaluation" and "Statement of Internal Control System" 4. Approved the proposal for appointment and remuneration of CPAs of the Company. 5. Approved the independence of CPAs of the Company. 6. Participation in the cash capital increase of Ultra Capteur Co., Ltd. 7.Approved the (Non-assurance Services, NAS) of the Company. 8. Proposal for amendment to parts of the "The Articles of Incorporation". 9. Proposal for specifying matters related to the convention of 2024 general shareholders' meeting of the Company.
2024.03.22	Board of Directors	1.Approved the proposal for 2023 distribution of remunerations of directors and employees. 2.Approved the 2023 earnings distribution proposal. 3. Approved the discontinuation of Private Placement for Common Shares Approved in the 2023 Shareholders' Meeting. 4.Approved the issuance of new restricted employee shares.. 5.Approved the issuance of employee share stock warrants. 6.Approved for issuing common shares to participate in overseas depositary receipts by increasing cash capital or issuing common shares by increasing cash capital in the way of private placement. 7. Approved for the 2024 Annual General Shareholders Meeting.(addition of the reasons for the convening) 8. Approved for issuing the 3rd Domestic Unsecured Convertible Bonds.
2024.05.03	Board of Directors	1. Approved the 2024 1st quarter consolidated financial statements.
2024.07.31	Board of Directors	1. Approved the approved 2024 2nd quarter consolidated financial statements. 2. Approved the proposal for adjustment of employee salaries and job titles of the Company and subsidiaries. 3. Approved the proposal for loaning of funds for subsidiary of Ultradisplay Inc. 4. Approved the proposal Office expansion purchase.

2024.11.05	Board of Directors	1. Approved 2024 3rd quarter consolidated financial statements 2. Approved the proposal for 2025 annual audit plans of the Company and subsidiary. 3. Amendment to certain provisions of the "Internal Control System Self-Inspection Implementation Procedures" 4. Proposal for amendment to parts of the “The Accounting System” 5. Amendment to certain provisions of the "Hierarchical Responsibility and Approval Authority Regulations" of the Company and its subsidiaries 6. Amendment to certain provisions of the Internal Control System of the Company and its subsidiaries and addition of internal control-related operation controls. 7. Proposal for amendments to parts of the “The Procedures for the Loaning of funds” 8. Approved the proposal Office expansion purchase. 9. Participation in the cash capital increase of Ultradisplay Inc.
2025.02.21	Board of Directors	1. Approved the 2024 financial statements. 2. .Approved the proposal for 2024 distribution of remunerations of directors and employees. 3. Approved the 2025 budget proposal. 4. Participation in the cash capital increase of Ultracapture Inc. 5. Approved the independence of CPAs of the Company. 6. Approved the proposal for appointment and remuneration of CPAs of the Company. 7. Amendment to parts of the “The Articles of Incorporation” 8. Approved the proposal for 2024 “Internal Control System Effectiveness Self-Evaluation” and “Statement of Internal Control System” 9. Approved the discontinuation of Private Placement for Common Shares Approved in the 2024 Shareholders’ Meeting. 10. Approved the election of the Directors. 11. Amendment to certain provisions of the "Hierarchical Responsibility and Approval Authority Regulations" of the Company and its subsidiaries 12. Approved for the 2025 Annual General Shareholders Meeting.
2025.04.25	Board of Directors	1.Approved the 2025 1st quarter consolidated financial statements. 4. Approved the proposal for Internal audit implementation rules of subsidiary. ” 3. Amendment to parts of the “The Articles of Incorporation” 4. Approved for the 2025 Annual General Shareholders Meeting.(addition of the reasons for the convening)

### 3. Review of Resolution Implementation Status of Shareholders’ Meetings

Date	Meeting type	Resolution	Implementation status
2024.05.16	Shareholders’ Meeting	1. Approved the 2023 financial statements	Public announcement and report have been made

		2. Approved the 2023 earnings distribution proposal	The date of July 31, 2024 was set to be the dividend distribution base date, and the distribution was completed on August 23, 2024 according to the resolution of the shareholders' meeting. (cash dividend of NT\$0.50685875)
		3. Approved the proposal of issuing common shares to participate in overseas depository receipts by increasing cash capital or issuing common shares by increasing cash capital in the way of private placement	After the resolution of the shareholders' meeting, due to the overall financial considerations of the company, it will not be processed within the expiration date.

(X) Documented opinions or declarations made by Directors or Supervisors against board resolutions in the most recent year, up till the publication date of this annual report: None.

#### IV. Information on Independent Auditor's Fee:

Amount Unit: NT\$ thousand

Name of Accounting Firm	Name of CPA		CPA's Audit Period	Audit Fees	Non-Audit Fees	Total	Remarks
Deloitte Taiwan	Hai-Yueh Huang	Cheng-Chuan Yu	2024.1.1-2024.12.31	1,620	592	2,212	None

Note: The Non-audit fees mainly refer to the "tax compliance audit" fee, fee for review of "annual report of the Shareholders' Meeting", "salary information of full-time employees of non-supervisor positions" and fee for document handling and various advance payments.

- (I) When the accounting firm is changed and the audit fees paid for the financial year in which the change took place are less than those paid for the financial year immediately preceding the change, the amount of the audit fees before and after the change and the reason shall be disclosed: None.
- (II) When the audit fees paid for the current financial year are lower than those paid for the immediately preceding financial year by 10 percent or more, the amount and percentage of and reason for the reduction in audit fees: None.

#### V. Change of CPA's Information: None.

VI. The auditing firm or its affiliates at which the company's chairman, president, or managers responsible for financial or accounting matters was an employee over the past year, his / her name, position and employment period shall be disclosed: None.

VII. Transfer or pledge of shares owned by directors, supervisors, managerial officers, shareholders with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

- (I) Transfer or pledge of shares owned by directors, supervisors, managerial officers and shareholders with shareholding percentage exceeding 10%:
1. Equity transfer: Please refer to Market Observation Post System/Single Company/Shareholding Changes/Securities Issuance/Inquiry for Equity Transfer Information/Ex-post Filing of Insiders Shareholding Change for relevant

information.([https://mops.twse.com.tw/mops/#/web/query6\\_1](https://mops.twse.com.tw/mops/#/web/query6_1))

2. Pledge of Equity: Please refer to Market Observation Post System/ Single Company/Shareholding Changes/Securities Issuance/Pledge/Release of Pledge of Insiders/ Announcement for Pledge/Release of Pledge of Insiders for relevant information.([https://mopsov.twse.com.tw/mops/web/STAMAK03\\_1](https://mopsov.twse.com.tw/mops/web/STAMAK03_1))

(II)Where the counterpart of equity transfer or pledge is a related party: None.

VIII. Information on shareholders of top ten shareholding percentages for related parties or spouse, relative relationship within second degree of kinship among themselves:

April 13, 2025; Unit: shares; %

Name	Shareholding of the individual		Shareholdings of spouse and minor children		Total shareholding by nominee arrangement		Company name or individual name and relationship of related parties or spouse or kinship within the second degree among the top ten major shareholders.		Remarks
	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Name (or individual name)	Relationship	
Yu-Tung Hsu	1,701,273	2.26%	369	0.0005%	-	-	-	-	-
Tomy Investment Co., Ltd. Representative: Huang-Jen Cheng	1,379,724	1.84%	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
De-Fu Ciou	1,255,000	1.67%	-	-	-	-	-	-	-
Vanguard Total International Stock Index Fund 'a series of Vanguard Star Funds	1,008,000	1.34%	-	-	-	-	-	-	-
You Xi Investment Co., Ltd. Representative: Hsiao- Hui Chen	948,548	1.26%	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Ying,Lin	862,000	1.15%	-	-	-	-	-	-	-
Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	852,000	1.13%	-	-	-	-	-	-	-
Shu-Jhen Lin	828,000	1.10%	-	-	-	-	-	-	-
Lyu-Wun Jhu	767,000	1.06%	-	-	-	-	-	-	-
Gains Investment Corporation Representative: Jyun-Huei Wu (representing judicial person-China Steel Corporation)	656,430	0.87%	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-

IX. Number of shares held by the Company, the Company's directors, supervisors, managerial officers and the number of shares invested in a single company which are held by the entities directly or indirectly controlled by the Company, and calculating the consolidated shareholding percentage of the above categories: Unit: thousand shares / March 31, 2025

Investee (Note)	Investment of the Company		Investment by directors, supervisors, managers, or any companies controlled either directly or indirectly by the Company		Consolidated investment	
	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage
JPS Group Holdings, Ltd.	Common shares of 1,230,012 Preferred shares of 8	100%	-	-	Common shares of 1,230,012 Preferred shares of 8	100%
Ultrachip HK Limited	-	-	Common shares of 6,800	100%	Common shares 6,800	100%
Ultra Capteur Co, Ltd.	Common shares 24,027	97.31%	-	-	Common shares of 24,027	97.31%
Ultradisplay Inc.	Common shares 18,388	54.162%	-	-	Common shares 18,388	54.162%
Wuxi Peak Technology Corp Limited.	Common shares 2,500	20%	-	-	Common shares 2,500	20%

Note: It refers to the Company's long-term investment accounted for under the equity method.

### Three. Status on Financing

#### I. Capital and Shares

#### (I) Source of Share Capital

##### 1. Share Capital Formation Process

Year / Month	Issued price (NT\$)	Authorized capital stock		Paid-in capital		Remarks		
		Number of shares (thousand shares)	Amount (NT\$ thousand dollars)	Number of shares (thousand shares)	Amount (NT\$ thousand dollars)	Source of share capital	Property other than cash as substitute for share price	Others (Approval Date and Document No.)
1999.08	10	100	1,000	100	1,000	Establishment original investment of NT\$1,000 thousand	—	1999.08.14 Jing-(88)-Shang No. 420122
1999.11	10	15,000	150,000	13,800	138,000	Cash capital increase of NT\$137,000 thousand	—	1999.11.15 Jing-(88)-Shang No. 141417
2001.03	10	46,000	460,000	39,600	396,000	Cash capital increase of NT\$258,000 thousand	—	2001.03.20 Jing-(90)-Shang No. 09001100750
2002.08	15	46,000	460,000	46,000	460,000	Cash capital increase of NT\$64,000 thousand	—	2002.08.01 Jing-Shou-Shang-Zi No. 09101308490
2002.11	15	60,000	600,000	54,000	540,000	Cash capital increase of NT\$80,000 thousand	—	2002.11.15 Jing-Shou-Shang-Zi No. 09101469100
2003.09	20	80,000	800,000	66,500	665,000	Cash capital increase of NT\$125,000 thousand	—	2003.09.25 Jing-Shou-Shang-Zi No. 09201278000
2005.10	10	134,000	1,340,000	77,198	771,980	Capital increase by retained earnings and employee bonuses of NT\$103,220 thousand	—	2005.10.17 Jing-Shou-Shang-Zi No. 09401204340
2006.01	10	134,000	1,340,000	77,282	772,820	Execution of employee stock options of NT\$840 thousand	—	2006.01.16 Jing-Shou-Shang-Zi No. 09501008200
2006.04	10	134,000	1,340,000	77,348	773,480	Execution of employee stock options of NT\$660 thousand	—	2006.04.25 Jing-Shou-Shang-Zi No. 09501075570
2007.01	10	134,000	1,340,000	77,570	775,700	Execution of employee stock options of NT\$2,220 thousand	—	2007.01.02 Jing-Shou-Shang-Zi No. 09501290290
2007.12	10	134,000	1,340,000	78,072	780,715	Execution of employee stock options of NT\$5,015 thousand	—	2007.12.31 Jing-Shou-Shang-Zi No. 09601320060
2009.09	10	134,000	1,340,000	58,119	581,189	Capital deduction to cover accumulated loss of NT\$199,526 thousand	—	2009.09.01 Jing-Shou-Shang-Zi No. 09801198160



Year / Month	Issued price (NT\$)	Authorized capital stock		Paid-in capital		Remarks		
		Number of shares (thousand shares)	Amount (NT\$ thousand dollars)	Number of shares (thousand shares)	Amount (NT\$ thousand dollars)	Source of share capital	Property other than cash as substitute for share price	Others (Approval Date and Document No.)
2010.03	10	134,000	1,340,000	58,220	582,199	Execution of employee stock options of NT\$1,010 thousand	—	2010.03.30 Jing-Shou-Shang-Zi No. 09901060440
2010.11	10	134,000	1,340,000	88,220	882,199	Cash capital increase of NT\$300,000 thousand	—	2010.11.01 Jing-Shou-Shang-Zi No. 09901244020
2011.05	10	134,000	1,340,000	88,285	882,854	Execution of employee stock options of NT\$655 thousand	—	2011.05.04 Jing-Shou-Shang-Zi No. 10001090030
2011.07	10	134,000	1,340,000	88,318	883,184	Execution of employee stock options of NT\$330 thousand	—	2011.07.18 Jing-Shou-Shang-Zi No. 10001161750
2014.03	10	134,000	1,340,000	88,105	881,054	Capital reduction with cancellation of treasury shares of NT\$2,130 thousand.	—	2014.03.13 Jing-Shou-Shang-Zi No. 10301044370
2014.03	10	134,000	1,340,000	99,145	991,454	Cash capital increase of NT\$110,400 thousand	—	2014.03.25 Jing-Shou-Shang-Zi No. 10301050650
2014.04	10	134,000	1,340,000	99,400	994,003	Execution of employee stock options of NT\$2,549 thousand	—	2014.04.08 Jing-Shou-Shang-Zi No. 10301061690
2014.08	10	134,000	1,340,000	99,653	996,529	Execution of employee stock options of NT\$2,526 thousand	—	2014.08.01 Jing-Shou-Shang-Zi No. 10301156040
2014.11	10	134,000	1,340,000	100,111	1,001,106	Execution of employee stock options of NT\$4,577 thousand	—	2014.11.26 Jing-Shou-Shang-Zi No. 10301239210
2015.03	10	134,000	1,340,000	100,456	1,004,565	Execution of employee stock options of NT\$3,459 thousand	—	2015.03.30 Jing-Shou-Shang-Zi No. 10401048080
2015.05	10	134,000	1,340,000	100,666	1,006,661	Execution of employee stock options of NT\$2,096 thousand	—	2015.05.26 Jing-Shou-Shang-Zi No. 10401048080
2015.07	10	134,000	1,340,000	102,981	1,029,811	Execution of new restricted employee shares of NT\$23,150 thousand	—	2015.07.01 Jing-Shou-Shang-Zi No. 10401118210
2015.08	10	134,000	1,340,000	103,110	1,031,099	Execution of employee stock options of NT\$1,548 thousand Cancellation of new restricted employee shares of NT\$260 thousand	—	2015.08.24 Jing-Shou-Shang-Zi No. 10401176800

