Stock Code: 2399

Biostar Microtech Int'l Corp.

2024 Annual Report
(Translation)

Annual Report Website: https://mops.twse.com.tw
Company Website: https:// www.biostar.com.tw
Publication Date: May 6, 2025

1. Name, Title and Contact Information for Company's Spokesperson

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Name, Title and Contact Information for Company's Deputy Spokesperson

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Title : Manager E-mail : vivian@biostar.com.tw

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3. Common Share Transfer Agent and Registrar

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Add : 6F, No. 6, Section 1, Chung Hsiao West Road, Taipei City, Taiwan, R.O.C.

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4. Information of the Certified Public Accountants for the Latest Financial Repot

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Name of CPA: Alice Fang and Shih-Chieh Chou

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5. Overseas Trade Places for Listed Negotiable Securities

None

6. Corporate Website

https: //www.biostar.com.tw

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I. Letter to Shareholders

Dear Shareholders,

In 2024, the demand for computers slowed down, impacted by industry consolidation, international trade challenges, and geopolitical tensions. These factors led to a decline in both the cost advantage and competitiveness of Taiwan’s mother board and graphics card industry. Additionally, personal computers lost significant market share due to shifts in user preferences toward smart mobile phone internet and gaming applications. Although there was some improvement in company performance during the second half of the year, driven by reduced external inventory, total consolidated annual revenue reached NT$2 billion a 14% decrease compared to 2023. However, the operating gross profit margin rose from 6% in 2023 to 8%, and net profit after tax for 2024 was NT$6.61 million.

Looking ahead to 2025, in response to the rise of AI, Biostar plans to launch competitive new products. Our primary strategy is to expand into the industrial computer market, with a focus on smart retail and supporting clients in adopting various automation technologies. Our secondary strategy is to leverage our x86 development experience, form alliances with third-party NPU providers, and enter the nVIDIA-led AI edge computing ecosystem.We will concentrate on areas such as image recognition, voice control, and automated production—helping clients adopt AI edge computing to reduce development time and costs effectively.

Our goal is to provide outstanding service and earn the trust of our customers. Together, we will create great value for Biostar.

This concludes our report. Thank you.

Chairman, Ming-Yi Wang

1. Business Result of 2024

(1) Implementation results of the Business Plan

Unit: NT$ Thousands

Parent Company Only Financial Statement	2024	2023	Differences%
Operating revenue	1,895,172	2,266,047	-16
Operating costs	1,756,755	2,178,829	-19
Gross profit	138,417	87,218	59
Operating expenses	233,932	226,126	3
Operating income (loss)	(95,515)	(138,908)	-31
Non-operating revenue and expenses	123,682	21,459	476
Profit (loss) before tax	28,167	(117,449)	-124
Income tax expense (or benefit)	21,548	(4,089)	-627
Net income (loss)	6,619	(113,360)	-106

Unit: NT$ Thousands

Consolidated Financial Statement	2024	2023	Differences%
Operating revenue	2,018,684	2,344,435	-14
Operating costs	1,852,747	2,209,087	-16
Gross profit	165,937	135,348	23
Operating expenses	272,862	265,154	3
Operating income (loss)	(106,925)	(129,806)	-18
Non-operating revenue and expenses	135,092	12,783	957
Profit (loss) before tax	28,167	(117,023)	-124
Income tax expense (or benefit)	21,548	(3,663)	-688
Net income (loss)	6,619	(113,360)	-106

(2) Budget Implementation: The Company has not compiled financial forecasts, therefore not applicable.

(3) Analysis of Receipts and Expenditures

Unit: NT$ Thousands

Parent Company Only Financial Statement	2024	2023	Differences
Cash inflows (outflows) from operating activities	56,345	(235,764)	292,109
Cash inflows (outflows) from investing activities	148,141	199,889	(51,748)
Cash inflows (outflows) from financing activities	-	-	-
Net increase (decrease) in cash and cash equivalents	204,486	(35,875)	240,361

Unit: NT$ Thousands

Consolidated Financial Statement	2024	2023	Differences
Cash inflows (outflows) from operating activities	68,690	28,988	39,702
Cash inflows (outflows) from investing activities	136,569	(78,423)	214,992
Cash inflows (outflows) from financing activities	(1,836)	(1,682)	(154)
Effects of exchange rate change on cash	(6,068)	(1,679)	(4,389)
Net increase (decrease) in cash and cash equivalents	197,355	(52,796)	250,151

(4) Analysis of Profitability

Parent Company Only Financial Statement	2024	2023
Return on Assets (%)	0.25	-3.87
Return on Equity (%)	0.31	-5.16
Pre-tax income to capital (%)	1.58	-6.59
Net income to sales (%)	0.35	-5.00
Earnings per share (NT$)	0.04	-0.64

Consolidated Financial Statement	2024	2023
Return on Assets (%)	0.25	-4.04
Return on Equity (%)	0.31	-5.16
Pre-tax income to capital (%)	1.58	-6.57
Net income to sales (%)	0.33	-4.84
Earnings per share (NT$)	0.04	-0.64

(5) Overview of Research and Development

Computer Motherboard

1.Launched the Intel 800-series LGA 1851 architecture motherboards, which support Core Ultra 2 Arrow Lake-S CPU, DDR5-8000 memory, PCIe Gen5, and Wi-Fi 6E.

2.Launched the AMD 800-series AM5 architecture motherboards, which support the latest Ryzen 9000 CPUs, DDR5-8000 memory, PCIe Gen5, and Wi-Fi 6E. The products are also backward compatible with Ryzen 7000 CPUs and Ryzen 8000 APUs.

Industrial PC

1.Launched multiple models of 1-liter-sized rugged PCs for edge computing, powered by the next-gen Intel Amston Lake platform, featuring DDR5/Wi-Fi 6E, wide-temperature, and wide-voltage tolerance, providing immense adaptability for almost all industrial environments.

2.Launched the Company’s first panel PC featuring the Intel Alder Lake-N platform, supporting multi-touch display, RS232, and USB 3.2 interfaces, ideal for HMI, POS, kiosk, and self-service terminal applications.

3.Launched a 3.5-inch motherboard based on Intel Amston Lake with wide-temperature and wide-voltage designs, supporting DDR5 memory, RS485, and dual 2.5GbE LAN, fulfilling essential industrial I/O requirements across a wide range of scenarios.

VGA

1.Although AMD did not release any next-gen gaming GPUs in 2024, its existing Radeon 6000 and Radeon 7000 series maintained stable sales performance on the market.

2.In 2024, AMD adjusted its product strategy and shifted focus to the mainstream market, while also achieving initial success in the AI sector, proving its competitiveness across diverse domains.

3.AMD’s swift expansion in AI and data center markets contributed to significant revenue growth. With the upcoming product releases, AMD is expected to further strengthen its market position in the GPU segment.

2. Summary of 2025 Business Plan

(1) Business Policy

1.Shift focus toward the commercial sector and application-oriented computing products in response to market changes.

2.Concentrate R&D efforts on product innovation, specifications, and design quality.

3.Ensure production quality and stable supply through enhancing manufacturing and logistics.

4.Maintain after-sales service quality and expedite repair turnaround times.

5.Increase the proportion of IPC products in the development pipeline and expand into various application-specific solutions.

6.Broaden the IPC customer base and enhance product visibility through targeted marketing and promotion.

(2) Sales Volume Forecast and the basis thereof:The Company is not required to disclose its financial forecast.

(3) Important Production and Sales Policies

Computer Motherboard

1.Closely monitor market trends and focus on mainstream products to maintain a stable and consistent supply.

2.Strengthen the supply chain through centralized procurement, earning supplier trust to ensure competitive pricing and stable delivery.

3.Continue reducing the hidden costs of excess inventory by streamlining low-end models and consolidating orders for maximum efficiency.

4.On the sales aspect, maintain strong relationships with existing customers by supporting their adaptation to shifting market trends, while also exploring the commercial sector to acquire new clients.

Industrial PC

1.Continue to increase the use of interchangeable components to minimize inventory depreciation risks.

2.Combine the motherboard supply chains with other product lines to benefit from centralized procurement.

3.Coordinate closely with sales partners and ODM clients to ensure stable shipments, while expanding into the edge computing segment to boost system product sales.

VGA

1.High-end GPU supply remains insufficient, thus the strategic stockpile approach will continue in 2025. Under the strong demand for AMD graphics cards, the next-generation RDNA 4 architecture is targeting the mainstream market, aiming to boost Radeon’s market share from the current 15% to 40–50%.

2.Overall, the consumer GPU market in 2025 is expected to experience both technological innovation and intensified competition, offering consumers greater choices and added value.

3. Future Development Strategy of the Company

(1) Maintain stability within the existing customer base for computer motherboards, strengthen collaboration with upstream partners, and invest in developing the commercial market as well as regional brand computer ODM demands.

(2) Pursue diversified business operations by expanding product development beyond office and

gaming applications to enable a broader range of use cases, thereby diversifying the motherboard product line.

(3) Strengthen and enrich the existing x86 industrial motherboard products and systems, while expanding the development of ARM and AI Edge computing products to meet the demands of smart city applications.

(4) Actively expand the product lineup of AMD and Intel ARC graphics cards, while strengthening the partnership with AMD to jointly promote the launch of the latest generation of high-performance gaming GPUs. Through these collaborations, the Company will continuously update and enhance the technology and performance of its graphics cards to meet gamers' high demands for image quality, speed, and efficiency, while simultaneously strengthening its competitive position in the gaming GPU market.

4. The Effect of External Competition, the Legal Environment, and the Overall Business Environment

The overall PC market in 2024 experienced modest growth, driven by an early surge in shipments in Q4 due to U.S. tariff factors. However, despite stable supply, market prices continued to decline, leading to brand vendors steadily expanding their market share, while white-label manufacturers experienced an overall downturn. Additionally, throughout the year, a strong U.S. dollar and related exchange rate factors resulted in significant cost increases in emerging markets targeted by Biostar, causing delays in customer demand. Furthermore, Intel's market position faced turbulence due to various factors, which adversely affected customer confidence and led to a shift in demand toward the AMD market, resulting in a dual-sided demand dynamic. Looking ahead to 2025, the PC industry faces both favorable factors and numerous uncertainties. On the positive side, the end of support for Windows 10 is expected to drive increased hardware demand from enterprises, while Windows 11's introduction of new AI applications is anticipated to stimulate upgrade demands from the market. On the downside, uncertainties in the overall macroeconomic environment, coupled with concerns over potential new tariff policies and tax increases by the U.S. administration, are raising industry-wide apprehensions.