Year / Month	Issued price (NT\$)	Authorized capital stock		Paid-in capital		Remarks		
		Number of shares (thousand shares)	Amount (NT\$ thousand dollars)	Number of shares (thousand shares)	Amount (NT\$ thousand dollars)	Source of share capital	Property other than cash as substitute for share price	Others (Approval Date and Document No.)
2015.11	10	134,000	1,340,000	62,435	624,348	Execution of employee stock options of NT\$6,362 thousand Cancellation of new employee restricted shares of NT\$390 thousand Capital reduction and return of share capital of NT\$412,724 thousand	—	2015.11.25 Jing-Shou-Shang-Zi No. 10401250650
2016.03	10	134,000	1,340,000	62,519	625,185	Execution of employee stock options of NT\$1,030 thousand Cancellation of new restricted employee shares of NT\$193 thousand	—	2016.03.24 Jing-Shou-Shang-Zi No. 10501047200
2016.05	10	134,000	1,340,000	62,849	628,485	Execution of employee stock options of NT\$3,475 thousand Cancellation of new restricted employee shares of NT\$175 thousand	—	2016.05.20 Jing-Shou-Shang-Zi No. 10501104280
2016.08	10	134,000	1,340,000	62,884	628,837	Execution of employee stock options of NT\$3,771 thousand Cancellation of new restricted employee shares of NT\$2,636 thousand Cancellation of treasury shares of NT\$783 thousand	—	2016.08.31 Jing-Shou-Shang-Zi No. 10501216530
2016.11	10	134,000	1,340,000	63,209	632,087	Execution of employee stock options of NT\$3,250 thousand	—	2016.11.29 Jing-Shou-Shang-Zi No. 10501276330
2017.03	10	134,000	1,340,000	63,144	631,435	Execution of employee stock options of NT\$880 thousand Cancellation of new restricted employee shares of NT\$299 thousand Cancellation of treasury shares of NT\$1,234 thousand	—	2017.03.08 Jing-Shou-Shang-Zi No. 10601026790
2017.05	10	134,000	1,340,000	63,196	631,956	Execution of employee stock options of NT\$853 thousand Cancellation of new restricted employee shares of NT\$332 thousand	—	2017.05.03 Jing-Shou-Shang-Zi No. 10601056550
2017.08	10	134,000	1,340,000	63,166	631,660	Execution of employee stock options of NT\$326 thousand Cancellation of new restricted employee shares of NT\$622 thousand	—	2017.08.03 Jing-Shou-Shang-Zi No. 10601113070

Year / Month	Issued price (NT\$)	Authorized capital stock		Paid-in capital		Remarks		
		Number of shares (thousand shares)	Amount (NT\$ thousand dollars)	Number of shares (thousand shares)	Amount (NT\$ thousand dollars)	Source of share capital	Property other than cash as substitute for share price	Others (Approval Date and Document No.)
2017.12	10	134,000	1,340,000	63,493	634,927	Execution of employee stock options of NT\$3,282 thousand Cancellation of new restricted employee shares of NT\$15 thousand	—	2017.12.03 Jing-Shou-Shang-Zi No. 10601166240
2018.02	10	134,000	1,340,000	63,827	638,274	Execution of employee stock options of NT\$3,580 thousand Cancellation of new restricted employee shares of NT\$232 thousand	—	2018.02.22 Jing-Shou-Shang-Zi No. 10701018230
2018.05	10	134,000	1,340,000	63,951	639,515	Execution of employee stock options of NT\$1,240 thousand	—	2018.05.10 Jing-Shou-Shang-Zi No. 10701048210
2018.08	10	134,000	1,340,000	63,417	634,175	Cancellation of new restricted employee shares of NT\$5,340 thousand	—	2018.08.17 Jing-Shou-Shang-Zi No. 10701099320
2019.09	10	134,000	1,340,000	63,917	639,175	Execution of new restricted employee shares of NT\$5,000 thousand	—	2019.09.18 Jing-Shou-Shang-Zi No. 10801127000
2020.09	10	184,000	1,840,000	65,517	655,175	Capital increase by capital surplus of NT\$16,000 thousand	—	2020.09.15 Jing-Shou-Shang-Zi No. 10901166830
2020.11	10	184,000	1,840,000	65,367	653,675	Cancellation of new restricted employee shares of NT\$1,500 thousand	—	2020.11.25 Jing-Shou-Shang-Zi No. 10901219920
2021.03	10	184,000	1,840,000	65,359	653,591	Cancellation of new restricted employee shares of NT\$84 thousand	—	2021.03.10 Jing-Shou-Shang-Zi No. 11001038370
2021.05	10	184,000	1,840,000	65,530	655,305	Corporate bond conversion of NT\$1,714 thousand	—	2021.05.31 Jing-Shou-Shang-Zi No. 11001081260
2021.08	10	184,000	1,840,000	73,603	736,032	Corporate bond conversion of NT\$80,727 thousand	—	2021.08.16 Jing-Shou-Shang-Zi No. 11001137080
2021.11	10	184,000	1,840,000	74,449	744,499	Corporate bond conversion of NT\$8,468 thousand	—	2021.11.31 Jing-Shou-Shang-Zi No. 11001197280
2022.03	10	184,000	1,840,000	74,786	747,860	Execution of employee stock options of NT\$3,361 thousand		2022.03.14 Jing-Shou-Shang-Zi No. 11101031580
2022.09	10	184,000	1,840,000	74,986	749,860	Execution of new restricted employee shares of NT\$2,000 thousand		2022.09.06 Jing-Shou-Shang-Zi No. 11101174820

Year / Month	Issued price (NT\$)	Authorized capital stock		Paid-in capital		Remarks		
		Number of shares (thousand shares)	Amount (NT\$ thousand dollars)	Number of shares (thousand shares)	Amount (NT\$ thousand dollars)	Source of share capital	Property other than cash as substitute for share price	Others (Approval Date and Document No.)
2022.11	10	184,000	1,840,000	75,026	750,262	Execution of employee stock options of NT\$402 thousand		2022.11.11 Jing-Shou-Shang-Zi No. 11101215290
2023.03	10	184,000	1,840,000	75,089	750,896	Execution of employee stock options of NT\$875 thousand Cancellation of new restricted employee shares of NT\$240 thousand		2023.03.20 Jing-Shou-Shang-Zi No. 11230037470
2023.05	10	184,000	1,840,000	75,091	750,914	Execution of employee stock options of NT\$17 thousand		2023.05.17 Jing-Shou-Shang-Zi No. 11230078900
2023.08	10	184,000	1,840,000	75,097	750,970	Execution of employee stock options of NT\$56 thousand		2023.08.16 Jing-Shou-Shang-Zi No. 11230154700
2023.11	10	184,000	1,840,000	75,062	750,615	Execution of employee stock options of NT\$86 thousand Cancellation of new restricted employee shares of NT\$440 thousand		2023.11.16 Jing-Shou-Shang-Zi No. 11230211990
2024.03	10	184,000	1,840,000	75,065	750,647	Execution of employee stock options of NT\$62 thousand Cancellation of new restricted employee shares of NT\$30 thousand		2024.03.12 Jing-Shou-Shang-Zi No. 11330034140
2024.05	10	184,000	1,840,000	75,066	750,661	Execution of employee stock options of NT\$14 thousand	—	2024.05.24 Jing-Shou-Shang-Zi No.11330083230
2024.08	10	184,000	1,840,000	75,096	750,956	Execution of employee stock options of NT\$295 thousand	—	2024.08.22 Jing-Shou-Shang-Zi No.11330146330
2024.11	10	184,000	1,840,000	75,119	751,193	Execution of employee stock options of NT\$667 thousand Cancellation of new restricted employee shares of NT\$430 thousand	—	2024.11.20 Jing-Shou-Shang-Zi No. 11330197520
2025.03	10	184,000	1,840,000	75,186	751,860	Execution of employee stock options of NT\$668 thousand	—	2025.03.20 Jing-Shou-Shang-Zi No.11430028800

## 2. Share Type

Unit: thousand shares

Share type	Authorized capital stock			Remarks
	Number of outstanding shares	Number of unissued shares	Total	
Registered common shares	75,200	108,800	184,000	Including employee stock options of 15,000 thousand shares

Note: Issued shares refer to TPEx listed shares

(II) List of Major Shareholders

Unit: shares / April 13, 2025

Name of shareholder	Number of shares held	Shareholding percentage
Yu-Tung Hsu	1,701,273	2.26%
Tomy Investment Co., Ltd.	1,379,724	1.84%
De-Fu Ciou	1,255,000	1.67%
Vanguard Total International Stock Index Fund ‘a series of Vanguard Star Funds	1,008,000	1.34%
You Xi Investment Co., Ltd.	948,548	1.26%
Ying,Lin	862,000	1.15%
Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	852,000	1.13%
Shu-Jhen Lin	828,000	1.10%
Lyu-Wun Jhu	794,000	1.06%
Gains Investment Corporation	656,430	0.87%

(III) Dividend Policy and Implementation Status

1. When the Company has no surplus earnings or no retained earnings for the current year, no dividends and bonus may be distributed. After the Company pays all taxes for each fiscal year, during the distribution of earnings, it is necessary to compensate the losses from previous years first, and 10% of the earnings shall be appropriated as the legal reserve. However, if the legal reserve has reached the paid-in capital, such restriction shall not be applicable; in addition, special reserve shall also be appropriated or reversed depending upon the business needs. After the remaining amount is added to the accumulated undistributed earnings, at least 10% of such amount shall be appropriated for the distribution of shareholders’ dividends, and the cash dividends shall not be less than 10% of the total dividends distributed. The ratio of the earnings for distributed described in the preceding paragraph may be adjusted depending upon the actual profit, capital budget and fund status of the current year.
2. After the Company has compensated the loss in 2013, cash dividends have been distributed to shareholders every year, and the cash dividend per share for each year has been maintained at an amount above NT\$0.2 In the future, the Company will maintain stable dividend policy, and when the free cash flow is sufficient to satisfy the fund demand of previous dividend distribution standard, increase of the issuance of cash dividend per share will be considered. On February 21, 2025, the board of directors proposed to distribute the cash dividends per share of approximately NT\$0.50624798 for the current year, and which will be submitted to the general shareholders’ meeting held on June 11, 2025for resolution.
3. Dividend distribution status proposed by the present shareholders’ meeting: The 2024 dividends distribution of the Company has been proposed by the board of directors as follows (approved by the board of directors, but not yet approved by the shareholders’ meeting):
  - A. Total shareholders’ cash dividends is NT\$38,000,000, and it is proposed to distribute NT\$0.50624798 per share, and the distribution of the 2024 earnings

shall be made in priority. For the insufficient amount, the distributable amounts from other years may then be used for the distribution. The cash dividend is calculated to the integer dollar value, and the numbers after the decimal places are truncated. For the total amount of the odd numbers less than one dollar, the chairman is authorized to assign specific personnel to make adjustments.

B. For the present ex-dividend date, issuance date and other relevant matters, after the approval of the present general shareholders' meeting, the chairman is authorized to specify such dates and matters for the distribution thereof.

C. After the present distribution, in case of change in the share capital of the Company and the number of outstanding shares is affected such that the shareholders' dividend ratio is changed, the general shareholders' meeting authorizes the chairman to handle such matter with full discretion.

4. Expected major change to the dividend policy: No major change.

(IV) Impact of the distribution of bonus shares proposed in the present shareholders' meeting on the business performance of the Company and earnings per share: There is no proposal for bonus share distribution in the present shareholders' meeting.

(V) Remunerations of Employees, Directors and Supervisors:

1. Information on the percentage or range of remunerations of employees, directors and supervisors specified in the Articles of Incorporation

When there is surplus earnings after the final account of a fiscal year, in addition to the tax payment according to the laws and compensation of losses of previous years, 10% of the earning shall be appropriated as the legal reserve; however, when the legal reserve has reached the paid-in capital of the Company, such restriction shall not be applicable. In addition, special reserve shall also be appropriated or reversed by the Company according to the business needs and regulatory requirements or competent authority's regulations, and the distributable earnings is as follows:

Remuneration of employees is 5%~18%, and the remuneration of directors is not higher than 5%. If there is still surplus earning, it is combined with the undistributed retained earnings of the current period for submission to the board of directors for proposal on the distribution of earnings, followed by reporting to the shareholders' meeting for resolution on the distribution thereof.

2. The estimation basis for calculation of the remuneration of employees and directors, the share calculation basis for distribution of remuneration of employees in the form of shares and the accounting treatment for any discrepancy between the actual distribution amount and the estimated value.

The requirements specified in the Articles of Incorporation are used as the estimation basis. When there is any difference between the actual distribution amount and the estimated amount, it will be handled according to the accounting estimation change.

3. Information on distribution of employees' remuneration proposal approved by the board of directors' meeting:

On February 21, 2025, the board of directors of the Company approved the following through resolution :

A. Remuneration of employees at an amount of NT\$ 15,636,728 is to be distributed according to the Articles of Incorporation of the Company, and the remuneration of directors at an amount of NT\$ 2,606,121 is to be distributed, which have no major difference from the estimated expenses for the current year.

B. Remuneration of employees proposed for distribution in shares and the ratio over

the entity or individual financial report net profit in the current period and the total amount of remuneration of employees: This is not applicable for the current year.

C. Earnings per share (EPS) calculated after the proposed distribution of remuneration of employees and remuneration of directors and supervisors:

Since 2009, the expense treatment of remunerations of employees, directors and supervisors has been implemented. For the 2024 financial statements, the expenses for the remuneration of employees, directors have been estimated and recorded; therefore, the EPS calculated is the same as the EPS after tax indicated in the financial statements.

4. Information on the 2023 earnings for distribution of remuneration of employees, directors resolved by the 2024 shareholders' meeting:

- (1) Distribution of remuneration of employees for an amount of NT\$6,117,97, and the distribution of remuneration of directors for an amount of NT\$2,012,491.
- (2) Distribution of employee stock compensation of 0 share, accounted for 0% of the capital increase by retained earnings.
- (3) Earnings per share (EPS) calculated after the distribution of remuneration of employees and remuneration of directors is NT\$1.13.
- (4) Difference between the actual distribution of the earnings for the remuneration of employees, directors and the distribution originally proposed and approved by the board of directors in 2023:

Item	2023(distribution in 2024)		
	Status of proposed distribution approved by the board of directors	Status of actual distribution	Difference
Remuneration of employees	NT\$6,117,973	NT\$6,117,973	None
Remuneration of directors	NT\$2,012,491	NT\$2,012,491	None

(IV) Repurchase of the Company's shares (executing)

April 30, 2025

The number of repurchase	The fifth time
Purpose of the share repurchase	To transfer shares to employees
Type of shares to be repurchased	Common shares
Ceiling on total monetary amount of share repurchase	NT\$200,000,000
Scheduled period for the repurchase	2025/04/09~2025/06/08
No. of shares to be repurchased	2,000,000 shares
Repurchase range price	NT\$ 37.50~100.00
Accumulated number of company shares held	160,000 shares
Value of shares repurchased	NT\$ 8,590,111
Quantity of repurchased shares as a percentage of total shares to be repurchased (%)	8%

## II. Issuance of Corporate Bonds:

April 30, 2025

Corporate bond type		The 3rd Domestic Unsecured Convertible Bonds
Date of Issue		May 20, 2024
Face value		NT\$100,000
Issuance and transaction place		-
Issue price		Issue 101% at face value
Total		NT\$800,000,000
interest rate		0%
Maturity		Three years, Maturity date: May 20, 2027
Guarantee institution		-
Trustee		Yuanta Commercial Bank Co., Ltd.
Underwriting institution		President Securities Corporation
Certifying attorney		Ya-Wen Chiu
CPA		Hai-Yueh Huang, Cheng-Chuan Yu
Redemption method		In addition the Company's redemption or repurchase from the over-the-counter market, reverse repurchase or execution of conversion by bond holders, the Company redeems in cash at once at the face value of the Company.
Outstanding principal		NT\$800,000,000
Covenants for redemption or early repayment		Please refer to the Issuance and conversion regulations for details
Restrictive covenants		Please refer to the Issuance and conversion regulations for details
Name of credit rating agency, rating date, rating result of corporate bonds		Not applicable
Other rights attached	Converted amount of (exchanged or subscribed) ordinary shares, GDRs or other securities as of the printing date of this annual report	NT\$0
	Please refer to the Issuance and conversion regulations for details	Please refer to the Issuance and conversion regulations for details



Corporate bond type	The 3rd Domestic Unsecured Convertible Bonds
Issuance and conversion, exchange or subscription method, issuing condition dilution on equity and impact on existing shareholders' equity	With regard to the current shareholders' equity, although the company liabilities will be increased before the conversion of the issued convertible bonds, as the corporate bonds are converted into common shares, the liabilities will be decreased, and the shareholder's equity will also be increased. In addition, since the time for conversion requested by creditors, in comparison to the cash capital increase, the financing method of corporate bond conversion is beneficial to postponing the dilution of earnings caused by expansion of share capital, and for the consideration in a long term, it has no significant impact on the shareholders' equity.
Name of transfer agent for the transfer subject matter	Not applicable

#### Information on corporate bond conversion

Corporate bond type		The 3rd Domestic Unsecured Convertible Bonds	
Item	Year	2024	Up to April 30, 2025 for the current year
Market price of the corporate bond	Highest	130.00	108.30
	Lowest	101.20	98.00
	Average	124.26	103.49
Conversion price		NT\$94.50 per share	
Issue (transaction) date and conversion price at issuance		May 20, 2024 NT\$ 95.00	
Performance of conversion obligation method		Issuance of new shares	

III. Issuance of preferred shares: None.

IV. Issuance of global depository receipts: None.

V. Issuance of employee stock warrants:

(I) The Company's employee stock warrants not yet matured:

Type of employee stock warrants	Seventh time of employee stock warrants
Declaration effective date and total number of units	2018.10.09 1,000,000
Issuance (processing) date	2019.10.01
Number of issued units (each unit may subscribe 1 share)	1,000,000
Number of units available for issuance	0
Ratio of subscribable shares to total issued shares	1.33%
Subscription period	Six years
Exercise method	Issuance of new shares
Period and ratio of subscription restriction	65% for two full years after maturity, 100% for three full years after maturity
Number of shares obtained after exercise of subscription right (thousand shares)	664
Amount of the shares subscribed (NT\$ thousand)	13,849
Number of shares not yet subscribed (thousand shares) (after ex-right adjustment)	336
Subscription price per share of the unsubscribed shares	20.2
Ratio of the number of unsubscribed shares to the number of issued and outstanding shares (%)	0.45%
Effect on shareholders' equity	The issuance of employee stock warrants is able to achieve joint benefits for the Company and shareholders, such that it has positive impact on the shareholders' equity

(II) Names, acquisition and subscription status of managerial officers who have obtained employee stock warrants and of employees who rank among the top ten employees in terms of the number of shares to which they have subscription rights through employee stock warrants acquired, cumulative to the printing date of the annual report:

April 30, 2025; Unit; thousand shares; %

	Title	Name	Number of subscription shares received	Ratio of the number of subscription share received to the number of issued and outstanding shares (%)	Exercised				Not yet exercised			
					Number of shares subscribed	Subscription price	Subscription amount	Ratio of the number of subscribed shares to the number of issued and outstanding shares (%)	Number of shares subscribed	Subscription price	Subscription amount	Ratio of the number of subscribed shares to the number of issued and outstanding shares (%)
Managerial officers	Assistant Vice President	Shih-Hsin Juan (Note 1)	174	0.23	174	20.2-21.29	3,624	0.23	0	0	0	0.00
Employees	Deputy Manager	Shih-Yi Lin										
	Manager	Hsien-Chih Wen										
	Administrator	Yu-Hui Li										
	Engineer	Chih-Wei Chang										
	Deputy Manager	Keng-Liang Kuo										
	Manager	Yu-Cheng Liu										
	Manager	Meng-Chang Ke										
	Manager	Chia-Nan Yeh										
	Engineer	Tien-Fu Chen										
	Deputy Manager	Hung-Yi Lin										

Note 1: The employee stepped down from his role as manager on 2022/8/1.

VI. Issuance of new restricted employees shares:

- (I) The Company's new restricted employee shares not yet reaching the vesting condition in full:

April 30, 2025

Type of new restricted employee shares	Third time (session) of new restricted employee shares			
Declaration effective date and total number of shares	2022.06.07 1,000,000 shares			
Date of Issuance	2022.08.31			
Number of new restricted employee shares issued	200,000 share			
Number of new restricted employee shares available for issuance	800,000 share			
Issue price	NT\$ 10			
New restricted employee shares issued as a percentage of total number of shares issued	0.27%			
Vesting Conditions for New Restricted Employee Shares	After an employee subscribes the new restricted employee shares according to these regulations, starting from the capital increase base date, he / she shall still be under employment for the job upon the maturity of the following vesting period, and must not have any records of major faults of violation of the Company's labor contract, work rules, ethical corporate management best practice principles and code of conduct, and shall also satisfy the overall financial performance of the company and obtain more than 80 points in the most recent employee personal performance evaluation before the vesting period of each year. The respective percentages of shares for satisfying the vesting conditions are as follows:			
	Maturity period	Vesting ratio	Company's overall financial performance indicator (Note)	Personal performance indicator
	Matured for one year	25%	Net income before tax with 5% of growth from last year	Personal performance score reaches above 90 points (inclusive), it can be exercised according to 100% of the vesting percentage
	Matured for two years	25%	Net income before tax with 5% of growth from last year	Personal performance score reaches 80 points (inclusive)~89 points, it can be exercised according to 50% of the vesting percentage
	Matured for three years	25%	Net income before tax with 5% of growth from last year	When the personal performance score is below 79 points, it cannot be exercised
	Matured for four years	25%	Net income before tax with 5% of growth from last year	

Type of new restricted employee shares	Third time (session) of new restricted employee shares
Restricted Rights of New Restricted Employee Shares	<p>1. Employees assigned with the new restricted employee shares according to these Regulations, prior to satisfying the vesting conditions, all of such shares shall be submitted to the Taiwan Depository &amp; Clearing Corporation or the institution designated by the Company for trust custody, and shall also cooperate to complete all procedures and signing of relevant documents.</p> <p>2. Prior to the vesting condition described in the preceding article are satisfied, the employees' rights are restricted, including but not limited to the following, and except for inheritance arising from death due to occupational accidents, employees shall not sell, pledge, transfer, provide as a gift, set, or make any disposal via other means on the new restricted employee shares subscribed under these Regulations.</p> <p>3. The rights and obligations (including participation in allotment of shares, dividends, cash capital increase subscription, shareholders' meeting voting rights and election rights, etc.) of the new restricted employee shares during the vesting period are the same as the ones for the common shares issued by the Company.</p> <p>4. After the issuance of new restricted employee shares and before the vesting conditions are satisfied, employees shall not request the Company or trustee designated by the Company to return the new restricted employee shares based on any excuse or method.</p>
New Restricted Employee Share Custody Status	Employees assigned with the new restricted employee shares according to these Regulations, prior to satisfying the vesting conditions, all of such shares shall be submitted to the Taiwan Depository & Clearing Corporation or the institution designated by the Company for trust custody, and shall also cooperate to complete all procedures and signing of relevant documents.
Handling method for employees failing to satisfy vesting conditions after new share assignment or subscription	The Company purchased its shares at the original issue price and cancelled them in accordance with the law
Number of new restricted employee shares redeemed or repurchased	118,000 shares
Number of released new restricted employee shares	0 share
Number of unreleased new restricted employee shares	82,000 shares
Unreleased new restricted employee shares as a percentage of total number of shares Issued (%)	0.11%
Effect on shareholders' equity	It has limited effect on the earnings per share dilution of the Company; therefore, there is no major effect on the shareholders' equity.

(II) The name of employees and status of receipt of managerial officers and top ten employees receiving new restricted employees shares accumulated up to the printing date of the annual report:

April 30, 2025 Unit: NT\$; %; shares

	Title	Name	Number of new restricted shares	New restricted employee shares acquired as a percentage of total number of shares Issued (%)	Released				Unreleased			
					Number of released restricted shares	Issue price	Issue amount	Released restricted shares as a percentage of total number of shares Issued	Number of unreleased restricted shares	Issue price	Issue amount	Unreleased restricted shares as a percentage of total number of shares Issued
Managerial Officers	(Note1)		0	0	0	10	0	0	0	10	0	0
Employees	Director	Min-Shan Wu	200,000	0.27	118,000	10	1,180,000	0.15	82,000	10	820,000	0.11
	Director	Chia-Nan Yeh										
	Senior Manager	Hsien-Chih Wen										
	Manager	Wei-Jen Tsai										
	Manager	Meng-Chang Ke										
	Deputy Manager	Tien-Fu Chen,										
	Manager	Bang-Ying An,										
	Manager	Cheng-Bin Lin, (Note1)										
	Manager	Kuan-Hui Lu (Note1)										
	Manager	Yu-Cheng Liu										

Note 1: There are no managerial officers in this time.

VII. Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: None.

VIII. Capital plans and implementation status: The 3<sup>rd</sup> Domestic Unsecured Convertible Bonds

(I) Plan content

Any previous issuances or private placements of securities not yet been completed and those completed in the last three years with project effectiveness not yet revealed:

Please refer to the Market Observation Post System /Single Company/ Shareholding Changes/Fundraising Plans/Fund-raising Plans Execution

Query([https://mopsov.twse.com.tw/mops/web/bfhtm\\_q2](https://mopsov.twse.com.tw/mops/web/bfhtm_q2))

(II) Implementation status and benefit analysis

With regard to the purpose of each plan described in the preceding subparagraph, analysis of the comparison between the implementation status originally expected benefits up to one quarter before the printing date of the annual report item by item:

Please refer to the Market Observation Post System /Single Company/ Shareholding Changes/Fundraising Plans/Fund-raising Plans Execution

Query([https://mopsov.twse.com.tw/mops/web/bfhtm\\_q2](https://mopsov.twse.com.tw/mops/web/bfhtm_q2))

## Four. Overview of Operations

### I. Business Activities

#### (I) Business Scope

##### 1. Main content of business operation:

- (1) Electronic Parts and Components Manufacturing.
- (2) Data Storage Media and Processing Equipment Manufacturing.
- (3) Wireless Communication Mechanical Equipment Manufacturing.
- (4) Software Design Services.
- (5) Retail Sale of Computer Software.
- (6) Retail Sale of Electronic Materials.
- (7) Retail Sale of Telecommunication Apparatus .
- (8) Wholesale of Electronic Materials.
- (9) Wholesale of Telecommunication Apparatus.
- (10) Product Designing.