II. Corporate Governance

1. Directors, Supervisors, President, Vice Presidents, Assistant Vice Presidents, Chiefs of all the Company’s Divisions and Branch

(1) Information on Directors

22rd of April, 2025

Title	Nationality/Place of Registration	Name	Gender Age	Date Elected	Term of Office	Date of First Elected	Shareholding when elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Major Educational Background and Experience	Other Position Concurrently Held at the Company and Other Companies	Executives, Directors, or Supervisors who Are Spouses or within the Two Degrees of Kinship			Remarks
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
Chairperson	R.O.C.	Ming-Yi Wang	Male 71~80	18th of June, 2024	3 Years	29th of August, 1990	6,997,958	3.93%	6,997,958	3.93%	1,359,516	0.76%	—	—	EMBA, National Central University	Chairperson of Yi Li Co., Ltd.	Director	Ming-Cheng Wang	Brothers	—
Director	R.O.C.	Ming-Cheng Wang	Male 61~70	18th of June, 2024	3 Years	29th of August, 1990	6,409,433	3.60%	6,409,433	3.60%	923,162	0.52%	—	—	Department of Electrical Engineering, Tungnan Junior College of Technology	President of Biostar Microtech Int’l Corp, Director of Yi Li Co., Ltd.	Chairperson	Ming-Yi Wang	Brothers	—
Director	R.O.C.	Wen-Shone Shiau	Male 71~80	18th of June, 2024	3 Years	29th of July, 2021	—	—	—	—	—	—	—	—	Master of Science in Control Engineering, National Chiao Tung University	Chairperson of BE Epitaxy Semiconductor Technology Co., Ltd.	—	—	—	—
Director	R.O.C.	Tsung-Hui Tsai	Male 61~70	18th of June, 2024	3 Years	29th of July, 2021	5,464	—	5,464	—	—	—	—	—	Master of Graduate School, University of Leeds	CTO of Tai Kao Fu CO., Ltd.	—	—	—	—
Independent Directors	R.O.C.	Wen-Hsiung Chan	Male 51~60	18th of June, 2024	3 Years	18th of June, 2015	—	—	—	—	—	—	—	—	MBA in International Business, National Taiwan University	Chairperson of eChem Solutions Corp.	—	—	—	—
Independent Directors	R.O.C.	Pao-Chin Chuang	Female 51~60	18th of June, 2024	3 Years	29th of July, 2021	—	—	—	—	—	—	—	—	Department of International Trade, Takming College	Supervisor of Ou Qi Investment Co., Ltd.	—	—	—	—
Independent Directors	R.O.C.	Chiao-Yu Chou	Female 51~60	18th of June, 2024	3 Years	18th of June, 2024	—	—	—	—	—	—	—	—	Department of Computer Science, National Yang Ming Chiao Tung University	Independent director of Elitegroup Computer Systems Co Ltd.	—	—	—	—

Information on Directors

22rd of April, 2025

Name \ Criteria	Professional Qualification and Experience (Note 1)	Independence Status	Concurrent Independent Director Position at Other Public Companies
Chairperson Ming-Yi Wang	With more than five years of working experience in business, legal affairs, finance, accounting, or other professional fields related to corporate operations. Concurrently served as the Chairperson of Biostar Microtech Int'l Corp.	-	-
Director Ming-Cheng Wang	With more than five years of working experience in business, legal affairs, finance, accounting, or other professional fields related to corporate operations. Concurrently served as the CEO of Biostar Microtech Int'l Corp.	-	-
Director Wen-Shone Shiau	With more than five years of working experience in business, legal affairs, finance, accounting, or other professional fields related to corporate operations. Concurrently served as the Chairperson of BE Epitaxy Semiconductor Technology Co., Ltd.	-	-
Director Tsung-Hui Tsai	With more than five years of working experience in business, legal affairs, finance, accounting, or other professional fields related to corporate operations. Concurrently served as the CTO of Tai Kao Fu CO., Ltd.	-	-
Independent Director Wen-Hsiung Chan	With more than five years of working experience in business, legal affairs, finance, accounting, or other professional fields related to corporate operations. Concurrently served as the Chairperson of eChem Solutions Corp.	Please refer to Note. 2	3
Independent Director Pao-Chin Chuang	With more than five years of working experience in business, legal affairs, finance, accounting, or other professional fields related to corporate operations. Concurrently served as Supervisor of Ou Qi Investment Co., Ltd.	Please refer to Note. 2	-
Independent Director Chiao-Yu Chou	With more than five years of working experience in business, legal affairs, finance, accounting, or other professional fields related to corporate operations. Concurrently served as Independent director of Elitegroup Computer Systems Co Ltd.	Please refer to Note. 2	1

Note 1: None of the situations specified in any paragraphs of Article 30 of the Company Act.

Note 2： 1. Not as the Government Agency, Juristic Person, and its Representatives as provided in Article 27 of the Company Act.

2. Not Concurrently served as an Independent Director of More Than Three Other Public Companies.

3. None of the Following Conditions of the following during the Two Years Before Being Elected or During the Term of Office:

(1) An Employee of the Company or any of its Affiliates.

(2) A Director or Supervisor of the Company or any Affiliates.

(3) 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 of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.

(4) A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.

(5) A director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act.

(6) If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of another company.

(7) If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution.

(8) A director, supervisor, officer, 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.

(9) A professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that provides auditing services to the company or any affiliate of the company or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, which exercises powers pursuant to the Act or the Business Mergers and Acquisitions Act or related laws or regulations.

Diversity and Independence of the Board of Directors

1. Diversity of the Board of Directors:

   The Diversity Policy for Members of the Board of Directors is established in Article 20 of the Company's Corporate Governance Best Practice Principles. The composition of the Board of Directors shall be determined with diversity taken into consideration. In addition to how the number of directors who are also concurrent managers of the company shall not exceed one-third of the Board of Directors, and appropriate policy on diversity based on business operations shall be formulated operating dynamics and development needs, it is also advisable that the policy include, without being limited to, the following two general standards:

(1) Basic requirements and values: Gender, age, nationality, and culture.

(2) Professional knowledge and expertise: A professional background, professional skills,and industry experience.

The selection of candidates for the Company’s Board of Directors is not restricted by gender, age, nationality, or cultural background. In addition to possessing the knowledge, skills, and competencies necessary for the performance of their duties, and in line with the Company’s commitment to sound corporate governance, the Board as a whole shall maintain a diversified professional composition, encompassing the following core competencies:

Title	Basic Information								Professional Knowledge and Talent				Abilities and Experiences							
Name	Gender	Concurrently served as the Company’s	Age			Independent Directors Years in Terms			Industry	Technology	Finance/Accounting	Marketing	Operational Judgment Ability	Accounting and Financial Analysis	Management Ability	Crisis Management Ability	Industrial Knowledge	International Market Insights	Leadership Ability	Decision-making Ability
			51 to 60	61 to 70	71 to 80	Less than 3 years	3 to 9 years	9 years and above												
Chairman Ming-I Wang	Male	V			V				V	V	V	V	V	V	V	V	V	V	V	V
Director Ming-Cheng Wang	Male	V		V					V	V		V	V		V	V	V	V	V	V
Director Wen-Hsiung Hsiao	Male				V				V	V		V	V		V	V	V	V	V	V
Director Tsung-Hui Tsai	Male			V					V	V		V	V		V	V	V	V	V	V
Independent Director Wen-Hsiung Chan	Male		V					V	V	V	V	V	V	V	V	V	V	V	V	V
Independent Director Pao-Chin Chuang	Female		V				V		V	V	V	V	V	V	V	V	V	V	V	V
Independent Director Chiao-Yu Chou	Male		V			V			V	V	V	V	V	V	V	V	V	V	V	V

The Company’s current Board of Directors consists of seven members, including three Independent Directors, representing 42.86% of the Board. Directors who are also employees of the Company account for 28.57% of the Board. The current term includes one female Director. The Board has been composed of members with diverse professional backgrounds and skill sets, ensuring a wide range of perspectives and contributions to enhance the overall effectiveness and functionality of the Board.

In terms of age distribution, three Directors are between 51 and 60 years old, two are between 61 and 70 years old, and the remaining two are between 71 and 80 years old. The current Board of Directors has not yet achieved a one-third representation of members of a single gender. The Company is aware of and remains attentive to relevant regulatory requirements regarding gender diversity on the Board and continues to strive toward compliance and improvement in this area. To enhance gender diversity within the Board of Directors, the Company will broaden the candidate pool in future director nomination processes and will duly incorporate gender diversity as a consideration in the selection criteria.

The specific management objectives and implementation status of the Board diversity policy are as follows:

Diversified Management Goals	Management Goals	Implementation Status
The proportion of Board Members held by Directors who concurrently hold management position of the Company	One Third	Achieved
The tenure of Independent Directors shall not exceed three consecutive terms	Half	Achieved
Established Independent Directors	At least three independent directors	Achieved
The proportion of Board Members held by Directors with professional backgrounds in the industry	One Third	Achieved
The proportion of Board Members held by Directors with professional backgrounds in technology	One Third	Achieved
The proportion of Board Members held by Directors with professional backgrounds in finance and accounting	One Third	Achieved
The proportion of Board Members held by Directors with professional backgrounds in marketing	One Third	Achieved
The proportion of Board seats held by Directors possessing diverse professional knowledge and skills (across areas such as Operational Judgment, Accounting and Financial Analysis, Business Management, Crisis Management, Industrial Knowledge, International Market Insights, and Leadership and Decision-Making abilities.)	Half	Achieved

2. Independence of the Board of Directors:

The Company's current Board of Directors consists of seven members, including three Independent Directors, representing 42.86% of the Board. Throughout the current term, Independent Directors have maintained a 100% attendance rate at Board meetings. There are a total of five external Directors, accounting for 71.43% of the Board. Directors who do not hold management positions within the Company constitute more than half of the Board.

In addition, more than half of the Board members do not have a spouse or a first- or second-degree familial relationship with other Directors. Furthermore, Independent Directors have no such familial ties with other Board members. This arrangement complies with the requirements set forth in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act.

The nomination of the Company's Board members is conducted through a rigorous selection process, comprehensively considering diverse backgrounds, professional competencies, and practical experience. In summary, the Company's Board of Directors demonstrates a strong degree of independence.