##### 2. Operating revenue percentage

Product item	2024	
	Revenue amount	Revenue weight
Display driver IC	1,490,786	98.90%
Others	16,604	1.10%
Total	1,507,390	100.00%

##### 3. Present product items of the Company

- Design, production and sales of LCD display related integrated circuits
- Design, production and sales of bistable related integrated circuits
- Design, production and sales of touch panel related integrated circuits
- Design, production and sales of motor control driver IC

##### 4. New products planned for development

- Quality driver IC of higher resolution, lower power consumption, faster transmission speed
- Display driver IC for special applications of automotive and industrial medical instruments
- Ultra-high contrast, high-resolution, security feature detection segment gray scale automotive display driver ICs
- Automotive and industrial control TFT LCD display driver IC of high resolution, high contrast and narrow bezel
- Touch control IC and controller for special applications of military and industrial purposes
- Ultra-low voltage and ultra-low power consumption of LCD display driver IC
- High applicability matrix electronic label driver single-chip IC
- Multi-function integrated driver IC for bistable display
- Bistable display integrated driver IC of advanced process
- Sensorless sine-wave brushless DC motor PWM driver IC
- Sensorless three-phase sine-wave FOC fan driver IC

#### (II) Industry Overview

##### 1. Industry Current Status and Development



The Company is in the semiconductor industry and is a professional integrated circuit design company at the upstream of the semiconductor industry. The Company's manufacturing, packaging and testing of products are entrusted to professional OEM factories. For the semiconductor industry, the Company provides explanation on the status of the industry and the product development trend .

Under the influence of geopolitical factors and trade tariffs, businesses face increasing risk uncertainties. To prevent supply chain disruption crises, countries are enhancing domestic industrial capacity and critical technology autonomy, actively supporting the semiconductor industry to create industrial development advantages, thereby influencing the entire semiconductor ecosystem. As the global semiconductor market flourishes in 2024, technological innovation and market competition within the industry are intensifying. According to WSTS forecasts, global semiconductor production value is expected to exceed US\$600 billion, representing annual growth of 16.0%. Under strong market performance, demand is projected to continue growing, particularly for advanced computing chips in applications such as smartphones, AI computing, automotive electronics, and servers, which continue to drive rapid growth in the AI/HPC chip and memory demand industries. DIGITIMES' latest forecast predicts that global semiconductor industry revenue in 2025 will increase by 13.4% year-over-year, reaching a peak of US\$714 billion.

With continuous innovation in global semiconductor manufacturing technology, 2024 will be a crucial turning point for the global and Taiwan's IC manufacturing industry. The global IC manufacturing industry is facing multiple technological transformations, with increasingly fierce market competition as major manufacturers accelerate the deployment of advanced process technologies to compete for future market leadership. Taiwan's IC manufacturing industry continues to demonstrate technological leadership advantages in the global semiconductor landscape. Looking ahead to 2025, TSIA and IEK estimate that Taiwan's IC industry's first quarter output value will reach NT\$1.4404 trillion, a decrease of 3.6% quarter-on-quarter but a significant increase of 23.5% year-on-year. The annual IC industry output value is estimated to reach NT\$6.1785 trillion, a year-on-year increase of 16.2%, outperforming the global market growth of 11.2%, with product output value reaching NT\$1.6022 trillion, a year-on-year increase of 10.7%.

**2021~ 2025(e)Taiwan IC industry production value**

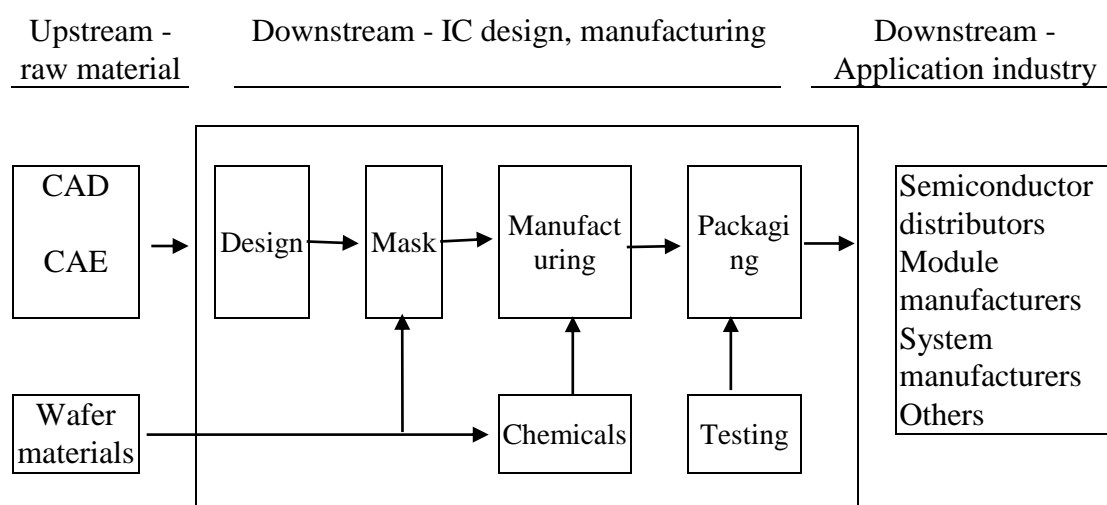
NTD trillion dollars	2021	2021 growing rate	2022	2022 growing rate	2023	2023 growing rate	2024	2024 growing rate	2025 (e)	2025 (e) growing rate
IC Industry production value	40,820	26.7%	48,370	18.5%	43,428	-10.2%	53,151	22.4%	61,785	16.2%
IC Design	12,147	42.4%	12,320	1.4%	10,965	-11.0%	12,721	16.0%	14,155	11.3%
IC Manufacturing	22,289	22.4%	29,203	31.0%	26,626	-8.8%	34,195	28.4%	40,827	19.4%
Wafer fabrication	19,410	19.1%	26,847	19.1%	24,925	-7.2%	32,438	30.1%	38,960	20.1%

NTD trillion dollars	2021	2021 growing rate	2022	2022 growing rate	2023	2023 growing rate	2024	2024 growing rate	2025 (e)	2025 (e) growing rate
Memory and Other Manufacturing Technologies	2,879	51.0%	2,356	-18.2%	1,701	-27.8%	1,757	3.3%	1,867	6.3%
IC Packaging	4,354	15.3%	4,660	7.0%	3,931	-15.6%	4,233	7.7%	4,608	8.9%
IC testing	2,030	18.4%	2,187	7.7%	1,906	-12.8%	2,002	5.0%	2,195	9.6%
<b>IC Product production value</b>	15,026	44.0%	14,676	-2.3%	12,666	-13.7%	14,478	14.3%	16,022	10.7%
NTD million dollars (US billion dollars) and growing rate(%)	5,559	26.2%	5,741	3.3%	5,269	-8.2%	6,276	19.1%	6,979	11.2%

Source : TSIA, February,2025

## 2. Correlation among upstream, midstream and downstream in the industry

The semiconductor IC industry can be divided into the upstream, midstream and downstream. The upstream consists of IC design companies and silicon wafer manufacturers, where the IC design companies design circuit diagrams according to the customer demands, and the wafer manufacturers mostly manufacture silicon wafers with the polysilicon raw material. For the midstream, the IC manufacturers apply the circuit diagrams designed by the IC design company to the wafers of the silicon wafer manufacturers. The completed wafers are then delivered to the IC packaging and testing factories of the downstream to perform packaging and testing. The Company mainly performs IC design and is at the upstream of the semiconductor industry. The manufacturing, packaging and testing of products are entrusted to professional OEM factories for processing. Taiwan demonstrates a role model for the “vertical separation” of IC industry, and for each production stage, there are companies actively invest and specialized in such stage. The vertical disintegration and work allocation are clear, each business operator is specialized in its field. The correlation diagram for the upstream, midstream and downstream of the industry of the Company is shown in the following:



Source of information:: ITIS Program of Electronics Research & Service Organization

(ERSO)

### 3. Various development trends and competition of products

#### A. Liquid crystal display driver IC

According to the driving mode, liquid crystal displays can be roughly divided into two types: passive matrix driven and active matrix driven. The passive matrix type mainly includes TN (Twisted Nematic; TN) liquid crystal display and STN (Super Twisted Nematic; STN) liquid crystal display, while the active matrix driven liquid crystal display takes TFT (Thin Film Transistor ; TFT)TFT LCD as the most important, among which the TN/STN liquid crystal display requires mature process technology, capital investment is relatively low and customisation is easy, while TFTs require higher capital investment and technology. However, they are mainly differentiated by the twisting principle of the liquid crystal molecules in terms of viewing angle, colour, contrast and the level of quality of the animation display, and are mainly used in consumer products. With the excellent display performance and widespread applicability of LCD displays, their applications have now penetrated virtually every aspect of life, from consumer electronics to industrial controls, home appliances, medical equipment, automotive displays, and more.

Nowadays, consumer electronics are adopting TFT panels instead of TN/STN panels, so some TN/STN manufacturers have switched to touch panels or withdrawn from the market. As mobile phone market products have become increasingly mature in recent years, there is limited room for gross margin growth due to the price orientation of the products. Therefore, the Company has actively invested in the research and development of products with stable profits and relatively explosive characteristics, and the current product range covers multiple fields such as industrial control instruments, medical instruments, national smart meters of China, mobile devices, and in-vehicle display devices. Particularly in the new energy vehicle display market, in recent years, it has made significant contributions to revenue and profitability.

Primarily benefiting from trends in vehicle intelligence, the global automotive display market has grown rapidly in recent years, electrification, and connectivity. In 2023, the global automotive display market size was approximately US\$10 billion, and it will continue to maintain rapid growth in the coming years, with the market size expected to reach US\$20 billion by 2030. The automotive display market is experiencing a shift from traditional dashboards to larger, more interactive displays. In the new energy vehicle market, China will be the largest global market. China sold 9.5 million new energy vehicles in 2023, reaching a market penetration rate of 31.6%. Looking ahead, China's new energy vehicle market will continue its rapid growth, with domestic market penetration projected to exceed 70% by 2030 and sales forecast at approximately 20 million vehicles. India is expected to become the second-largest new energy vehicle market after China. The Indian government has planned for electric vehicles to achieve a

market penetration rate of 30% by 2030. Global new energy vehicle sales are projected to reach 40 million units by 2030, with market penetration potentially reaching 50%. The changes in the new energy vehicle market landscape reflect broader trends in the automotive industry. This has already been recognized by the industry as a tremendous growth opportunity. In response to this market opportunity, the Company has successfully entered the new energy automotive market and obtained quality certification from major international manufacturers. At the same time, the Company has developed a variety of liquid crystal display driver with high contrast, large size and high reliability for new energy electric vehicle dashboards and other applications, and have successfully introduced special automotive grade ICs for automotive segment dashboard displays China, Korea and Indian vehicle manufacturers.

The Chinese government has been planning to promote dot-matrix STN liquid crystal displays to replace the existing segmented displays, in line with the increasing emphasis on the efficiency of the electricity network, the development of smart grids and the need to reduce the cost of meter reading management. The State Grid of China has been developing specifications for smart meters to comprehensively upgrade existing meters. The Company has also developed products with high interference immunity, strong ESD performance, strong driving capability, good high and low temperature display, and ultra-low power consumption for the Chinese smart meter market.

The Company's two main product lines are TN and STN driver ICs. In the future, through direct cooperation with module manufacturers, the Company will introduce products with wide angle VA, high resolution, ultra-low power consumption ICs and high reliability for handheld products, wearable devices, instrumentation, automotive human-machine interaction products and power products to meet market demand. In addition, the use of capacitive touch for human-machine communication has become a trend, showing that the functional integration of driver chips is the mainstream technical development direction at present. In the face of the trend towards higher screen ratios in smartphones, the integration of display driver chips and touch chips can effectively reduce the size of display panel peripheral chips, thus the market penetration of TDDI chips is rapidly increasing, opening up a new battlefield in the display driver chip field. The integration of display driver ICs with touch control ICs not only simplifies circuit design, shortens development time and reduces costs, but also introduces a series of touch key products with fewer external components, high anti-interference capability and touch response to meet the increasing demand for touch. Currently, our products have been successfully introduced into the industrial control and home appliance markets, expanding revenue and market share continuously

#### B. Electronic paper driver IC

Bistable display technology, also known as e-paper, is a paper-thin, reflective display with bistable characteristics, which causes physical shifts under the action of electric field forces, resulting in different colour gradation of the display medium. With the

characteristics of low power consumption, high contrast, wide viewing angles, clear visibility in hot sunlight and free curling, the e-paper uses bistable technology, consuming power only when changing screens and continuing to display screens even when the power source is removed. Common applications include e-book readers, ESL, etc.

In recent years, under the global impact of energy conservation and carbon reduction, and with the smart transformation wave at major retail stores like Best Buy and Walmart in Europe and America, ESL demand is estimated at \$3 billion. The American market remains full of potential.

The company had successfully developed black and white and tri-color and four colors electronic label technology, and continued to develop colorful e-paper drive technology to improve the quality of the screen. The product has advantage in lower power and smaller size. It can be applied for bus stop signs, smart shelf labels, conference equipment displays, thermometer and hygrometers, home appliance control panel displays, single word cards and advertisement posters, etc.

This company has deep-plowed in the e-paper industry for over two decades, and we have thorough understanding on the evolution of related technologies, as well as the market demand trends for it. We've developed e-paper shelf labels that have the advantage of energy-saving and low carbon. Under the increasing trend of global digitalization and sustainable development, we quickly penetrated into the consumer, commercial and retail markets.

### C. Motor driving control IC

Motors, also known as electric motor, are the most common actuators used in industrial and peripheral equipment. There are many different types of motor depending on their structure and power supply method, which must be chosen carefully depending on their inherent characteristics and the load they are intended to drive. All motors have commonalities, the operating principle of the motor is straightforward and easy to understand, but the energizing drive of each motor is the key.

Any motor needs to be powered by a suitable power converter. Depending on the characteristics of the motor's reactance waveform, the coil current of some motors should be square waves, while others are chord waves. Some require switching control and appropriate phase change timing adjustment to match the inductance characteristics of the motor in order to achieve better operating characteristics and conversion efficiency. In the early days it was widely used in industrial equipment and household appliances at constant speed. In recent years, the rapid development of power electronic components and advanced control technology has led to significant advances in AC motor drive control technology, which has surpassed existing DC motors in terms of accuracy, responsiveness and speed range, and has further expanded to variable speed applications. Brushless DC motor (BLDC) has the advantages of high efficiency, small size and light weight. Under the global trend of energy saving, the energy saving issue has prompted the

whole market to move towards the application of brushless DC motor. Grand View Research estimates that the scale of global BLDC motor market will reach USD \$22.3 billion dollars by 2025; in order to accelerate sustainable development of the ESG environment, the application fields of BLDC motor will become more diverse, and the range will gradually expand to white appliances such as fans, ceiling fans, extractor fans and electric vehicles. The Intelligent Power Module developed by the Company has been successfully introduced into home appliances and industrial fan ducts, and it will continue to be introduced into the supply chain of various appliance brands.

The Company offer high-efficiency rotary motor control systems and three-phase Hall-less rotary motor control systems in our Motor Control ASIC IC, while offering excellent current protection in Gate Driver IC. With the Company's motor control solutions, we can shorten the development time of motor systems and quickly introduce them into motor applications. Both the motor controller and the new Intelligent Power Module are little used in the white appliances, electric bicycle and mobile vehicle markets, and will currently introduce into the motor controller markets in international company of the US, Europe and China.

### (III) Technology and Research and Development Overview

1. Research and development budget invested in most recent year and up to the printing date of the annual report

Unit: NT\$ thousand

Contents	2024	2025.4.30
R&D budget invested	360,840	88,023
Net operating income	1,507,390	335,313
Percentage of R&D expense to operating revenue %	24%	26%

2. R&D result in the most recent year

Time	R&D result	Application product
2017   2020	3-Phase Sine-Wave PWM Driver IC for Brushless DC Motors	Brushless DC Fan, Electric Tool
	Light Sensor	Smartphone, TV, Lighting, Surveillance, Consumer, Wearable
	Proximity Sensor	Smartphone, Consumer
	Color Sensor	Smartphone, Lighting, Consumer, Wearable
	Health care sensor Proximity sensor +Heart Rate Monitor	Wearable, consumer, TWS
2021	Under display RGB + Proximity + Flicker sensor	Mobile phone with AMOLED display
2022	Health monitoring sensor – Proximity + Heart Rate + SpO2 monitor	Wearable, consumer, TWS
	BLDC IPM product mass production	Electric fan, electric tool

Time	R&D result	Application product
2023	All-in-one e-paper driver for 4 color ESL display	ESL
2024	Skin detection sensor - Senseless BLDC controller -	Wearable, Consumer, TWS Liquid cooling pump
2025	Light sensor for automobile application True color Sensor(XYZ) to enhance color accuracy	Automobile NB, Pad

#### (IV) Long / Short-Term Business Development Plan

##### 1. Short-term development plan

###### (1) Sales plan

- A. Seek and obtain orders from domestic and foreign well-known companies, increase the market share of small and medium size of display driver IC.
- B. Continue to increase the popularity and enhance the market position of the Company. Through participation in various exhibitions, meetings and seminars, etc. worldwide, promote the Company's technologies and products to global giant business operators in the automotive, industry and medical sectors.
- C. Establish global market distributors to facilitate the promotion and sales of products for penetrating into the local market, and enhance the engineering support and subsequent services for customers.

###### (2) R&D plan

With the diverse development of display products, the Company will actively engage in the research and development of small and medium size of display driver IC of hi-color, higher resolution, smaller size, lower power consumption and lower cost, in order to improve the application in various types of terminal products.

###### (3) Production plan

Continue to maintain close and stable cooperation relationship with foundries and outsourced vendors, and provide fast and accurate delivery as well as high quality products to customers.

###### (4) Financial plan

Increase fund raising channels, and enhance capital structure.

##### 2. Medium and long-term development plan

###### (1) Sales and marketing strategy

- A. Continue to develop new products, and aim to become the leading company in global display driver IC.
- B. Continue to seek and seize cooperation opportunities in the technology and sales with international giant business operators, and increase market popularity and market share.
- C. Establish sales and technical service locations in key markets worldwide.

###### (2) R&D strategy

- A. Continue to develop small and medium size of display driver IC of fast response speed, low voltage and high resolution.
- B. Actively research and develop new products and new technologies to achieve greater diversity in future products.

###### (3) Production strategy

Actively develop new suppliers of production capacity in order to provide products of higher quality to customers and to ensure sufficient production capacity expansion.

###### (4) Financial strategy

Sufficiently use diverse financing tools in the capital market, in order to obtain fund of lower cost and to maintain the long-term business operation development of the

Company.

## II. Market Profile and Production and Sales

### (I) Market analysis

#### 1. Main product sales region

Region \ Year	2023		2024	
	Sales amount (NT\$ thousand)	Ratio %	Sales amount (NT\$ thousand)	Ratio %
Domestic sales	95,991	5.18	189,536	12.57
Export sales	1,756,892	94.82	1,317,854	87.43
Net operating revenue	1,852,883	100.00	1,507,390	100.00

#### 2. Market share

The Company's 2022~2024 net consolidated operating revenues were NT\$2.516billion, NT\$1.853 billion and NT\$1.507 billion respectively. According to the information of the ITRI of Industrial Technology Research Institute, the IC design industry production values for 2022~2024 in Taiwan are NT\$1,232.0 trillion, NT\$1,096.5 trillion and NT\$1,272.1trillion respectively. Accordingly, the market share of the Company can be calculated to be between 0.12%~0.20%. In the future, through continuous development of new products and active expansion of sales channels, the market share of the Company is expected to improve further.

#### 3. Market future supply and demand status and growth

With regard to the supply aspect, the main raw material of the products of the Company is wafer, and the main suppliers are domestic and foreign well-known foundries, such that their product quality is stable, and the production capacity and supply status are proper. Due to the the shift to single-unit factories resulting from the Sino-US trade war and the impact of international tariff issues. The product manufacturing supply chain needs to be more flexible, with multiple long-term partners both domestically and internationally. We will continue to monitor market supply and demand, adjust inventory levels, and replenish working capital by issuing unsecured convertible bonds in 2024.

With regard to the demand aspect, the driver IC chips of the Company are mainly applied to industrial control instrument panels, automotive dashboards, electronic shelf labels, etc. In the future, under the trend of AIoT, despite the slowing down of demand due to the External economic factors, electric vehicles and AIoT will still be the key development focus. Under the promotion and development of these new technologies and new applications, the product demand of the Company is expected to continue to increase in the future.

#### 4. Competitive niche

##### (1) Equipped with outstanding R&D capability and solid R&D team

The R&D team of the Company is equipped with extensive experience and comprehensive profile. All of the core technologies of display driver IC are self-designed and developed. In addition, over the past years, the Company also continues to recruit outstanding R&D talents from the industry, and the team has extensive experience in the fields of display technology, IC logic design, mixed signal, etc. related to display. The Company owns numerous patented technologies derived from own research and development. Accordingly, the Company is able to shorten the new product development schedule and increase product quality swiftly, thereby achieving customer satisfaction on the Company's products. The Company also adequately understands the market development trend and invests in the R&D and development of new products to satisfy the market demands.



- (2) Product design heading toward the development compact size, energy saving and eco-friendly

For the IC designed by the Company, parts of the elements have been integrated into one single driver IC. With the advantages of utilization of numerous patented technologies, the Company's IC is equipped with the functions of excellent imaging, great smoothness, energy saving and eco-friendly. Accordingly, in comparison to other competitors in the industry, the Company's IC has the advantages of smaller size and greater competitiveness in product cost. As a result, the Company's products are able to satisfy relevant trend and market demands for light, thin, short, compact and eco-friendly products.

- (3) Equipped with complete LCD driver IC product lines and diverse product applications

In addition to the R&D and design of STN display driver IC for small and medium size panels, in recent year, the Company also actively develops and expands the product lines of EPD driver IC, TFT driver IC, and motor control IC, etc., in order to provide complete product to customers. With regard to the application, the Company focuses on niche products and enters the new product application markets of vehicle on-board devices, electronic labels and wearable devices, in order to satisfy the demands of different product users.

- (4) Long-term cooperation relationship with wafer suppliers and wafer outsourced OEM factories

The Company is an LCD design company and establishes long-term cooperation relationship with wafer suppliers. The quality yield rate, delivery speed and price of wafer suppliers are key factors to the product development competitiveness and sales success. In addition, the processing technology, equipment production, testing and packaging of wafer outsourced OEM factories are also essential to the business operation. Accordingly, under the long-term cooperation relationship established with the wafer suppliers and the outsourced OEM factories, the Company's shipping quality is stable and the supply is sufficient without any shortage.

- (5) Excellent cooperation relationship with customers

The Company provides complete product development services to customers, and through the Design in customized service, the Company develops various application products for customers, in order to enhance the cooperation relationship with terminal module manufacturers. In addition, the Company also maintains excellent and active interaction with customers, assists customers to shorten the product development schedule, and to achieve growth and long-term cooperation relationship with customers jointly.

5. Favorable, unfavorable factors for development outlook and countermeasures

- (1) Favorable factors

- A. Professional separation for upstream and downstream of IC industry with competition advantages

The IC industry in Taiwan adopts the professional separation model and the upstream and downstream production supply chain is complete. Each professional giant foundries, packaging giant factories and IC design companies operate independently and their production capacities are able to support each other, such that the domestic business operators and manufacturers have greater price advantages than foreign companies. Accordingly, in a fast changing industry environment, we are able to understand the market trend and demand promptly and to seize the market opportunities for customers.

- B. Stable market demand, expansion of product application

In view of the coming era of LCD and the great investments of domestic business

operators in the LCD production, manufacturing and sales plans, the original industrial and medical display demands increase stably, and all types of LCD new applications also continue to increase, especially the application related to mobile equipment, including such as GPS, on-board displays, wearable devices, electronic shelf labels, etc. The overall market demand indicates an increasing trend, and it is expected to drive the prosperous market development of the entire display related industries in the future.

- C. Small and medium size of IC technical teams with implementation of flat management to achieve fast market response and high efficiency.

Through flat organizational management structure, to cope with the fast market changes, we are able to effectively understand the market trend and to swiftly respond to the management level, such that operation decision making can be flexible and responsive, in order to efficiently control and reduce operational risk.

(2) Unfavorable factors and countermeasures

- A. Rapid market product change

As driver IC product technologies continue to evolve and improve, the life cycle of product is shortened, and it is imperative to release new application functions to satisfy customer demands. In addition, design improvement of driver IC product will also increase the operating cost and risk of driver IC business operators.

Countermeasures

The common operational challenge faced by IC design companies is the fast product generation replacement. We believe that solid R&D team and keen market development capability are imperative to swiftly develop new products when obsolete products are being eliminated or replaced. The Company maintains excellent relationship with module manufacturers directly or indirectly via distributors, in order to understand the most advance technology development trend and to reduce the new product investment risk.

- B. High dependency on foundry and uneasy control of production capacity

Since the Company is a fabless company entrusting foundries for all productions, to maintain product quality and cost, the Company considers the essential factors of equipment technology, production capacity, delivery quality and speed of foundries. If the global semiconductor demand is high or any interruption of production due to force majeure factors, IC product supply shortage risk will occur.

Countermeasures

To ensure that foundry's production capacity is sufficient to satisfy the domestic and international supply and production demand, the Company has established long-term cooperation relationship with main foundry companies, and also actively seek new OEM companies, in order to ensure sufficient product capacity.

- C. Patent rights

IC design is a competitive industry, and during the R&D process, a lot of patent infringement issues may occur. As the Company's new production line increases, patent risk is expected to increase.

Countermeasures

The Company is committed to the research and development and patent protection. To prevent new products from any competitors' disturbances, R&D staff perform patent search analysis on new products expected for development before the R&D meeting. In case where any matter is found to be related to patents of others, we perform further self-analysis or retain patent law firm to determine the likelihood of infringement, in order to ensure that our products do not infringe the patents of others. In addition, for new technologies developed by the Company, we also retain patent law firm to file

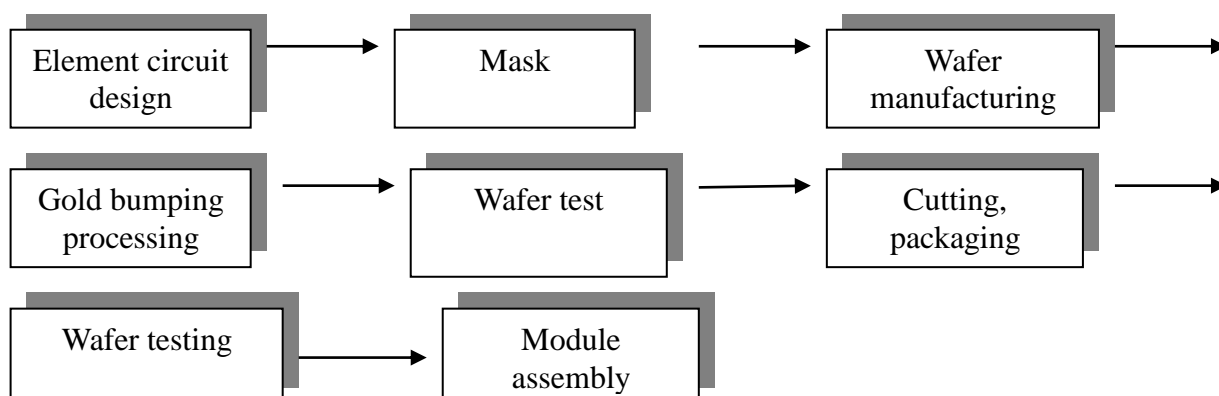
patent applications, in order to protect the intellectual property rights of the Company.