(2) Information of the President, Vice President, and Assistant Vice President

22rd of April, 2025

Title	Nationality	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Major Educational Background and Experience	Other Position Concurrently Held at the Company and Other Companies	Executives, Directors, or Supervisors who Are Spouses or within the Two Degrees of Kinship			Remarks
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
President	R.O.C.	Ming-Cheng Wang	Male	17th of August, 2020	6,409,433	3.60%	923,162	0.52%	–	–	Department of Electrical Engineering, Tungnan Junior College of Technology	Directors of Yi Li Co., Ltd.	–	–	–	–
Vice President	R.O.C.	Kun-Te Lin	Male	1st of February, 2016	–	–	–	–	–	–	Graduate School of Agricultural Economics, National Taiwan University	–	–	–	–	–
Vice President	R.O.C.	Ching-Chao Tseng	Male	25th of July, 2005	–	–	–	–	–	–	Eastern Michigan University Computer & Math	–	–	–	–	–
Vice President	R.O.C.	Chi-Chang Hsu	Male	1st of July, 2014	292	–	45,325	0.03%	–	–	Department of Electronic Engineering, Chin-Yi Institute of Technology	–	–	–	–	–
Assistant Vice President	R.O.C.	Sheng-Chi Lin	Male	4th of August, 2016	609	–	–	–	–	–	Department of Engineering, National Taipei University of Technology	–	–	–	–	–
Assistant Vice President	R.O.C.	Wei-Pin Li	Male	15th of June, 2018	–	–	–	–	–	–	Department of English, Tamkang University	–	–	–	–	–
Assistant Vice President	R.O.C.	Ching-Hung Chen	Male	7th of February, 2022	–	–	–	–	–	–	Department of Japanese Language and Culture, Fu Jen Catholic University	–	–	–	–	–
Assistant Vice President	R.O.C.	Han-ern Tsai	Femal	1th of June, 2023	–	–	–	–	–	–	Department of French, Tamkang University	–	–	–	–	–
Assistant Vice President	R.O.C.	Chung-Tzu Cheng	Male	1st of February, 2017	–	–	–	–	–	–	Department of Accounting, Tamkang University	–	–	–	–	–

2.Remunerations to Directors, Supervisors, Presidents, and Vice Presidents

(1) Remuneration to Directors and Independent Directors

31st of December, 2024; Unit: NT$ Thousand; Thousands of Shares

Title	Name	Remuneration								Total Remuneration (A+B+C+D) to Net Income (%)	
		Base Compensation(A)		Severance Pay(B)		Bonus to Directors(C)		Allowances (D)			
		The Company	All Companies within the Consolidated Financial Statement	The Company	All Companies within the Consolidated Financial Statement	The Company	All Companies within the Consolidated Financial Statement	The Company	All Companies within the Consolidated Financial Statement	The Company	All Companies within the Consolidated Financial Statement
Chairperson	Ming-Yi Wang	3,871	3,871	(6)	(6)	94	94	70	70	4,029(60.87%)	4,029(60.87%)
Director	Ming-Cheng Wang	240	240	-	-	94	94	70	70	404(6.10%)	404(6.10%)
Director	Wen-Shone Shiau	240	240	-	-	94	94	60	60	394(5.95%)	394(5.95%)
Director	Tsung-Hui Tsai	240	240	-	-	94	94	70	70	404(6.10%)	404(6.10%)
Independent Director	Tsun-Kuo Wang	110	110	-	-	43	43	30	30	183(2.76%)	183(2.76%)
Independent Director	Wen-Hsiung Chan	240	240	-	-	94	94	70	70	404(6.10%)	404(6.10%)
Independent Director	Pao-Chin Chuang	240	240	-	-	94	94	60	60	394(5.95%)	394(5.95%)
Independent Director	Chiao-Yu Chou	130	130	-	-	51	51	30	30	211(3.19%)	211(3.19%)

Title	Name	Relevant Remuneration Received by Directors Who Are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Compensation Paid to Directors from an invested Company or Parent Company Other than the Company's Subsidiary
		Salary, Bonuses, and Allowance (E)		Severance Pay (F)		Employee Compensation (G)						
		The Company	All Companies within the Consolidated Financial Statement	The Company	All Companies within the Consolidated Financial Statement	The Company		All Companies within the Consolidated Financial Statement		The Company	All Companies within the Consolidated Financial Statement	
						Cash	Stock	Cash	Stock			
Chairperson	Ming-Yi Wang	-	-	-	-	150	-	150	-	4,179(63.14%)	4,179(63.14%)	-
Director	Ming-Cheng Wang	3,499	3,499	(6)	(6)	150	-	150	-	4,047(61.14%)	4,047(61.14%)	-
Director	Wen-Shone Shiau	-	-	-	-	-	-	-	-	394(5.95%)	394(5.95%)	-
Director	Tsung-Hui Tsai	-	-	-	-	-	-	-	-	404(6.10%)	404(6.10%)	-
Independent Director	Tsun-Kuo Wang	-	-	-	-	-	-	-	-	183(2.76%)	183(2.76%)	-
Independent Director	Wen-Hsiung Chan	-	-	-	-	-	-	-	-	404(6.10%)	404(6.10%)	-
Independent Director	Pao-Chin Chuang	-	-	-	-	-	-	-	-	394(5.95%)	394(5.95%)	-
Independent Director	Chiao-Yu Chou	-	-	-	-	-	-	-	-	211(3.19%)	211(3.19%)	

1. Please describe the policy, system, standards, and structure in place for paying remuneration to directors and describe the relationship between the amount of remuneration paid and factors including the duties and risks undertaken as well as time invested by the directors: Under the Company's Articles of Incorporation, Director remuneration is determined based on the extent of their participation and contribution to the Company's operations, also by referencing the prevailing standards within the industry. Additionally, if the Company reports annual profits, the Board of Directors may resolve to allocate up to 3% of the profits as remuneration for the Directors.
2. In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non-employee consultant to the parent company /any consolidated entities/invested enterprises): N/A.

(2) Remuneration of the President and Vice President

31st of December, 2024;Unit: NT$ Thousand ;Thousands of Shares

Title	Name	Salary (A)		Severance Pay(B)		Bonuses & Allowance Paid ©		Amount of Employee Remuneration (D)				Total Remuneration (A+B+C+D) to Net Income (%)		Compensation Paid to Directors from an invested Company or Parent Company Other than the Company's Subsidiary
		The Company	All Companies within the Consolidated Financial Statement	The Company	All Companies within the Consolidated Financial Statement	The Company	All Companies within the Consolidated Financial Statement	The Company		All Companies within the Consolidated Financial Statement		The Company	All Companies within the Consolidated Financial Statement	
								Cash	Stock	Cash	Stock			
President	Ming-Cheng Wang	9,011	9,011	98	98	-	-	460	-	460	-	9,569(144.57%)	9,569(144.57%)	-
Vice President	Kun-Te Lin													
Vice President	Chi-Chang Hsu													

Note : The Amount of Employee Compensation as the proposed amount for distribution.

Remuneration Range for Presidents and Vice Presidents

Range of Remuneration Paid to President and Vice President	Name of Presidents and Vice Presidents	
	The Company	All Companies within the Consolidated Financial Statement
Under NT$ 1,000,000	-	-
1,000,000（Included）～2,000,000（Excluded）	-	-
2,000,000（Included）～3,500,000（Excluded）	Kun-Te Lin, Chi-Chang Hsu	Kun-Te Lin, Chi-Chang Hsu
3,500,000（Included）～5,000,000（Excluded）	Ming-Cheng Wang	Ming-Cheng Wang
5,000,000（Included）～10,000,000（Excluded）	-	-
10,000,000（Included）～15,000,000（Excluded）	-	-
15,000,000（Included）～30,000,000（Excluded）	-	-
30,000,000（Included）～50,000,000（Excluded）	-	-
50,000,000（Included）～100,000,000（Excluded）	-	-
100,000,000 and Above	-	-
Total	3	3

Employee Compensation of the Managerial Officer

31st of December, 2022;Unit: NT$ Thousand

	Title	Name	Employee Compensation – in Stock	Employee Compensation – in Cash	Total	The ratio of Total Amount to Net Income (%)
Managerial Officers	Chairperson	Ming-Yi Wang	—	1,170	1,170	17.68%
	President	Ming-Cheng Wang				
	Vice President	Kun-Te Lin				
	Vice President	Chi-Chang Hsu				
	Assistant Vice President	Sheng-Chi Lin				
	Assistant Vice President	Wei-Pin Li				
	Assistant Vice President	Ching-Hung Chen				
	Assistant Vice President	Han-ern Tsai				
	Assistant Vice President	Chung-Tzu Cheng				

Noted: The Amount of Employee Compensation received by managerial officers as the proposed amount for distribution

(3) Compensation to the Top Five Managerial Officers of the TWSE/TPEx Listed Companies

31st of December, 2024;Unit: NT$ Thousand

Title	Name	Salary (A)		Severance Pay(B)		Bonuses & Allowance Paid ©		Amount of Employee Compensation (D)				Total Compensation (A+B+C+D) to Net Income (%)		Compensation Paid to Directors from an invested Company or Parent Company Other than the Company's Subsidiary
		The Company	All Companies within the Consolidated Financial Statement	The Company	All Companies within the Consolidated Financial Statement	The Company	All Companies within the Consolidated Financial Statement	The Company		All Companies within the Consolidated Financial Statement		The Company	All Companies within the Consolidated Financial Statement	
								Cash	Stock	Cash	Stock			
President	Ming-Cheng Wang	3,499	3,499	(6)	(6)	-	-	150	-	150	-	3,643(55.04%)	3,643(55.04%)	-
Vice President	Chi-Chang Hsu	2,839	2,839	(4)	(4)	-	-	160	-	160	-	2,995(45.25%)	2,995(45.25%)	-
Vice President	Kun-Te Lin	2,673	2,673	108	108	-	-	150	-	150	-	2,931(44.28%)	2,931(44.28%)	-
Assistant Vice President	Sheng-Chi Lin	2,689	2,689	106	106	-	-	160	-	160	-	2,955(44.64%)	2,955(44.64%)	-
Assistant Vice President	Chung-Tzu Cheng	2,082	2,082	102	102	-	-	120	-	120	-	2,304(34.81%)	2,304(34.81%)	-

(4) Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by this company and by each other company included in the consolidated financial statements during the past two fiscal years to directors, supervisors, general managers, and assistant general managers, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure

The total amount of compensation and remuneration of the directors, supervisors, president, and vice presidents paid by the company and the companies in the consolidated financial statement accounts for 243.86% and -16.54% in 2024 and 2023, respectively in the Net Income of the Parent Company Only Financial Statement. The directors' and supervisors' remuneration consists of transportation allowance, directors' and supervisors' compensation and remuneration. The Transportation Allowance considers the standard within the industry. It is paid in accordance with the Board of Directors and shareholders' meeting attendance by the directors and supervisors. The compensation and the remuneration of the directors and supervisors were handled in accordance with Article 24 of the Articles of Incorporation of the Company. Suppose the company makes a profit within the fiscal year. In that case, the Board of Directors will distribute not more than 3% as the compensation and remuneration of the directors and supervisors, and the distribution for the directors and supervisors' compensation and remuneration shall be proposed and reported to the Shareholders' Meeting. The Compensation is approved by the Board of Directors and determined by the participation in the company's operation, the value of contribution and referring to the standard within the industry. The compensation to the president and vice president consists of salary, bonuses, employee compensation and others, and approved by proposals to the Compensation and Remuneration Committee by the position, responsibilities carried out and referring to the standard of similar positions within the industry.