## (II) Key purpose and manufacturing process of main products

### 1. Key purpose of main products

Main product type	Key purpose and function
STN display driver IC	The main function of STN display driver IC is to control the switch of transistor, change of pixel grey scale and the rotational angle of liquid crystal, and it is an essential element to LCD. According to the product type, it is classified into consumer type, bank application type, industry type, electric meter type, vehicle on-board type, etc. Its terminal application is also broad, including home appliance equipment, electronic dictionary, industry and medical equipment, smart electric meter, automotive dashboard, etc.
Electronic paper display driver IC	Electronic paper display driver IC is mainly for electrophoretic LCD, microcup LCD and cholesteric LCD according to different resolution functions demanded by the market and customers. Its terminal application includes electronic books, electronic labels and wearable devices, home panel displays etc.
Others	Touch panel control IC, motor control driver IC.

### 2. Production process of products



## (III) Primary raw material supply status

The main raw material of the products of the Company is wafer, and the main suppliers are domestic and foreign well-known foundries, such that their product quality is stable, and the production capacity and supply status are proper. The Company continues to monitor the market supply-demand status, adjusts inventory level and keep a close eye on our own funding levels to meet stable production capacity and construction needs. Currently, there is no concern about raw material supply shortages.

## (IV) Name of customers accounted for more than 10% of total purchase (sales) amount of the company in the most recent two years or in any year and the purchase (sales) amount and ratio thereof, and please explain the reason of changes thereof

### 1. Name of customers accounted for more than 10% of total sales amount of the Company in any one of the most recent two years

Unit: NT\$ thousand

2023				2024			
Customer name	Sales amount	Percentage of whole-year sales (%)	Relationship with the issuer	Customer name	Sales amount	Percentage of whole-year sales (%)	Relationship with the issuer
Customer F	236,270	12.75	Non-related party	Customer F	254,394	16.88	Non-related party
Customer B	159,672	8.62	Non-related party	Customer B	139,438	9.25	Non-related party
Customer O	441,635	23.83	Non-related party	Customer O	104,747	6.95	Non-related party
Customer H	187,202	10.10	Non-related party	Customer H	145,878	9.68	Non-related party
Customer G	145,788	7.87	Non-related party	Customer G	209,926	13.93	Non-related party
Customer I	137,789	7.44	Non-related party	Customer I	172,181	11.42	Non-related party
Others	544,527	29.39	Non-related party	Others	480,826	31.89	Non-related party
Net sales amount	1,852,883	100.00	Non-related party	Net sales amount	1,507,390	100.00	Non-related party

Reason of increase / decrease change:

The difference between the main customers of the Company in the most recent two years is mainly due to the change of terminal market demand and different sales product combination. Accordingly, there has been changes in the sales amount and percentage.

2. Name of suppliers accounted for more than 10% of total purchase amount of the Company in any one of the most recent two years

Unit: NT\$ thousand

2023				2024			
Customer name	Purchase amount	Percentage of whole-year purchase (%)	Relationship with the issuer	Customer name	Purchase amount	Percentage of whole-year purchase (%)	Relationship with the issuer
Supplier A	165,258	34.96	Non-related party	Supplier A	152,006	33.84	Non-related party
Supplier C	120,577	25.50	Non-related party	Supplier C	150,114	33.42	Non-related party
Supplier D	48,632	10.29	Non-related party	Supplier D	73,285	16.31	Non-related party
Supplier E	107,521	22.74	Non-related party	Supplier E	54,487	12.13	Non-related party
Others	30,777	6.51	Non-related party	Others	19,328	4.30	Non-related party
Net purchase amount	472,765	100.00	Non-related party	Net purchase amount	449,220	100.00	Non-related party

Reason of increase / decrease change:

Based on the consideration of the factors of cost, technology maturity, yield rate, production capacity scale and risk diversification, the Company establishes long-term cooperation with suppliers and also adds new suppliers to distribute the production capacity. Accordingly, there

has been changes in the purchase amount and percentage.

III. Number of employees, average service year, average age and educational level distribution ratio in the last two years and up to the publication date of the annual report

Year		2023	2024	April 30, 2025
Number of employees	Operator and technical personnel	160	163	166
	Management and sales personnel	88	84	84
	Total	248	247	250
Average age		42	42	42
Average service year		7.56	7.72	7.92
Education background distribution ratio	Doctoral degree	1.61%	1.62%	1.60%
	Master degree	39.11%	40.08%	40.40%
	University / College	57.66%	57.49%	57.20%
	Sejunior high school and below	1.61%	0.81%	0.80%

IV. Information on Environmental Protection Expense

1. According to the laws and regulations, regarding the application of pollution facility installation permit license or pollution emission permit license or required payment for pollution control fees or requirement on the installation of dedicated unit / personnel for environmental protection, please refer to the following description on the application, payment or establishment status thereof: The Company is in the business of semiconductor design and does not purchase special pollution prevention equipment; therefore, this is not applicable.
2. Information on the investment in main equipment for environmental control pollution and its purpose and possible benefits: Not applicable.
3. Please explain the process of environment protection improvement of the Company in the most recent two years and up to the printing date of the annual report; for any pollution dispute event, the handling process of such event shall be explained: None.
4. In the most recent two year and up to the printing date of the annual report, describe the total amount of loss (including indemnification) and penalty due to environmental pollution, and explain future responsive measures (including improvement measures) and possible expenses (including possible loss, penalty and indemnification estimated amount for failure of adopting responsive measures. If the estimation cannot be provided, explanation on the facts for the failure of reasonable estimation shall be provided): None.
5. Describe the impact of the current pollution, the influence of the improvement on the Company's earnings, competitiveness, and capital expenditures, and the major environmental capital expenditures in the following two years: None.

V. Labor Management Relationship

- (I) Company's employee welfare measures, continued education, training, retirement system and implementation thereof, and labor management agreement and various employee benefit protection measures status:

#### 1. Employee welfare measures

The Company implements various employee welfare measures, allowing employees to enjoy numerous welfare securities for living safety and health, etc. Presently, the welfare measures already implemented include: all employees participating in the labor insurance, national health insurance, employee periodic health examination, employee education and training, group insurance for all employees and family, travel safety insurance, employee stock ownership trust, club activities and establishment of Employee Welfare Committee, etc.

#### 2. Employee continuing education and educational training status

Our company have holded the core philosophy of talent cultivation and development and has established the “Education and Training Management Procedures”. Our company focus on offering a diverse range of courses to strengthen employee functions and enhance overall competitiveness. The Personnel General Affairs Department organizes new employee orientation for new employees reporting to work, and helps new employees quickly integrate into the company and work team. Each unit also organizes internal education and training irregularly, in order to enhance the professional knowledge and skills of employee. In addition, the Company also encourages personnel to participate in external trainings ad seminars and further expands professional horizons and competitive capabilities. Looking forward, we will continue to promote the development of human capital by infusing enterprises with solid momentum for sustainable competitiveness through continuously optimized training and education programs.

2024 Annual Education and Training Achievements (Improving Resource Utilization Efficiency through Application for Government Subsidy Funds).

The total of people-time:1,147 people-time.

The total training hours: 3,525.5 hours.

The total training expense:NT\$118,194 dollars.

No.	Training type	Total number of trainees	Total number of training hours
1	Orientation for new employees	48	164.5
2	Professional knowledge and skill training	105	446
3	Education and training on labor laws	638	952.5
4	Safety and health training	310	1,261.5
5	Computer training	7	59
6	Financial management	10	63.5
7	Others	29	578.5
Total		1,147	3,525.5

#### 3. Retirement system and implementation status

The Company has established the Regulations for Employee Retirement, and employee pension is appropriated and paid according to these Regulations. Under the “Labor Pension Act”, the Company appropriates 6% of the monthly salary of the employees for depositing into the personal pension account of the Bureau of Labor Insurance.

Workers who are over 60 years old and have worked less than 15 years can apply for a one-time pension, or those who have worked for more than 15 years, they can choose to claim a monthly pension or a lump-sum payment.

#### 4. Employee stock ownership trust

To effectively improve the employees' welfare and to protect the employees' retirement life, all official employees after reach a certain seniority at work are eligible to apply for the enrollment of the Employee Stock Ownership Committee. The organization of such service provides the following benefits to employees:

- (1) Encourage employees to participate in routine saving in order to secure the stability of retirement life at old ages.
- (2) The Company appropriates additional bonus equivalent to the increase of salary benefit.
- (3) Periodic and fixed amount of long-term investment to diversify investment risk and to share the operational outcome of the Company.
- (4) Employee Stock Ownership Committee for asset trust with security.

5. Labor-management agreement and various employee benefit protection measures status

The labor-management relationship of the Company is harmonic, and up to the present day, there has been major incident of labor-management dispute.

The Company upholds the business philosophy of labor-management unification, co-existence and co-prosperity to handle the labor-management relationship. Accordingly, the Company values employees' opinions and feedbacks significantly, and employees may raise any questions they may have in terms of their living and job through official and non-official communication channels of the Company. The Company and employees utilize the following two-way communication opportunities to enhance the understanding with each other, to reach consensus and to jointly achieve greater performance.

- (1) Labor-management meeting: Labor-management meetings are organized periodically, and both parties of the labor and management assign representatives to attend the meetings. The meetings mainly focus on the promotion of various systems of the Company and two-way communication with employees with respect to various policies, working environment, safety and health issues of the Company. Through such negotiation model, both parties of the labor and management are able to enhance the mutual trust relationship with each other, in order to use it as an important reference source for management and administration.
- (2) Employee Welfare Committee Meeting: The Employee Welfare Committee consists of employee representatives with passion in public welfare and excellent communication skills and are selected by all employees through open, fair and impartial election. Accordingly, during the convention of Employee Welfare Committee meetings, the committee members of both labor and management are able to communicate sufficiently on all welfare benefits of the Company.

6. Employee ethical conduct assessment

The Company has established the "Code of Ethical Conducts for Directors and Supervisors" for directors and supervisors. For all employees, in the "Work Rules" reported and approved and the "Employment Contract" signed during employees' reporting to job, the following code of ethical conducts for employees have been specified:

- (1) All employees shall comply with all rules of the Company and obey reasonable direction and supervision of supervisors at all levels, without any false assertion, violation, negligence and avoidance of responsibility. Supervisors at all levels shall provide guidance to employees in a friendly, sincere and patient manner.
- (2) The Company's employees shall attend to work diligently, treasure public properties, reduce loss, improve quality, increase production internally, and shall also comply with non-disclosure obligations for all business and job duty related confidential information and matters.
- (3) The Company's employees shall comply with the hierarchy during the handling of

duties and public matters, and except for emergency or special condition, any leapfrog reporting is prohibited.

- (4) In case where a responsible of any level is subject to major fault, the direct supervisor shall be punished jointly and severally, and for major merits, the director supervisor shall also be rewarded jointly and severally.
- (5) Except for handling the duties of the Company, employees shall not use the name of the Company arbitrarily and shall not concurrently handle duties or job other than the ones of the Company during the working hours.
- (6) Except for the spokesperson designated by the Company, employees must not make any speech to the external for business of the Company. If permission is obtained, employees may make speech on matters related to one's own job duties only.
- (7) Employees must not access or read any documents, letters, e-mails, ledgers and statements not within one's own scope of work and authority.
- (8) Employees shall protect all public properties of the Company and must not carry them out of the Company arbitrarily without permission. In addition, it is also prohibited to bring any illegal, flammable, explosive and lethal weapon to the workplace.
- (9) Employees shall self-arrange time to complete daily required matters during office hours without any avoidance of responsibility, negligence or delay based on any excuses. In case of any emergency or urgent matters, employees must cooperate to handle matters properly.
- (10) Employees shall not disclose or seek information on the salary of others.
- (11) The Company adopts the responsibility system for the jobs of employees. Accordingly, in case of job needs, employees shall still cooperate and complete one's own works according to the provisions of the Labor Standards Act.
- (12) When an employee applies for leave, except that urgent matter and illness such that prior approval cannot be obtained in advance, all leave applications must be approved by supervisors in advance. In case of sick leave or temporary major accident, it is permitted to request another colleague to act as the substitute to handle the leave application within one day, or leave procedure shall be completed on the day of returning to work; otherwise, absence of work is recorded. When an employee's leave period is expired but leave continues to be taken without application for continuous leave and such employee fails to attend to work without leave application, it is deemed as absence of work. When three consecutive days of absence of work without proper reasons, such employee may be discharged depending upon the situation.
- (13) To control the access security, all employees are required to bring access cards, and it is necessary to scan one's own card to access the Company as the attendance record. In addition, it is prohibited to lend one's access card to other colleague for use.
- (14) The rear entrance / exist is for necessary working staff and emergency escape use only, and it is prohibited to access the rear entrance / exist during normal time. When the rear entrance / exit is used, employees must pay attention to the surrounding and observe carefully in order to prevent any unauthorized personnel entering the Company unknowingly. In case of accidental loss, the accountability of the user is investigated and punished according to the access system records. If there is any lending of access card, the lender and borrower are punished jointly and severally.
- (15) When contractors, customers, previously resigned employee or guests visit the Company, the Company's staff shall accompany such external personnel to prevent any unnecessary walking around in the office area. In case where there is any stranger entering the Company without being accompanied by the Company's staff, it is necessary to be aware of such situation and actively approach and ask such stranger for information.