3. Corporate Governance Status

(1) Operation of the Board of Directors

The Number of Board Meetings Held in the Most Recent Fiscal Year was 5, and the Attendance by the Directors and Supervisors was as Follows:

Title	Name	Actual Attendance in Person	By Proxy	Attendance Rate in Person (%)	Remarks
Chairperson	Ming-Yi Wang	6	0	100%	Re-elected on 18th of June, 2024
Director	Ming-Cheng Wang	6	0	100%	Re-elected on 18th of June, 2024
Director	Wen-Shone Shiau	6	0	100%	Re-elected on 18th of June, 2024
Director	Tsung-Hui Tsai	6	0	100%	Re-elected on 18th of June, 2024
Independent Director	Tsun-Kuo Wang	3	0	100%	Resigned on 18th of June, 2024
Independent Director	Wen-Hsiung Chan	6	0	100%	Re-elected on 18th of June, 2024
Independent Director	Pao-Chin Chuang	6	0	100%	Re-elected on 18th of June, 2024
Independent Director	Chiao-Yu Chou	3	0	100%	Newly elected on 18th of June, 2024

Other Information Required to be Disclosed:

1. If any of the Following Circumstances Exists, Specify the Board Meeting Date, Meeting Session Number, Contents of the Motion(s), the Opinions of All the Independent Directors, and the Measures Taken by the Company based on the Opinions of the Independent Directors:
   (1) Any Matter under Article 14-3 of the Securities and Exchange Act: Not Applicable (The company established Audit Committee).
   (2) In Addition to the Matters Referred to above, any Dissenting or Qualified Opinion of an Independent Director that is on Record or Stated in Writing concerning Any Board Resolution: No Such Condition.
2. The Status of Implementation or Recusal of Directors concerning Any Motions with which they may have a Conflict of Interest: Specify the Director's Name, the Content of the Motion, the Cause for Recusal, and Whether and How the Director Voted. Please Refer to Page 23.
3. Implementation of Evaluations of the Board of Directors

Evaluation Cycle	Evaluation Period	Scope of Evaluation	Method of Evaluation	Evaluation Content
Once per Year	1st of January, 2024 to 31st of December, 2024	Evaluating the Performance of the Board of Directors	Internal Evaluation of the Board	1. Participation in the Operation of the Company. 2. Improvement of the 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.
Once per Year	1st of January, 2024 to 31st of December, 2024	Evaluating the Performance of the Board Members (on Themselves or Peers)	Self-Evaluation by the Board Members of Themselves or Peers	1. Alignment of the Goals and Missions of the Company. 2. Awareness of the Duties of a Director. 3. Participation in the Operation of the Company. 4. Management of Internal Relationships and Communication. 5. The Director's Professionalism and Continuing Education. 6. Internal Control.
Once per Year	1st of January, 2024 to 31st of December, 2024	Evaluating the Performance of Functional Committees	Internal Evaluation by the Functional Committee Members	1. Participation in the Operation of the Company. 2. Awareness of the Duties of the Functional Committee. 3. Improvement of Quality of Decisions made by the Functional Committee. 4. Makeup of the Functional Committee and Election of its Members. 5. Internal Control.

The Board of Directors has passed the Self-Evaluation and Peer-Evaluation on the Board of Directors. The scope of evaluation includes the Board of Directors, Board Members and Functional Committees. The evaluation result has proposed to the Board of Directors on 13th of March 2025. The evaluation results show that each director was appropriate, and the Board of Directors, audit committees and Compensation and Remuneration Committee were functioning effectively.

4. Evaluation of Targets for Strengthening the Board's Functions During the Current and Immediately Preceding Fiscal Years: The Company has established the Audit Committee to comply with the Competent Authority.

(2) The State of Operations of the Audit Committee or the State of Participation in Board Meetings by the Supervisors

1 The main function of the audit committee is to supervise the following matters:
(1) Fair presentation of the financial reports of the Company.
(2) The appointment (and dismissal), independence, and performance of certified public accountants of the Company.
(3) The effective implementation of the Company's internal control system.
(4) Compliance with relevant laws and regulations by the Company.
(5) Management of the existing or potential risks of the Company.

2. The Main Matters to be considered by the Audit Committee:
(1) The Adoption or Amendments to the Internal Control System.
(2) Assessment of the Effectiveness of the Internal Control System.
(3) The Adoption or Amendment of the Procedures for Handling Financial or Business Activities of a material nature, such as Acquisition or Disposal of Assets, Derivatives Trading, Loaning of Funds to Others, and Endorsements or Guarantees for Others.
(4) Matters in which a Director is an Interested Party.
(5) Asset Transactions or Derivatives Trading of a Material Nature.
(6) Loans of Funds, Endorsements, or Provision of Guarantees of a Material Nature.
(7) The Offering, Issuance, or Private Placement of Equity-Type Securities.
(8) The Appointment or Dismissal of a Certified Public Accountant or their Compensation.
(9) The Appointment or Dismissal of a Financial, Accounting, or Internal Audit Officer.
(10) Annual Financial Reports Signed or Sealed by Chairperson, Managerial Officers and Accounting Supervisors.
(11) Other Material Matters as May Be Required by the Company or Competent Authority.

3. The Number of Audit Committee Meetings Held in the Most Recent Fiscal Year was 5, and the Attendance by the Independent Directors was as follows:

Title	Name	Actual Attendance in Person	By Proxy	Attendance Rate in Person(%)	Remarks
Convener	Pao-Chin Chuang	5	0	100%	Re-elected on 18th of June, 2024
Committee Member	Tsun-Kuo Wang	3	0	100%	Resigned on 18th of June, 2024
Committee Member	Wen-Hsiung Chan	5	0	100%	Re-elected on 18th of June, 2024
Committee Member	Chiao-Yu Chou	2	0	100%	Newly elected on 18th of June, 2024

Other Information Required to be Disclosed:
1. If any of the following circumstances exists, specify the audit committee date, meeting session number, content of the motion(s), the content of any dissenting or qualified or significant recommendation of the independent directors, the outcomes of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee.

(1) Any Matter under Article 14-5 of the Securities and Exchange Act:

Meeting Session Number Date of the Meeting	Content of the Motion(s)	Matters Under Article 14-5 of the Securities and Exchange Act	Content of Any Dissenting or Qualified or Significant Recommendation of the Independent Directors	Outcomes of Audit Committee Resolutions	Measures taken by the Company based on the Opinions of the Audit Committee
First Meeting in 2024 19th of January, 2024	(1) Adoption of 2024 Business Plan (2) Appointment of CPA.	V V	None	Approved by All Attending Independent Directors from the Audit Committee without Dissent.	Approved by All Attending Directors without Dissent
Second Meeting in 2024 1th of March, 2024	(1)Adoption of 2023 Financial Statement and Business Report (2) Proposed of 2023 Deficit Compensated (3)Preparing 2023 Internal Control System Statement (4)Amendment to the Company's Internal Control System	V V V V			
Third Meeting in 2024 03th of May, 2024	(1)Adoption of 2024 First Quarter Consolidated Financial Statement (2)Conduction of the Private Placement of Common Stocks. (3) Conditions of the Company funding to others	V V V			
Fourth Meeting in 2024 7th of August, 2024	(1) Adoption of 2024 Second Quarter Consolidated Financial Statement	V			
Fifth Meeting in 2024 14th of November, 2024	(1)Adoption of 2024 Third Quarter Consolidated Financial Statement (2) Establishment of 2025 Audit Plan (3)Amendment to the Company's Internal Control System (4)Revised important regulations of the company	V V V V			

(2) In Addition to the Matters Referred to Above, Any Matter that was not Approved by the Audit Committee but was Approved by a Two-Thirds or Greater Majority Resolution of the Board of Directors: None.

2. Implementation of Recusals of Independent Directors concerning Any Motions with which they May Have a Conflict of Interest: Specify the Independent Director’s Name, the Content of the Motion, the Cause for Recusal, and Whether and How the Independent Director Voted: None.

3. Communication Between the Independent Directors and the Chief Internal Audit Officer, and the CPAs that serve as External Auditors (including any Significant Matters Communicated About with Respect to the State of the Company’s Finances and Business and the Method(s) and Outcomes of the Communication:

(1) Communication Channels Between the Independent Directors and the Chief Internal Audit Officer

1. Provide an Audit Report of the previous month at the end of each month, and propose the improvement tracking report to each member in each quarter for review, per the implementation of the annual plan. If there are any concerns, sufficient communication via phone calls and emails will be made timely.
2. Separate Conferences with Independent Director will be conducted at least once per year, and until the most recent meeting, there are no extraordinary conditions.
3. May communicate and contact independent directors via phone calls, emails, text messages or face-to-face directly when necessary during normal time. The communication condition is good.

(2) Communication Between the Independent Directors and the Chief Internal Audit Officer in 2024 as follows:

Date	Nature of Meetings	Content of Communication	Result of Communication
14th of November, 2024	Audit Committee	Audit Report and Communications for January 2024 to August 2024	No Opinions

(3) Communication Matters and Methods Between CPAs and Independent Directors

1. CPAs will explain and discuss with independent directors the audit matters to the financial statements, key audit items and audit results in the current year's financial statements. The communication condition is good.
2. CPAs may contact independent directors via phone calls, video conferences, emails, and text messages when necessary and if there is a timely concern, in addition to the audit committees’ meetings and other meetings.

(4) Summary of several times of communication between the CPAs and the Independent Directors in 2024:

Date	Nature of Meetings	Content of Communication	Result of Communication
29th of January, 2024	Corporate Governance Meeting - Independent Director and CPAs Only	Topic: Communication prior to the 2023 audit, key audit matters,accountant rotation specifications and independence statement and audit quality indicator AQI.	No Opinions
1th of March, 2024	Corporate Governance Meeting - Independent Director and CPAs Only	Topic: 2023 Consolidated and Parent Company-Only Financial Statements Audit Matters	No Opinions

(3) Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons

Evaluation item	Implementation			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
1. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?	V		The company established the Corporate Governance Best-Practice Principles and disclosed them in its investor's section on the website.	No Difference
2. Shareholding Structure and Shareholders' Rights (1) Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters? If yes, have these procedures been implemented accordingly?	V		Relevant Matters Handled by the Company's Spokesperson.	No Difference
(2) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	V		In charge of the professional stock affairs agency, and with a dedicated person to handle relevant matters to grasp the major shareholders' actual control of the company.	No Difference
(3) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?	V		The company has implemented risk control measures in accordance with relevant regulations and an internal control system for transactions among the affiliated companies.	No Difference
(4) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	V		The Company enacted the "Procedures for Handling Material Inside Information" and "Procedures for the Prevention of Insider Trading," which prohibited the Directors, Managerial Personnel, Employees and other insiders from trading securities using information not disclosed to the market.	No Difference
3. Composition and responsibilities of the Board of Directors (1) Have a diversity policy and specific management objectives been adopted for the board, and have they been fully implemented?	V		The Company has established a "Corporate Governance Best Practice Principles," which stipulates that the composition of the Board of Directors should consider diversity. Following this policy, the Company has actively implemented diversity by appointing a female director while also selecting board members based on industry expertise, professional fields, and practical experience. Candidates are nominated based on their possession of the necessary knowledge, skills, and integrity required to fulfill their duties. For information on the directors, please refer to page 9 of the Annual Report.	No Difference
(2) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee?		V	Currently, the company established a compensation and remuneration committee and Audit Committee. Other functional committees will be established based on future needs.	The Company will establish based on the actual needs of the future.
(3) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implementing the performance evaluations on an annual basis, and submitting the results of performance evaluations to the Board of Directors and using them as a reference in determining salary/compensation for individual directors and their nomination and additional office terms?	V		The company has established the Rules for Performance Evaluation of the Board of Directors, with annually conducted performance evaluation regularly and proposed to the Board of Directors. The evaluation method includes internal self-evaluation and self-evaluation by the individual board members. The evaluation result of the Board of Directors' performance evaluation has reported to the Board of Directors on the 13th of March, 2025. It will be used as the reference for continuously enhancing the functioning of the Board of Directors.	No Difference
(4) Does the Company regularly evaluate its external auditors' independence?	V		The company evaluates the Independency and Appropriacy of the CPAs regularly every year, evaluates the Audit Quality Indicators (AQI), Independence indicators including the non-related party between the CPAs and the company and the Board of Directors. CPAs rotate regularly and obtain the Statement of Independence issued by the CPAs. The company has checked that there are no other financial benefits and business relations with the CPAs except the audit and taxation fees. The CPAs' family members do not conflict with the requirement of independence. The Board of Directors approved the independence and the appropriacy of the CPAs on the 13th of January, 2025.	No Difference
4. Does the TWSE/TPEx listed company have in place an adequate number of qualified corporate governance officers, and has it appointed a chief corporate governance officer with responsible corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?	V		The company has yet established an officer for Corporate Governance, and the spokesperson is in charge of corporate governance-related matters of the company, including documents for execution, handling matters related to board meetings and shareholders' meetings, preparation of meeting agendas and others. The company's registration and change of registration were in charge of the Finance Department, and Legal Affairs reviewed all the registration documents.	No Difference
5. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders' section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	V		The Company established the Stakeholders section on the website to provide various communication channels, and the communications to each stakeholder were reported to the Board of Directors on November 14, 2024.	No Difference
6. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?	V		The company has appointed a professional stock affairs agency to handle matters of shareholders' meetings.	No Difference
7. Information Disclosure (1) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status?	V		The company has disclosed the financial business and corporate governance information on the investor sections of the company's website	No Difference

Evaluation item	Implementation			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
(2) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?	V		The company established the spokesperson system to charge for collecting and disclosing the company's information and inputting the material information to the Market Observation Post System per the laws and regulations.	No Difference
(3) Does the company publish and report its annual financial report within two months after the end of the fiscal year and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?		V	Announcements and declared annual financial statements had not been made within two months after the end of each fiscal year. They announced and declared each month's first, second, and third-quarter financial statements and operational overview before the required period. The company announced the annual financial statement, quarterly financial statement and monthly operational overview within the required period.	The company handling within the period according to the relevant regulations
8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	V		The company has conducted the employees' rights and benefits, employees caring, relationship with the investors, relationship with the vendors, rights of stakeholders and others per the internal control system and governing regulations of the company, and performed the business social responsibilities per laws and regulations. The directors and supervisors had the relevant professional knowledge, attended relevant educational training irregularly, and were insured with directors' and supervisors' liability insurance to protect them against the potential legal responsibility they may cause when performing their duties.	No Difference
9. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Centre, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement. (If the Company was not included among the companies evaluated for the given recent year, this item does not need to be completed.): The company has handled and taken measures based on the corporate governance evaluation result according to the Internal Corporate Governance Best-Practice Principles.				

(4) The Composition, Duties and Functioning of the Compensation and Remuneration Committee

Information on the Members of the Compensation and Remuneration Committee

22rd of April, 2025

Capacity	Qualifications / Name	Professional Qualifications and Experience	Independence Conditions	Number of other public companies at which the person concurrently serves as a remuneration committee member
Independent Director	Wen-Hsiung Chan g	The Compensation and Remuneration Committee consists of All of the Independent Directors. Please refer to pages 10 to 11 for the professional qualifications and experience of the committee members.	All the Members have qualified for the following conditions: 1. Fulfil the relevant requirement provided by Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company whose stock is listed on the TWSE/TPEx (Note) announced by the Financial Supervisory Commission, Republic of China(Taiwan) based on the Article 14-6 of the Securities and Exchange Act. 2. The independent director, their spouse, and relatives within the second degree of kinship do not hold the company's shares in their own or nominee accounts. 3. The independent director has not provided business, legal, financial, accounting, or other services to the Company over the past two years and obtaining compensation from services provided.	0
Independent Director	Pao-Chin Chuang			0
Independent Director	Chiao-Yu Chou			0

Note: During the two years before being elected or during the term of office, a committee member has not been any of the following:
(1)An employee of the company or any of its affiliates.
(2)A director or supervisor of the company or any of its affiliates.
(3)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 of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.
(4)A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.
(5)A director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act.
(6)If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company.
(7)If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution.
(8)A director, supervisor, officer, 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.
(9)A professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that provides auditing services to the company or any affiliate of the company or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, which exercises powers pursuant to the Act or the Business Mergers and Acquisitions Act or related laws or regulations.

Operation of the Compensation and Remuneration Committee

1. The Company's Compensation and Remuneration Committee consists of 3 members.

2. The current members' term is from the 18th of June 2024 to the 17th of June 2027. The number of Compensation and Remuneration Committees held in the most recent fiscal year was 2. The attendance by the members was as follows:

Title	Name	Actual Attendance in Person	By Proxy	Attendance Rate in Person(%)	Remarks
Convener	Tsun-Kuo Wang	2	0	100%	Re-elected on 18th of June, 2024
Member	Wen-Hsiung Chan	2	1	100%	Resigned on 18th of June, 2024
Member	Pao-Chin Chuang	2	0	100%	Re-elected on 18th of June, 2024
Member	Chiao-Yu Chou	NA	NA	NA	Newly elected on 18th of June, 2024

Other Information Required to be Disclosed:
1. Two Meetings were convened by the Compensation and Remuneration Committee on the 29th of January and 1th of March. The discussion items include Bonuses and Salary of the Managerial Officers; Directors' Compensation.
2. The above matters were reviewed and approved by the Compensation and Remuneration Committee
3. If the Board of Directors does not accept or amend any recommendation of the Compensation and Remuneration Committee, specify the board meeting date, meeting session number, content of the recommendation(s), the outcome of the resolution(s) of the Board of Directors, and the measures taken by the Company concerning the opinions given by of the Compensation and Remuneration Committee: None.
4. Concerning any matter for resolution by the Compensation and Remuneration Committee, if there is any dissenting or qualified opinion of a committee member that is on record or stated in writing, specify the Compensation and Remuneration Committee meeting date, meeting session number, content of the motion, the opinions of all members, and the measures taken by the Company concerning the members' opinion: None

(5) Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
1. Has the Company established a governance framework for promoting sustainable development and an exclusively (or concurrently) dedicated unit to promote sustainable development? Has the Board of Directors authorized senior management to handle related matters under the supervision of the board?	V		In order to achieve the Sustainability Development Target, the Company internally established the Sustainability Development Promoting Team on October 26, 2023, with the Chairman as the Leading Member and the team members consisting of heads from Divisions of each department of the Company. The functioning of the team is in charge by the executive secretary to coordinate cross-departmental related matters and establish various functional groups. Promoting team members shall be responsible for proposing sustainable development policies, systems, relevant management guidelines and concrete promoting plans, implementing internally in the Company and bringing the concept of sustainability management into the business culture. The Board of Directors continuously monitored the promotion of sustainable development and reported to the Board of Directors on November 11, 2024.	No Difference
2. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations per the materiality principle and formulate relevant risk management policies or strategies?	V		The Company has established a "Risk Management Policy and Procedures," under which risk assessments related to environmental, social, and corporate governance (ESG) issues relevant to the Company's operations are conducted based on the principle of materiality. The Sustainability Development Promotional Team identified 17 sustainability issues and invited stakeholders to evaluate and score the level of concern for each issue. The management team assessed the level of impact each issue has on the Company, and through the convening of the Sustainability Development Promotion Committee, determined the material topics and corresponding risk management strategies.	No Difference
3. Environmental Issues				

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
(1) Has the Company set an environmental management system designed to industry characteristics?	V		The Company has established an environmental management system tailored to industry characteristics and has obtained ISO 14001 Environmental Management System certification. Environmental management is conducted in compliance with relevant environmental protection regulations, the Waste Disposal Act, as well as energy-saving and carbon reduction guidelines, to minimize the Company's environmental impact.	No Difference
(2) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	V		The Company promotes energy-saving measures and electricity management initiatives, such as upgrading air conditioning systems to first-grade energy efficiency, which reduces energy consumption and carbon emissions while enhancing overall energy efficiency. Additionally, the Company optimizes packaging through product design to minimize internal space waste, reduce packaging volume and material usage, and thus lessen the environmental impact. General industrial waste is handled by certified contractors, who are entrusted with the collection and disposal process. Discarded motherboards are shredded and subsequently recycled, thereby increasing the resource recovery rate and implementing a circular economy.	No Difference
(3) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	V		The Company has adopted a risk management framework based on the four core disclosure pillars of the Task Force on Climate-related Financial Disclosures (TCFD) established by the Financial Stability Board (FSB), namely: Governance, Strategy, Risk Management, as well as Metrics and Targets. This framework enables the Company to identify potential risks and opportunities associated with climate change and to formulate appropriate response measures. Relevant information disclosed in the Sustainability Report.	No Difference
(4) Did the company collect data for the past two years on greenhouse gas emissions, the volume of water consumption, and the total weight of waste and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	V		The Company has completed the compilation of greenhouse gas emissions, water consumption, and waste generation data over the past two years. Relevant information disclosed in the Sustainability Report.	No Difference
4. Social Issues (1) Has the company formulated relevant management policies and procedures per relevant laws and regulations and international human rights conventions?	V		The Company complies with relevant regulations and international human rights covenant and has adopted the "Biostar Human Rights Management Policy," which is publicly disclosed on the Company's official website to safeguard employees' fundamental rights and ensure occupational health and safety. Following labor laws and occupational safety and health regulations, the Company has established a comprehensive set of internal policies, including the Internal Recruitment Procedures, Gender Equality and Sexual Harassment Prevention Management Policy, Whistleblowing Handling Guidelines, Employee Leave Management Policy, Attendance Management Policy, and Overtime Management Policy, among others. In 2024, the Company conducted online human rights training sessions, with a cumulative total of 131 employee participants, delivering a total of 65.5 hours of dissemination.	No Difference
(2) Has the Company established and implemented reasonable employee welfare measures (including salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	V		The Company established various rules for employees' welfare and regularly evaluated the performance of employees, and awarded salaries and compensation accordingly.	No Difference
(3) Does the Company provide employees with a safe and healthy working environment and implement regular safety	V		The Company provides a supportive and safe working environment for employees by arranging	No Difference