- (16) In response to the policy of environmental protection, energy saving and carbon reduction, the air conditioners are adjusted to 24 to 26 degree Celsius, in order to prevent any excessive temperature difference that may be harmful to bodily health. During the lunch break or non-use of lights and air conditioners, employees are requested to turn off such switches. Employees are requested to prevent any misuse and waste of papers, and recycled papers are encouraged to be used as much as possible.
  - (17) During the performance of job duties, employees are prohibited to offer, guarantee, request, or accept any form of illegal benefits directly or indirectly, including kickback, commission, bribe or offer or accept any illegal benefits to or from customers, distributors, contractors, suppliers, public servants or other stakeholders via other means.
  - (18) When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, employees shall comply with the Political Donations Act and their own relevant internal procedures, and shall not make such donations in exchange for commercial gains or business advantages.
  - (19) When making or offering donations and sponsorship, employees shall comply with relevant laws and regulations and internal procedures, and shall not surreptitiously engage in bribery.
  - (20) Employees shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions, and shall not obtain improper benefits in the name of their spouses, parents, children or any other person.
  - (21) During the employment period, employees are prohibited from engaging in the following non-compete actions:
    - a. Perform or operate products or services in direct competition with the Company under his / her own name or the name of others.
    - b. Invest in enterprise identical or similar to the business of the Company under his / her own name or the name of others (including direct investment, indirect investment or any other form of investment).
    - c. Act as an employee, appointee or consultant in a company or enterprise operating business identical or similar to the business of the Company.
  - (22) Employee shall maintain the confidentiality of confidential information of the Company, and must not deliver, inform, transfer or disclose to a third party via any means or to make any external presentation without the prior written consent of the Company or according to the proper performance of job duties of employees. In addition, employees must not utilize or use such confidential information for his / her personal interest or the interest of a third party. The same requirements shall be applied after the resignation of one's job position.
7. Working environment and employee personal safety protection measures:
- To protect the labor health and safety, the Company implements prevention and compensation of occurrence and loss of accidents from the following three aspects. Accordingly, there has been no major occupational accident at the workplace in the most recent three years:
- (1) Labor safety and health aspect:  
The Company employs supervisor equipped with labor safety and health qualification according to the laws, and the supervisor also participate in various re-training courses according to the regulation. In addition, personnel are also assigned to participate in various labor safety and health prevention and rescue related trainings periodically.
  - (2) Fire safety management aspect:  
According to the Fire Services Act, the Company has set up qualified fire control

administrator in order to perform fire safety inspection report to the fire authority according to the Fire Services Act, and to also establish the workplace prevention plan and organize the employee self-defense fire task force.

(3) Injury and medical subsidy:

To reduce the medical burden on employees due to occurrence of accidents, the Company has applied for group insurance for all employees, and the premium is paid by the Company in full.

- (II) For most recent two years, the loss due to labor-management disputes, current and possible future loss estimated amount and countermeasures. If it cannot be reasonably estimated, explanation of facts for such failure of reasonable estimation shall be described:

The Company values employees' benefits, and the labor-management relationship is harmonic, such that there has been major labor-management dispute for most recent two years. In the future, the Company will continue to uphold the same principle in order to further enhance the harmony of the labor-management relationship.

## VI. Cyber Security Management

- (I) Information on cyber security risk management architecture, cyber security policy, specific management solution and resources invested in cyber security management:

1. Cyber security risk management architecture

To ensure the information security responsibility for the information security management system of the Company and to implement the promotion of information security policy, the Company complies with the requirements specified in Article 9-1 of the Regulations Governing Establishment of Internal Control Systems by Public Companies, and information security responsible unit is established, including information security responsible supervisor and personnel, in order to handle the implementation of information security management, planning, supervision and promotion. For risk assessment or specific issues, in case of any needs, relevant units, including legal, audit, human resource, R&D units, are called to convene meeting discussion jointly. In addition, the information security implementation result is also reported to the board of directors periodically.

2. Information security policy

To effectively implement information security management, the corporate information security organization follows the management cycle mechanism of Plan-Do-Check-Act (PDCA) to inspect the information security applicability and protective measures. In addition, the implementation outcome is also reported periodically.

(1) Planning stage:

Focus on information security risk management, and establish complete Information Security Management System (ISMS). Reduce the corporate information security threats from the system, technology and procedure aspects, and also establish the confidential information protection service of the highest specification.

(2) Implementation stage:

Construct multi-layer information security protection, continue to introduce information security defense innovative technologies, and integrate the information security control mechanism in the software and hardware operation, and internal control management system. Systematically monitor the information security, and protect the confidentiality, integrity and availability of important assets of the Company.

(3) Inspection stage:

Actively monitor information security management outcome, and perform information security indicator measurement according to the inspection result. In addition, through periodic simulations and drills of information security attacks, conduct information security maturity assessment.

(4) Action stage:

Based on the principle of review and continuous improvement, implement supervision and audit in order to ensure the continuous effectiveness of information security regulations and rules.

### 3. Specific management program

Item	Management program
Network security	<ul style="list-style-type: none"> <li>(1) Enhance network firewall and control, prevent computer virus spread across machines and zones.</li> <li>(2) Isolate necessary independent logic domain (such as DMZ) according to the network service, and establish appropriate information security protective measures for different operating environments.</li> </ul>
Device security	<ul style="list-style-type: none"> <li>(1) Establish terminal anti-virus measures, and enhance malware action detection.</li> <li>(2) Establish terminal information security monitoring measures, detect and provide warning on any risk and intention of illegal connections.</li> <li>(3) Pay attention to security vulnerability notice, and timely repair high risk vulnerability.</li> </ul>
Account and authority management	<ul style="list-style-type: none"> <li>(1) Special authority accounts must require approval application before use.</li> <li>(2) Special authority accounts, user accounts and authorities are reviewed periodically, and accounts suspended for a long period of time without use are also inspected.</li> <li>(3) VPN for external connections adopt the multi-factor authentication mechanism.</li> <li>(4) Multiple login failure lockout mechanism.</li> <li>(5) Establish access password management rules, including default password, password length, complexity and valid period, etc.</li> </ul>
Data security	<ul style="list-style-type: none"> <li>(1) Establish protective measures for the processing and storage of sensitive data, such as: Physical isolation, exclusive computer operating environment, access authority, and data encryption, etc.</li> <li>(2) Sensitive data local and remote backup and redundancy mechanism.</li> </ul>
Information security monitoring and protection	<ul style="list-style-type: none"> <li>(1) Warning for abnormal access of sensitive data.</li> <li>(2) Monitoring warning for intranet abnormal connection.</li> <li>(3) DMZ attack warning, including WWW, DNS, FTP, Mail etc.</li> <li>(4) VPN attack warning.</li> <li>(5) Account password attack warning.</li> <li>(6) VPN and Mail Overseas IP Login Warning</li> <li>(7) Data leakage protection, USB storage devices, and external cloud hard drives</li> </ul>
Educational training and promotion	<ul style="list-style-type: none"> <li>(1) Enhance employees' alertness on mail social engineering attack.</li> <li>(2) Organize information security educational training and promotion periodically, in order to improve employees' awareness on information security.</li> </ul>

4. Resources invested for cyber security management

(1) In 2024, the Company's investment in the information security related facility maintenance and improvement was approximately NT\$1.5million, and the information security officer and one information security staff were set up in August 2022.

(2) In 2024, One physical information security seminar courses were organized, and a total of 366 people-time for the online information security promotional courses.

(II) For the most recent year and up to the printing date of the annual report, any loss due to major cyber security events, possible impacts and countermeasures. If it cannot be reasonably estimated, explanation of facts for such failure of reasonable estimation shall be described: None.

VI. Important Contracts:

Contract type	Contracting party	Contract starting and end date	Main content	Restrictive covenants
Lease contract	Three people of Mr. Wu	June 2020~October 2025	Lease of Taipei office	None
Lease contract	Shin Kong Life Insurance Co., Ltd.	March 2024~February 2027	Lease of Tainan office	None

## Five. Review and Analysis of Financial Status and Financial Performance and Risk Assessment

### I. Financial Status

Unit: NT\$ thousand

Item \ Year	2024	2023	Increase (decrease) difference	
			Amount	%
Current assets	2,440,523	2,014,439	426,084	21.15%
Property, Plant and Equipment	385,452	413,602	(28,150)	-6.81%
Intangible Assets	20,720	20,898	(178)	-0.85%
Other assets	1,009,432	914,644	94,788	10.36%
Total assets	3,856,127	3,363,583	492,544	14.64%
Current liabilities	417,274	824,409	(407,135)	-49.39%
Non-current liabilities	841,760	147,810	693,950	469.49%
Total liabilities	1,259,034	972,219	286,815	29.50%
Equity attributable to owners of parent company	2,478,882	2,361,723	117,159	4.96%
Capital	752,370	750,740	1,630	0.22%
Capital surplus	403,797	356,529	47,268	13.26%
Retained earnings	1,306,196	1,274,154	32,042	2.51%
Other equity	20,063	(16,156)	36,219	-224.18%
Treasury shares	(3,544)	(3,544)	0	0.00%
Non-controlling interests	118,211	29,641	88,570	298.81%
Total equity	2,597,093	2,391,364	205,729	8.60%
Changes before and after the period reaching more than 20% and change amount reaching NT\$10,000 thousand:				
(1) Current assets increased: This is mainly due to the issuance of convertible corporate bonds, which were used to repay short-term borrowings, resulting in increased cash balance.				
(2) Other assets increased: This is due to the purchase of office space, with partial payment for the property made during this period.				
(3) Current liabilities decreased: This is primarily due to the issuance of convertible corporate bonds and repayment of short-term borrowings, resulting in decreased current liabilities.				
(4) Non-current liabilities and total liabilities increased: This is due to the issuance of convertible corporate bonds, which increased long-term liabilities.				
(5) Current assets increased: This is mainly due to the issuance of convertible corporate bonds, which were used to repay short-term borrowings, resulting in increased cash balance.				
(6) Non-controlling interests increased: This is due to capital increases in subsidiaries during the period, resulting in an increase in amounts attributable to non-controlling interests.				

## II. Financial Performance

### 1. Main reasons for major changes in operating income, net operating profit and net profit before tax in the most recent two years

Unit: NT\$ thousand

Item \ Year	2024	2023	Amount of increase (decrease)	Change ratio (%)
Net operating income	1,507,390	1,852,883	(345,493)	-18.65%
Operating cost	927,137	1,213,028	(285,891)	-23.57%
Gross profit	580,253	639,855	(59,602)	-9.31%
Operating expenses	573,075	541,149	31,926	5.90%
Others income and expenses	(4,512)	(312)	(4,200)	1,346.15%
Operating profit	2,666	98,394	(95,728)	-97.29%
Non-operating income	85,228	30,859	54,369	176.19%
Non-operating expenses	23,648	14,268	9,380	65.74%
Net income before income tax	64,246	114,985	(50,739)	-44.13%
Add: Income tax (expenses) gains	(14,175)	(14,797)	622	-4.20%
Net income for the current period	50,071	100,188	(50,117)	-50.02%
Net income attributable to:				
Owners of the parent company	87,023	84,169	2,854	3.39%
Non-controlling interests	(36,952)	16,019	(52,971)	-330.68%

Changes before and after the period reaching more than 20% and change amount reaching NT\$10,000 thousand are explained in the following:

- (1) Operating revenue, costs, gross profit, operating income, pre-tax income, and net income decreased: This is primarily due to intense market competition in 2024, product revenue declined compared to previous year, leading to a simultaneous decrease in gross profit and net profit.
- (2) Non-operating income increased: This is due to the depreciation of the New Taiwan Dollar against the US Dollar in 2024 relative to the previous year, resulting in increased foreign exchange gains.
- (3) Net income attributable to non-controlling interests decreased: This is due to the decrease in consolidated subsidiaries' earnings in 2024 compared to the previous year.

2. Expected sales volume and its possible impact on the future financial business of the Company and response plan: In IoT applications, e-paper shelf labels are steadily growing year by year. Especially during the epidemic period, which can effectively reduce contact among personnel in physical stores, improve the automation of retail services, and conform to the global trend of energy saving and carbon reduction. The Company will continue to develop driver IC with higher resolution and lower power consumption in the future, improve the efficacy of product and conform to the global trend of green energy saving and target of Net Zero Emissions. The Company is committed to promoting the diversification of terminal product applications, maintaining stable expansion of production capacity and optimizing cost structure, so as to keep the market competitiveness of electronic-paper driver IC. After combining the original touch technology, the sales volume of STN products in new application fields, such as smart home appliances, smart meters and vehicle meters, have grown steadily. In the future, the Company will continue to enhance marketing and strive for a stable supply of production capacity, to meet the customer's demand.

3. Possible impact on the future financial business of the Company and response plan: No material impact.

### III. Cash Flow Analysis:

#### (I) Analysis of cash flow change in 2024:

Contents	2024	2023	Increase (decrease) amount	Variation ratio %
Net cash inflow (outflow) from operating activities	322,690	387,651	(64,961)	(16.76)
Net cash inflow (outflow) from investing activities	(106,477)	(124,950)	18,473	(14.78)
Net cash inflow (outflow) from financing activities	515,709	(608,827)	1,124,536	(184.71)
Impact of changes in foreign exchange rate	9,035	4,135	13,170	(318.50)
Net increase (decrease) in cash flow	740,957	(350,261)	1,091,218	

- (1) Net cash inflow from operating activities decreased: This is primarily due to the decrease in revenue in 2024 compared to the previous year.
- (2) Net cash outflow from investing activities decreased: This is due to the maturity of financial assets measured at amortized cost - current (time deposits) held by subsidiaries in 2024, which were converted to cash.
- (3) Net cash inflow from financing activities increased: This is due to the issuance of unsecured convertible bonds in 2024, resulting in increased cash.

(II) Analysis on remedy for estimated cash shortage and liquidity in 2024: There was no cash shortage in 2024.

#### (III) Cash liquidity analysis for the next year

Cash balance at the beginning of the period①	Expected annual net cash flow from operating activities②	Expected annual cash outflows③	Expected cash surplus (deficit) amount ①+②-③	Remedial measures for expected cash flow deficit	
				Investment plan	Financial management plan
1,331,043	1,958,750	2,256,361	1,033,432	-	-

IV. Impact of significant capital expenditures in the most recent year on the financial operations of the Company: None.

V. Investment policy for the most recent year, main causes of profits or losses, improvement plans and investment plans for the next year:

The Company investment subject matters mainly refer to the integration of relevant industries in order to focus on the development of core business. In addition, the Company also carefully evaluates the benefits before and after the investment, and also continuously adjusts the management strategy, in order to cope with the market economic status changes, thereby maintaining the profitability of the Company. The Company adopted the equity method to recognize the investment loss of NT\$99,187 thousand in this year. The Company's investments adopt the long-term investment strategy. The investment plan for the coming year will be evaluated separately according to the overall industrial situation and business needs of company.