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
and health education for employees?			on-site health services delivered by professional medical staff and regularly conducting occupational safety and health education. In 2024, the Company organized two health seminars. No fire incidents or cases involving fatalities or injuries were reported during the year.	
(4) Has the Company established effective employee career development training programs?	V		The company implemented marketing and labeling according to the laws, regulations and international standards.	No Difference
(5) Does the company comply with the relevant laws and international standards regarding customer health and safety, customer privacy, and marketing and labeling products and services, and implement consumer protection and grievance policies?	V		The Company conducts marketing and labeling in compliance with relevant laws and international standards, prioritizing product safety and customer privacy. It requires raw material suppliers to adhere to regulations such as RoHS and REACH to control hazardous substances, ensuring that products meet environmental protection and safety standards. The Company's primary sales channels consist of distributors and strategic partners. Feedback from stakeholders is collected through dedicated sales representatives or the designated stakeholder section on the Company's official website. A specialized unit is responsible for receiving and responding to such feedback, ensuring that customer concerns are always properly addressed.	No Difference
(6) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on environmental protection, occupational safety and health, or labor rights, and what is their implementation?	V		In accordance with the Company's internal control policies, supplier evaluation and procurement processes are conducted while suppliers are required to hold valid ISO quality and environmental management system certifications. Suppliers who additionally obtain occupational safety or human rights management system certifications are eligible for bonus points in the supplier evaluation. Additionally, the Company requires suppliers to conduct annual ESG self-assessments and incorporates supplier audits into ESG evaluation criteria, thereby monitoring suppliers' practices in sustainable operations.	No Difference
5. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third-party assurance or certification for the reports above?	V		The Company prepares its Sustainability Report in accordance with the Global Reporting Initiative (GRI) standards to disclose non-financial information. The 2023 sustainability report was subject to moderate assurance (Type 1) under the AA1000 standard by GREAT International Certification Co. Ltd. For the 2024 report, no external certification was commissioned; however, rigorous review mechanisms and statistical procedures were employed to ensure the accuracy of the report's content.	No Difference
6. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviation from the principles in the Company's operations: The Company established the Sustainable Development Best Practice Principles per the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.				
7. Other important information to facilitate a better understanding of the company's promotion of sustainable development: The company conducted environmental protection, community participation, contribution to society, society service, social charity, consumer rights and benefits, human rights, safety and health and other Social Responsibilities per the company's internal control system and management rules, and performing the Corporate Social Responsibilities required in according to the relevant laws and regulations.				

(6) Climate-Related Information of TWSE/TPEx Listed Company

1. Implementation of Climate-Related Information

<table>
<tr><th>Item</th><th>Implementation</th></tr>
<tr><td>1. Description of the Board of Directors and management's oversight and governance of climate-related risks and opportunities.
2. Description of how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).
3. Description of the financial impact of extreme weather events and transformative actions.
4. Description of how climate risk identification, assessment, and management processes are integrated into the overall risk management system.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and major financial impacts used should be described.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan and the indicators and targets used to identify and manage physical risks and transition risks.</td>
<td>The Company adopts the risk management policies and procedures approved by the Board of Directors as its top guiding principle, integrating climate risk governance into the sustainability issues of the year. For this part, the Audit Committee provides guidance, while ultimate governance responsibility is vested in the Board of Directors. The implementation status of risk management for the year 2024 was reported to the Board of Directors on January 13, 2025.
Referencing the TCFD framework and international research reports, the Company has identified climate-related issues for the Short-term (2024–2026), Medium-term (2027–2030), and Long-term (beyond 2031). Based on the likelihood and impact severity of risks and opportunities, the Company has prioritized its material items and subsequently formulated corresponding response strategies.
The risk scenarios are based on the Shared Socioeconomic Pathways SSP1-2.6 and SSP5-8.5 outlined in the IPCC's Sixth Assessment Report (AR6). The Company assesses physical and transition risks under the ideal scenario (SSP1-2.6) and the worst-case scenario (SSP5-8.5) to evaluate potential operational impacts and financial implications, subsequently developing appropriate response strategies.
<table>
<tr><th>Risk Items</th><th>Time Scope</th><th>Potential Financial Impacts</th><th>Response Strategies</th></tr>
<tr><td>Transition Risks
Increased cost of raw materials</td><td>Short-term</td><td>Rising raw material costs have led to increased expenses, thereby compressing gross profit margins.</td><td>Supplier diversification: Engaging multiple suppliers strategically allocated across different regions.
Precise product specification design: Minimizing unnecessary specifications to reduce raw material usage and associated costs.
Centralized procurement: Consolidating purchasing demands to reduce transportation expenses and unit costs.</td></tr>
<tr><td>Transition Risks
Carbon Emissions Disclosure</td><td>Short-term</td><td>1. Increase in expenses of external verification.
2. Increase in cost of human resources involved
3. Increase in cost of energy-saving equipment</td><td>By the year 2028, the entire group will complete a comprehensive greenhouse gas inventory and obtain third-party verification.</td></tr>
<tr><td>Transition Risks
Mandatory requirements and regulations applicable to existing products and services</td><td>Medium-term</td><td>The phased increase of carbon fees will compel suppliers to accelerate their adoption of low-carbon manufacturing processes. Existing products will be passively required to incorporate low-carbon raw materials, resulting in increased costs.
Investments in R&D, material substitution, and supply chain management have led to increased research and manufacturing costs.</td><td>Implement green products and low-carbon manufacturing, promote the development of energy-efficient products, and reduce energy consumption during product operation.
Minimize packaging volume to reduce packaging and transportation costs.</td></tr>
</table>
<table>
<tr><th>Opportunity Items</th><th>Time Scope</th><th>Potential Financial Impacts</th><th>Response Strategies</th></tr>
<tr><td>Develop or expand low-carbon products and services</td><td>Long-term</td><td>Increase in Revenue:
Low-carbon products align with global trends and attract new customers in markets such as Europe and North America, increasing their willingness to purchase and potentially driving sales growth.
Decrease in Cost:
The localization strategy for after-sales service can reduce return shipping costs by approximately 20% annually.
Reduce future carbon tax liabilities and create opportunities in carbon credit trading, which can be translated into potential financial gains.</td><td>Products or Services:
The accelerated integration of next-gen semiconductor components in new products can effectively reduce raw material usage, while simultaneously lowering product power consumption and heat emissions.
Utilize components with high energy efficiency and launch motherboards compliant with international energy-saving regulations including C.E.C and Energy Star (e.g., EuP) to achieve energy-saving.
Increase the proportion of energy-saving and low-carbon R&D products by achieving a 20% growth in coverage rate annually.
Implement a localization strategy for after-sales service to reduce transportation-related carbon emissions.
Supply Chain and Value Chain:
Prioritize suppliers with advanced low-carbon manufacturing capabilities.
Require the supply chain to use low-carbon production materials and maintain recycling rates; encourage the supply chain to design and develop Pin-to-Pin and BOM-to-BOM compatible substitute materials to enhance product efficiency.</td></tr>
</table>
</td></tr>
<tr><td>7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.</td><td>The Company has not yet implemented internal carbon pricing but will evaluate its necessity going forward.</td></tr>
<tr><td>8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets,</td><td>Relevant management measures are disclosed in the Sustainability Report. The Company will continue to review climate-related targets and, as needed, utilize carbon offsets or Renewable Energy Certificates (RECs) to support the achievement of carbon reduction goals for sustainability.</td></tr>
</table>

the source and quantity of carbon credits or RECs to be offset should be specified. 9. Greenhouse gas inventory and assurance status, reducing goals, strategies and precise action plans (separately fill out in points 1-1 and 1-2 below).	For details, please refer to the following description

1-1 Greenhouse Gas Inventory and Assurance Status of the Company in the Most Recent Two Years:

1-1-1 Greenhouse Gas Inventory Status

Describe the emission volume (metric tons CO2e), intensity (metric tons CO2e/TWD million), and data coverage of greenhouse gases in the most recent 2 fiscal years.

The emission status over the past two years is as follows, with data covering the scope of the parent company:

Types of Emission Sources		Scope 1	Scope 2	Scope 3	Total Emission Equivalent (TonsCO_2e)	Emission Intensity (metric tonsCO_2e/ million revenue of the entity)
		Direct Emissions	Indirect Energy Emissions	Other Indirect Emissions		
2023	Emission Equivalent (metric tonsCO_2e/year)	32.4818	256.2035	90.6542	379.3395	0.1674
	Percentage by Gas Type (%)	8.56%	67.54%	23.90%	100%	
2024	Emission Equivalent (metric tonsCO_2e/year)	32.3984	224.9932	104.7272	362.1188	0.1911
	Percentage by Gas Type (%)	8.95%	62.13%	28.92%	100%	

1-1-2 Greenhouse Gas Assurance Status

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.

For the year 2023, the Company's greenhouse gas emission data has been subjected to third-party verification by GREAT International Certification Co., Ltd. under ISO 14064-3. Reasonable assurance was provided for Scope 1 and Scope 2 emissions, while limited assurance was conducted for Scope 3 through Scope 6 emissions. Although no external verification was commissioned for the year 2024, the relevant data was internally reviewed and verified by designated personnel following applicable standards to ensure the accuracy of the information.

1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

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

Since 2023, the parent company has conducted regular annual inventories of greenhouse gas emissions to understand current trends, serving as a reference foundation for future carbon reduction plan development.
In 2024, the Company’s total greenhouse gas emissions (Scope 1 and Scope 2 combined) decreased by 10.84% compared to 2023. Relevant data and management measures are disclosed in the Sustainability Report.