## VI. Risk Management Assessment

### (I) Impact of interest rate, exchange rate fluctuation and inflation condition on the profit / loss of the company and future countermeasures:

1. Interest rate change: The Company's 2024 net interest income accounted for 1.10% of the net revenue, such that the interest rate change had no material impact. Despite that there are borrowings, the Company monitors the interest rate change at all time, in order to reduce any impact of the interest rate change on the profit or loss of the Company.
2. Exchange rate change : The exchange rate gain in 2024 was NT\$63,792 thousand, accounted for 4.23% of the net revenue, such that the exchange rate change had no material impact on the business and profit of the Company. In addition, the Financial Department of the Company is responsible for monitoring the exchange rate change trend in order to understand the exchange rate change. Furthermore, the foreign currency account balance and estimated foreign currency cash flow are reviewed frequently, in order to reduce exchange rate risk. In general, the Company has planned specific hedging measures for risks arising from exchange rate change.
3. Inflation: The main market of sales for the Company's products is the region of China. Since China is currently under high economic growth, and the main applications of the Company's products include industrial and medical equipment, vehicle on-board driver IC and electronic labels, etc., the impact of global inflation on the Company is considered to be minor for the short term. Accordingly, inflation had no impact on the Company in 2024. For medium and long-term, inflation may cause consumption tightening. Accordingly, the Company will continue to develop various products of greater cost competitiveness, and will also actively expand professional niche markets of industry, healthcare and automotive markets, in order to satisfy market consumers' demand for products of high cost performance ratio under the impact of inflation, thereby securing the market share of the Company.

### (II) Policies on engaging in high risk, high leverage investments, loaning funds to others, endorsement and guarantee as well as derivative transactions, main causes of profit and loss as well as future countermeasures:

1. In the most recent year, the Company did not engage in any high risk and high leverage investments,. The derivative transactions made by the Company were for the purpose of hedging only.
2. The Company has established the Procedures for Loans of Funds to Others and the Procedures for Making Endorsements / Guarantees as the guidance for handling relevant operations. However, in the most recent year, the Company did not engage in any high risk and high leverage investments and derivative transactions. Endorsements and guarantees and loaning of funds to others were made based on the operating demands of subsidiaries of the Company and were also publicly announced and reported according to the regulations of competent authority.

### (III) Future R&D projects and expected investment in R&D budget:

For the R&D projects of the current year, please refer to the description of Overview of Operations - Products Planned for Development of this annual report. For 2025, the Company will continue to head toward the objective of diverse product applications, and will also actively develop various new IC products and new technologies, in order to expand the customer groups of different industries. For 2025, the expected R&D investment cost will be maintained at 15%~25% of the revenue, and the main factors affecting success of R&D in the future will still be based on whether relevant technologies are able to satisfy market demands timely.



(IV) Impacts of domestic / foreign important policies and changes of laws on the financial business of the company and countermeasures:

With regard to the important policies and regulatory changes presently announced by the government, they have no significant impact on the financial business of the Company. In addition, the operation of the Company complies with the regulatory requirements of domestic and foreign governments. Personnel of the Company also collect relevant change information of relevant policies and laws at all time, in order to provide such information to the management level for reference. In addition, the Company is able to effectively monitor changes of domestic and foreign important policies and laws, and to actively adopt necessary response measures, in order to reduce any adverse impact.

(V) Impacts of changes in technology (including cyber security risk) and industry on the financial business of the Company and countermeasures:

The outstanding R&D team of the Company is not only equipped with professional IC design ability but also equipped with sensitivity for innovative technologies in the technology industry, such that the team is able to properly understand the market development trend. In the future, the Company will continue to research and develop various new products and to head toward the direction of high profit margin and high added value. To promote cyber security related policies, the Company implements cyber security event reporting and response handling. In addition to the periodic assessment of cyber security risk and to enhance the cyber security knowledge, the Company has further established cyber security maintenance plan, in order to implement cyber security risk management. Up to the printing date of the annual report, technology changes have not caused material impact on the financial business of the Company.

(VI) Impacts of change of cooperate image on the cooperate crisis management and countermeasures:

The Company has always upheld the principle of professional and ethical management, and is committed to maintain the corporate image and risk control over the past years. Accordingly, up to the present day, there has been no foreseeable crisis.

(VII) Expected benefits, possible risks, and countermeasures for mergers and acquisitions: None.

(VIII) Expected benefits and possible risks of plant expansions as well as the countermeasures: None.

(IX) Risks faced due to concentrated purchase or sales and countermeasures:

The design of driver IC of the Company's products involves the technology of high voltage circuit design, and it is necessary to use high voltage equipment and process for manufacturing of the products. Accordingly, based on the consideration of the factors of the process technology, yield rate and production capacity scale of foundries, the Company chooses to domestic and foreign giant foundries as the main cooperating suppliers.

In 2024, the top three major customer sales ratios of the Company were 17%、14% and 11% respectively, which was mainly due to the cooperation with the sales strategy of the Company to focus on the development of new emerging terminal applications products of ultra-low power consumption driver IC and electronic label driver IC. Nevertheless, to prevent sales concentration risk, in addition to maintaining long-term cooperation relationship with existing terminal business operators and agencies, the Company also expands sales market in China and Asian Pacific regions through foreign agencies or distributors. Accordingly, the Company expands and distributes the business source, and also focuses on the development of new customers of Europe and America and diverse products, in order to further reduce the risk of

concentrated sales year after year.

(X) Impacts, possible risks and countermeasures of directors, supervisors or major shareholders with shareholding percentage exceeding 10%, large equity transfer or change on the Company: The Company has a sound financial structure, and is also equipped with own research and development technologies. In addition, the Company also actively promotes corporate governance in recent years, and employs outstanding professional managers based on excellent internal control system in order to head toward the direction of separation between management right and ownership. Accordingly, the continuity of the Company's policy is promising.

(XI) Impacts, possible risks and countermeasures of change in management rights on the Company:

The board of directors and management level of the Company adopts the conservative and stable principles for the management of the Company, and the Company also focuses on the expansion of business and increase of market share. Presently, under the joint effort of all employees of the Company, the Company's leading market position becomes more stable. Accordingly, the management right is table without any likelihood of change.

(XII) Litigation or non-contentious events:

1. Any affirmative ruling or any pending major litigation, non-contentious case or administrative dispute event of the Company, and the result thereof may have material impacts on the shareholders' rights or stock price in the most recent two years and up to the printing date of the annual report: None.
2. For the Company's directors, supervisors, presidents, substantial responsible person and major shareholders with shareholding percentage above 10% and affiliated enterprises, Any affirmative ruling or any currently pending litigation, non-contentious case or administrative dispute event, and the result thereof may have material impacts on the shareholders' rights or stock price of the Company in the most recent two years and up to the printing date of the annual report: None.
3. The Company's directors, supervisors, managerial officers and major shareholders with shareholding percentage above 10% and affiliated enterprises being subject to the conditions described in Article 157 of the Securities and Exchange Act in the most recent two years and up to the printing date of the annual report and the current handling status of the Company: None.

(XIII) Other significant risks and countermeasure: None.

VII. Other important matters: None.

## Six. Special Disclosures

I. Affiliated Enterprises Related Information: Please refer to the Market Observation Post System /Single Company/Electronic Document Download/ Report on Consolidated Operations of Affiliated Enterprises Reports Section( [https://mopsov.twse.com.tw/mops/web/t57sb01\\_q10](https://mopsov.twse.com.tw/mops/web/t57sb01_q10))

### (I) Consolidated Business Report of Affiliated Enterprises

#### 1. Overview of Affiliated Enterprises

Unit: thousand shares / NT\$ thousand

Affiliated enterprise Name	Relationship	Shareholding percentage	Shares	Initial investment amount	Percentage of shares of Ultra Chip, Inc. held
JPS Group Holdings, Ltd. (B.V.I.)	Subsidiary	100%	Common shares of 1,230,012 Preferred shares of 8	664,976	—
Ultrachip HK Limited	Sub-subsidiary	100%	Common shares of 6,800	USD 6,800 thousand	—
Jinghong Electronics (Shanghai) Inc.	Sub-subsidiary	100%	—	USD 7,400 thousand	—
Dongguan Ultra Chip Inc.	Sub-subsidiary	100%	—	USD 6,700 thousand	—
Ultra Capteur Co., Ltd.	Subsidiary	97.75%	Common shares of 14,066 (Note)	385,129	—
Ultradisplay Inc.	Subsidiary	54.162%	Common shares of 18,388	198,720	—

(Note The Company executed capital deduction to cover losses

#### 2. Affiliated enterprise basic information

Unit: NT\$ thousand

Enterprise name	Establishment date	Address	Paid-in capital	Main business or production item
JPS Group Holdings, Ltd. (B.V.I.)	August 1999	Vistra Corporate Services Centre, Wickhams Cay II, Road Town Tortola, VG1110, British Virgin Islands	664,976	Holding and investment
Ultrachip HK Limited	August 2011	Suite 2702-03, C.C. Wu Building, no. 302-8, Hennessy Road, Wan Chai, Hong Kong	USD 6,800 thousand	Holding and investment
Jinghong Electronics (Shanghai) Inc.	March 2001	3F, Building No. 15, No. 481, Guiping Rd., Xuhui Dist., Shanghai City	USD 7,400 thousand	IC sales and after-sale service
Dongguan Ultra Chip Inc.	December 2011	Suite 808, Unit 1, Building 1, No. 2, Headquarters 2nd Road, Songshan Lake Industrial Park, Dongguan City, Guangdong Province	USD 6,700 thousand	IC research and development, sales and after-sale service
Ultra Capteur Co., Ltd.	December 2015	4F-1, No. 618, Ruiguang Rd., Neihu Dist., Taipei City	146,908	Wholesale and manufacturing of electronic parts and components
Ultradisplay Inc.	May 2017	7F-8, No. 8, Taiyuan 2nd St., Zhubei City, Hsinchu County	339,500	Wholesale and manufacturing of electronic parts and components

3. Information of identical shareholders for affiliates inferred to have control and dominance-subordination relationship: None.

4. Business operated by the overall affiliated enterprises: The businesses operated by the Company and affiliated enterprises of the Company mainly refer to the provision of the design and sales of display driver IC as well as the sales of relevant parts.

5. Information of directors, supervisors and presidents of affiliated enterprises:

Unit: thousand shares / NT\$ thousand

Enterprise name	Title	Name or representative	Shareholding	
			Number of shares	Shareholding percentage
JPS Group Holdings, Ltd. (B.V.I.)	Corporate Director Representative:	Ultra Chip, Inc. Yu-Tung Hsu	Common shares of 1,230,012 Preferred shares of 8	100%
Ultrachip HK Limited	Corporate Director Representative:	JPS Group Holdings Ltd. Yu-Tung Hsu	Common shares of 6,800	100%
Jinghong Electronics (Shanghai) Inc.	Corporate Director / President Representative: Corporate Supervisors Representative:	JPS Group Holdings Ltd.  Yu-Tung Hsu JPS Group Holdings Ltd. Sheng-Fang Wang	USD 7,400 thousand	100%
Dongguan Ultra Chip Inc.	Corporate Director / President Representative:	Ultra Chip HK Limited Yu-Tung Hsu	USD 6,700 thousand	100%
Ultra Capteur Co., Ltd.	Corporate Director / President Representative: Corporate Director Representative: Corporate Director Representative: Supervisors	Ultra Chip, Inc.  Yu-Tung Hsu Ultra Chip, Inc. Cheng-Hsin Chang Ultra Chip, Inc. Sheng-Fang Wang Yu-Fang Chueh	Common shares of 14,066	95.75%
Ultradisplay Inc.	Corporate Director / Chairman Representative: Director /President Representative: Director Representative: Director Representative: Supervisors	Ultra Chip, Inc.  Yu-Tung Hsu Tsung-Chi Tu Ultra Chip, Inc. Cheng-Hsin Chang Kao-Chung Tsai INT Tech Co., Ltd. Ke-Tai Chu Sheng-Fang Wang	Common shares of 18,388	54.162%

6. Overview of operations of affiliated enterprises

Unit: NT\$ thousand / Date: December 31, 2024

Enterprise name	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating income (loss)	Profit (loss) of the current period	Earnings (loss) per share
JPS Group Holdings, Ltd. (B.V.I.)	664,976	32,451	456	31,995	-	(151)	(16,829)	(0.01)
Ultra Capteur Co., Ltd.	146,908	145,723	124,335	21,388	103,286	(51,700)	(56,006)	(3.81)
Jinghong Electronics (Shanghai) Inc.	USD 7,400 thousand	19,228	4,697	14,531	7,658	(6,004)	(5,836)	-
Ultrachip HK Limited	USD 6,800 thousand	17,527	-	17,527	-	(64)	(10,875)	(1.60)
Dongguan Ultra Chip Inc.	USD 6,700 thousand	38,919	24,232	14,687	145,0172	(9,204)	(10,733)	-
Ultradisplay Inc.	339,500	364,271	108,366	255,905	13,572	(85,396)	(63,330)	(3.73)

- (II) Consolidated Financial Statements of Affiliates: For 2024, in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises”, the companies required to be included in the consolidated financial statements of affiliated enterprises of the Company under these Criteria are all the same as the companies required to be included in the consolidated financial statements of the parent and subsidiary companies as provided in

International Financial Reporting Standards No.7. Accordingly, the Company is not required to prepare separate consolidated financial statements of affiliated enterprises. Please refer to the Market Observation Post System -MOPS/Company/Electronic Document Download/Financial Statements([https://mopsov.twse.com.tw/mops/web/t57sb01\\_q1](https://mopsov.twse.com.tw/mops/web/t57sb01_q1))

(III) Affiliation Report: Not applicable.

II. Information on private placement of securities for the most recent year and up to the printing date of the annual report: None.

III. Additional information required to be disclosed: None.

**Seven. For the most recent year and up to the printing date of the annual report, occurrence of events having material impact on shareholders' rights and interests or securities prices according to Subparagraph 2 of Paragraph 2 of Article 36 of the Securities and Exchange Act: None.**