(7) Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Evaluation item	Implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
1. Establishment of ethical corporate management policies and programs				
(1) Does the company have an ethical corporate management policy approved by its Board of Directors, bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	V		The Company's Board of Directors has approved the establishment of the "Code of Integrity Management," "Code of Ethical Conduct," and "Integrity Management Procedures and Guidelines for Conduct." All directors and employees have signed the Integrity Commitment Letter, achieving 100% compliance.	No Difference
(2) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyses and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?	V		The Company prevented unethical conduct by formulating internal regulations and relevant laws and Regulations.	No Difference
(3) Does the company clearly set the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?	V		The management took prevention measures towards operating activities with higher unethical behavior risks in daily management.	No Difference
2. Ethical Management Practice				
(1) Does the company assess the ethics records of those it has business relationships with and include ethical conduct-related clauses in the business contracts?	V		The agreement signed by the Company contains ethical conduct clause to ensure fair and transparent business activities.	No Difference
(2) Has the company set up a dedicated unit to promote ethical corporate management under the Board of Directors, and does it regularly (at least once a year) report to the Board of Directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?	V		The Company's Management Office is responsible for promoting corporate integrity management, including advocating integrity management policies and conducting training on related topics. The progress of these efforts was reported to the Board of Directors on November 14, 2024.	No Difference
(3) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?	V		If there is a conflict of interest, the party shall recuse themselves to prevent conflict of interest. If the items in the Board of Directors' meeting conflict with interest, the party shall not participate in the discussion, excuse themselves from the venue, and not vote based on the recusal principle.	No Difference
(4) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?	V		The Company enacted the Accounting System and Internal Control System in accordance with the Securities and Exchange Act, Company Act, Business Entity Accounting Act, Regulations Governing the Preparation of Financial Reports by Public Companies and the actual business operation conditions of the Company. Internal auditors regularly review the implementation of the internal control system and report to the independent directors and the Board of Directors on the compliance conditions.	No Difference
(5) Does the company regularly provide internal and external ethical corporate management training programs?	V		The new employeesreport for duty, they will receive the on-site educational training on ethical and honesty management and sign the honesty commitment. The Company's dissemination of laws and regulations will be held every year. The Company	No Difference

<table>
<tr><td rowspan="2">Evaluation item</td><td colspan="3">Implementation</td><td rowspan="2">Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons</td></tr>
<tr><td>Yes</td><td>No</td><td>Summary description</td></tr>
<tr><td></td><td></td><td></td><td>provided the online educational training on ethical and honesty management (including insider trading prevention) to the existing employees in 2024, with 131 people attending and with 131 hours of disseminating.</td><td></td></tr>
<tr><td>3. Implementation of Complaint Procedures
(1) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistle-blowers?</td><td>V</td><td></td><td>The Company enacted the Principle of Handling the whistle-blowing with the approval from the Board of Directors. It established the convenient channels of whistle-blowing by having direct phone lines, emails and others, and having designated units with authorized duties to handle and investigate reported cases independently.</td><td>No Difference</td></tr>
<tr><td>(2) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled confidentially?</td><td>V</td><td></td><td>The Company enacted the Principle of Handling the whistle-blowing, which provided the investigating process, the process of cooperating investigation and further handling, and confidential to the whistle-blower's personal information and reported content.</td><td>No Difference</td></tr>
<tr><td>(3) Has the company adopted proper measures to protect whistle- blowers from retaliation for filing complaints?</td><td>V</td><td></td><td>The Company enacted the Principle of Handling the whistle-blowing, which provides whistle-blowers with appropriate protection measures, including confidentiality of the reporter's personal information and shall not disclose information that is sufficient to identify the whistle-blower. If the reported case is verified through investigation and its contribution and economic benefits are significant, the whistle-blower may be given appropriate rewards in accordance with the Company's internal standards or through negotiation to encourage the reporting of any abnormal behavior.</td><td>No Difference</td></tr>
<tr><td>4. Strengthening Information Disclosure
Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?</td><td>V</td><td></td><td>The Company has disclosed the Ethical Corporate Management Best Practice Principles on the Company’s Website and Market Observation Post System</td><td>No Difference</td></tr>
<tr><td colspan="5">5. If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviations between the principles and their implementation: The Company established the Ethical Corporate Management Best Practice Principles according to the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.</td></tr>
<tr><td colspan="5">6. Other important information to facilitate a better understanding of the operation status of the company’s ethical corporate management policies (e.g., reviewing and amending its ethical corporate management best practice principles): None.</td></tr>
</table>

(8) Any Other Material Information that Would Afford a Better Understanding of the Status of the Company’s Implementation of Corporate Governance: None.

(9) General Conditions of Implementation of Internal Control System:

1. Statement of Internal Control System

BIOSTAR MICROTECH INT’L CORP.
Statement of Internal Control System

Date: 13th of March, 2025

Based on the findings of a self-assessment, BIOSTAR MICROTECH INT’L CORP. states the following concerning its internal control system during the period from January 1, 2024, to December 31, 2024:

1. The Company is fully aware that establishing, operating, and maintaining an internal control system are the responsibilities of its Board of Directors and management. The Company has established such a system aimed at providing reasonable assurance regarding the achievement of objectives in the following categories: (1) effectiveness and efficiency of operations (including profitability, performance, and safeguarding of assets), (2) reliability, timeliness, and transparency of reporting in compliance with the relevant specifications, and (3) compliance with applicable laws and regulations.
2. All internal control system has inherent limitations. No matter how carefully designed, an effective internal control system can only provide reasonable assurance regarding achieving the abovementioned objectives. Moreover, the effectiveness of an internal control system may be subject to changes in the environment or circumstances. Nevertheless, the Company's internal control system contains self-monitoring mechanisms, and the Company takes corrective actions whenever a deficiency is identified, or an enhancement becomes necessary.
3. The Company evaluates its internal control system's design and operating effectiveness based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations") of the Republic of China. The Regulations identify five components of internal control based on the process of management control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring, with each component containing several further elements. Please refer to the Regulations for additional details.
4. The Company has evaluated its internal control system's design and operating effectiveness according to the criteria above.
5. Based on the results of the evaluation mentioned in the preceding paragraph, the Company believes that during the period from 1st of January 2024 to 31st of December 2024, the design and operation of its internal control system have reasonably achieved the objectives mentioned in Item 1 above, including the monitoring of operational effectiveness and efficiency, as well as the reliability, timeliness, and transparency of reporting in compliance with relevant specifications, and compliance with applicable laws and regulations.
6. This Statement is a public document that constitutes an integral part of the Company's Annual Report for the period from 1st of January 2024 to 31st of December 2024 and the Company Prospectus. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32,

171, and 174 of the Securities and Exchange Act.

7. The Board approved this Statement of Directors at the meeting held on 13th of March, 2025, and all content contained in this Statement was affirmed by the 7 Board members present at the meeting.

BIOSTAR MICROTECH INT'L CORP.

Chairperson: Ming-Yi Wang
Signed and Sealed

President: Ming-Cheng Wang
Signed and Sealed

2. If CPA was Engaged in conducting a Special Audit of the Internal Control System, Provide its Audit Report: None.

(10) Material Resolutions of a Shareholders' Meeting or a Board of Directors' Meeting During the Most Recent Fiscal Year or the Current Fiscal Year Up to the Date of Publication of the Annual Report.

Date of Meeting	Major Resolutions in the Shareholders' Meeting	Implementation
18th of June, 2024	(1) Adoption of the 2023 Business Report and Financial Statement.	The proposal is approved as proposed.
	(2) Proposal of the 2023 Deficit Compensated	The proposal is approved as proposed, with the resolution of not distributing the earnings.
	(3)Conduction of the Private Placement of Common Stocks.	The proposal is approved as proposed.
	(4)Proposal to Release the Newly Elected Directors from the Restrictions of the Non-compete Clause.	The proposal is approved as proposed.

Date of Meeting	Meeting Sessions	Major Resolutions in the Shareholders' Meeting	Independent Director Comments
29th of January, 2024	First Meeting of 2024	(1) Adoption of Managerial Personnel's Bonuses (Note 1) (2) Adoption of 2024 Business Report (3) Appointment of CPA	Approved as Proposed
1th of March, 2024	Second Meeting of 2024	(1) Adoption of 2023 Financial Statement and Business Report (2) Planning on enactment of 2023 Appropriation of Profit or Loss (3) Re-election of the Company's Directors (4) Planning on the establishment of the 2024 regular shareholders' meeting (5) The Remuneration of Directors (including Independent Directors) of the Company (Note 2) (6) Preparing the Internal Control Statement of 2023 (7) Amendment to the Company's Internal Control System (8) Adoption of the Application of Loan Commitment to the Bank.	Approved as Proposed
3th of May, 2024	Third Meeting of 2024	(1) Adoption of 2024 First Quarter Consolidated Financial Statement (2) Nomination and Review the List of Directors Candidates (including Independent Directors and reviewing the proposal from shareholders (3) Proposal to Release the Newly Elected Directors from the Restrictions of the Non-compete Clause (4) Conduction of Private Placement of Common Stock (5) Conditions of the Company funding to others	Approved as Proposed
18th of June, 2024	Fourth Meeting of 2024	(1) Chairman Election (2) Proposal for the Reappointment of Members to the Company's Remuneration Committee	Approved as Proposed
7th of August, 2024	Fifth Meeting of 2024	(1) Adoption of 2024 Second Quarter Consolidated Financial Statement (2) Approval of the Company's 2023 Sustainability Report	Approved as Proposed
14th of November, 2024	Sixth Meeting of 2024	(1) Adoption of 2024 Third Quarter Consolidated Financial Statement (2) Establishment of 2025 Audit Plan (3) Amendment of Internal Control System (4) Establishment of 2024 Audit Plan	Approved as Proposed
13th of January, 2025	First Meeting of 2025	(1) Adoption of Managerial Personnel's Bonuses (Note 1) (2) Adoption of 2025 Business Plan (3) Remuneration for the Certified Public Accountant (4) Appointment of the Certified Public Accountant (5)Amendment of the Company's "Standard Operating Procedures for Handling Directors' Requests" (6)Establishment of the Company's "Risk Management Policies and Procedures"	Approved as Proposed
13th of March, 2025	Second Meeting of 2025	(1) Adoption of 2024 Directors and Employees Remuneration (2) Compensation of the Company's Senior Management Positions (3) Adoption of 2024 Financial Statement and Business Report (4) Proposed of 2024 Earning Distribution (5) Report on Private Placement of Common Shares (6) Conditions of the Company funding to others (7) Definition of "Entry-Level Employees" of the Company (8) Proposal to Amend the Company's Articles of Incorporation (9) Investing in Securities through Centralized Trading Markets or Securities Broker Offices (10) Proposed on the relevant matters of the Company's 2025 Regular Shareholders' Meeting (11) Preparing 2024 Internal Control System Statement (12) Adoption of the Application of Loan Commitment to the Bank	Approved as Proposed
6th of May, 2025	Third Meeting of 2025	(1) Adoption of 2025 First Quarter Consolidated Financial Statement	Approved as Proposed

Note 1: Except for Chairman Wang Ming-I and Director Wang Ming-Cheng, who have recused themselves due to a conflict of interest in this case, the remaining attending directors have agreed to approve the proposal.

Note 2: All directors (including independent directors) have a conflict of interest in this case. After the directors with conflicts of interest recused themselves from the discussion, the remaining attending directors agreed to approve the proposal.

(11) During the Most Recent Fiscal Year or the Current Fiscal Year Up to the Date of Publication of the Annual Report, a Director or Supervisor has Expressed a Dissenting Opinion concerning a Material Resolution Passed by the Board of Directors, and said Dissenting Opinion had been Recorded or Prepared as a Written Declaration, Disclose the Principal Content thereof: None.

4. Information on CPA Professional Fees

(1) Amounts of Audit Fees and Non-Audit Fees Paid to the Attesting CPAs and to the Accounting Firm to which they belong and to any Affiliated Enterprises as well as the Details of Non-Audit Service

Audit Fee

Unit of Amount: NT$ Thousand

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-Audit Fee	Total	Remarks
Deloitte & Touche	Alice Fang	2024.1.1~2024.12.31	3,250	96	3,346	Non-Audit – Fare, Typing and Printing Fees of Financial Statements and others.
	Stephen Schou	2024.1.1~2024.12.31				

(2) In the Event of a Change in Accounting Firm Where the Audit Fees Paid for the Fiscal Year in Which Such Change Took Place are Lower Than Those for the Previous Fiscal Year, the Number of Audit Fees Before and After Said Change and The Reasons Should Be Disclosed: None.

(3) In the Event Where Audit Fes Paid for the Current Fiscal Year are Lower Than Those of the Previous Fiscal Year by More Than 10 Percent, Reductions in the Number of Audit Fees, Reduction Percentage, and Reason(s) Should be Disclosed: None.

5. Replacement of CPA: None.

6. In the Event Where the Corporate Chairperson, General Manager, or Any Managerial Officer in Charge of Finance or Accounting Matters Has in the Most Recent Year Held a Position at the Accounting Firm of its Certified Public Accountant or an Affiliated Enterprise of Said Accounting Firm, the Name and Position of the Person, and the Period During Which the Position was Held, Should be Disclosed: None.

7. Changes in Shareholding of Directors, Managerial Officers and Major Shareholders and Information of Stock Transfer or Stock Pledge

Title	Name	The year 2024		As of 22rd of April of the current Year	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairperson	Ming-Yi Wang	—	—	—	—
Director	Ming-Cheng Wang (Note 1)	—	—	—	—
Director	Wen-Shone Shiau	—	—	—	—
Director	Tsung-Hui Tsai	—	—	—	—
Independent Director	Tsun-Kuo Wang	—	—	—	—
Independent Director	Wen-Hsiung Chan	—	—	—	—
Independent Director	Pao-Chin Chuang	—	—	—	—
Independent Director	Chiao-Yu Chou	—	—	—	—
Managerial Officers	Kun-Te Lin	—	—	—	—
Managerial Officers	Chi-Chang Hsu	—	—	—	—
Managerial Officers	Sheng-Chi Lin	—	—	—	—
Managerial Officers	Wei-Pin Li	—	—	—	—
Managerial Officers	Ching-Hung Chen	—	—	—	—
Managerial Officers	Guo-jen Huang	—	—	—	—
Managerial Officers	Han-ern Tsai	—	—	—	—
Managerial Officers	Chung-Tzu Cheng	—	—	—	—

Note 1: Concurrent served as President

Note 2: Information of the Counterpart and its Relationship of Transfer of Equity Interests and/or Pledge of or change in Equity Interest: None.

8. Information Disclosing the Spouse, Kinship within the Second Degree, and Relationship between any of the Top Ten Shareholders:

22rd of April, 2025

Name	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees of Kinship		Remarks
	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Name	Relationship	
Yi Li Co., Ltd.	8,447,596	4.74%	-	-	-	-	Ming-Yi Wang Ming-Cheng Wang	Chairperson of Yi Li Co., Ltd. President of Yi Li Co., Ltd.	
Representatives: Ming-Yi Wang	6,997,958	3.93%	1,359,516	0.76%	-	-	Ming-Cheng Wang Yueh-Jui Chen	Relatives Within Two Degrees of Kinship Spouse	
Ming-Yi Wang	6,997,958	3.93%	1,359,516	0.76%	-	-	Ming-Cheng Wang Yueh-Jui Chen	Relatives Within Two Degrees of Kinship Spouse	
Ming-Cheng Wang	6,409,433	3.60%	923,162	0.52%	-	-	Ming-Yi Wang	Relatives Within Two Degrees of Kinship	
JPMorgan Securities Co., Ltd. acting as custodian for JPMorgan Chase Bank, N.A.	2,611,203	1.47%	-	-	-	-	-	-	
HSBC Bank (Taiwan) Limited, acting as custodian for Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	2,314,000	1.30%	-	-	-	-	-	-	
Standard Chartered Bank International Commercial Banking Division, acting as custodian for Standard Chartered Bank (Hong Kong) Limited – External Account Manager JPMorgan Investment Account	2,013,000	1.13%	-	-	-	-	-	-	
Citibank (Taiwan) Commercial Bank, acting as custodian for Berkeley Capital Securities	1,657,000	0.93%	-	-	-	-	-	-	
Deutsche Bank Taipei Branch, acting as custodian for the SPDR® Index Shares Fund's PDR Portfolio Emerging Markets ETF Investment Account	1,469,384	0.83%					-	-	
Yueh-Jui Chen	1,359,516	0.76%	-	-	-	-	Ming-Yi Wang	Spouse	
HSBC Bank (Taiwan) Limited, acting as custodian for Morgan Stanley International Limited Investment Account	1,137,093	0.64%	-	-	-	-	-	-	

9. The total number of shares and total equity stake held in any single enterprise by the company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the company

Total Ownership of Shares in Investee Enterprises

31st of March, 2025;Unit: Shares;%

Investee Enterprise (Note)	Investment by the Company		Investment by the Directors, Supervisors, Managerial Officers and Directly and Indirectly Controlled Entities of the Company		Total Investment	
	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio
GARNET INTERNATIONAL CORPORATION	10,700,000	100.00%	—	—	10,700,000	100.00%
BIOSTAR MICROTECH (U.S.A.) CORP.	3,000,000	100.00%	—	—	3,000,000	100.00%
BIOSTAR MICROTECH EUROPE HOLDING B.V.	10	100.00%	—	—	10	100.00%
IMMENSE WEALTH INTERNATIONAL LIMITED	1,000,000	100.00%	—	—	1,000,000	100.00%

Note: This refers to investee enterprises where the Company makes long-term investments using the equity method.

III. Fund Raising

1. Capital and Shares

Month/Year	Par Value (NT$)	Authorized Capital		Paid-In Capital		Remarks		
		Shares (Thousands of Shares)	Amount (NT$ Thousand)	Shares (Thousands of Shares)	Amount (NT$ Thousand)	Source of Capital	Property Other than Cash is Paid by Subscribers	Others
08/1990	10	5,000	50,000	5,000	50,000	Establishment	—	—
09/1991	10	19,000	190,000	10,000	100,000	Seasoned Equity Offering NT$ 50,000 Thousand	Capital Contributions by Claims NT$ 37,000 Thousand	—
12/1995	10	19,000	190,000	16,000	160,000	Transferred to Common Stock from Capital Surplus NT$ 60,000 Thousand	—	—
07/1997	10	32,000	320,000	24,000	240,000	Transferred to Common Stock from Capital Surplus NT$80,000 Thousand	—	—
07/1997	20	32,000	320,000	32,000	320,000	Seasoned Equity Offering NT$ 80,000 Thousand	—	Note 1
06/1998	10	80,000	800,000	45,350	453,500	Transferred to Common Stock from Capital Surplus NT$ 128,000 Thousand Transferred to Common Stock from Employee Bonuses NT$ 5,500 Thousand	—	Note 2
06/1999	40	80,000	800,000	60,350	603,500	Seasoned Equity Offering NT$ 150,000 Thousand	—	Note 3
09/1999	10	80,000	800,000	70,806	708,060	Transferred to Common Stock from Capital Surplus NT$ 96,560 Thousand Transferred to Common Stock from Employee Bonuses NT$ 8,000 Thousand	—	Note 4
09/1999	10	160,000	1,600,000	86,000	860,000	Transferred to Common Stock from Capital Surplus NT$ 141,612 Thousand Transferred to Common Stock from Employee Bonuses NT$ 10,328 Thousand	—	Note 5
07/2001	10	170,000	1,700,000	86,000	860,000	—	—	—
09/2003	10	170,000	1,700,000	97,120	971,200	Transferred to Common Stock from Capital Surplus NT$ 103,200 Thousand Transferred to Common Stock from Employee Bonuses NT$ 8,000 Thousand	—	Note 6
09/2004	10	170,000	1,700,000	109,100	1,091,000	Transferred to Common Stock from Capital Surplus 97,120 Thousand Transferred to Common Stock from Employee Bonuses NT$ 22,680 Thousand	—	Note 7
03/2005	9	170,000	1,700,000	154,100	1,541,000	Common Stock from Private Placement NT$ 450,000 Thousand Private Placement Price per Share NT$ 9	—	Note 8
09/2006	10	220,000	2,200,000	161,200	1,612,000	Transferred to Common Stock from Capital Surplus NT$ 61,640 Thousand Transferred to Common Stock from Employee Bonuses NT$ 9,360 Thousand	—	Note 9

08/2007	10	220,000	2,200,000	167,300	1,673,000	Transferred to Common Stock from Capital Surplus NT$ 32,240 Thousand Transferred to Common Stock from Employee Bonuses NT$ 28,760 Thousand	—	Note 10
09/2008	10	220,000	2,200,000	178,100	1,781,000	Transferred to Common Stock from Capital Surplus NT$ 66,920 Thousand Transferred to Common Stock from Employee Bonuses NT$ 41,080 Thousand	—	Note 11

Note 1: Approved By Tai Tsai Cheng (Yi) No. 35626 Letter issued in 1997 on 7th of May, 1997.
Note 2: Approved By Tai Tsai Cheng (Yi) No. 36006 Letter issued in 1998 on 29th of April, 1998.
Note 3: Approved By Tai Tsai Cheng (Yi) No. 110185 Letter issued in 1999 on 2nd of March, 1999.
Note 4: Approved By Tai Tsai Cheng (Yi) No. 70639 Letter issued in 1999 on 30th of July, 1999.
Note 5: Approved By Tai Tsai Cheng (Yi) No. 59913 Letter issued in 2000 on 11th of July, 2000.
Note 6: Approved By Tai Tsai Cheng Yi Tzu No. 0920131359 Letter issued on 14th of July, 2003.
Note 7: Approved By Chin Kuan Cheng Yi Tzu No. 0930132016 Letter issued on 19th of July, 2004.
Note 8: Approved By Ching Shou Shang Tzu No. 09501046850 Letter issued on 20th of March, 2006.
Note 9: Approved By Chin Kuan Cheng Yi Tzu No. 0950129524 Letter issued on 10th of July, 2006.
Note 10: Approved By Chin Kuan Cheng Yi Tzu No. 0960035314 Letter issued on 10th of July, 2007.
Note 11: Approved By Chin Kuan Cheng Yi Tzu No. 0970036198 Letter issued on 17th of July, 2008.

Unit: Shares; 22th of April, 2025

Share Type	Authorized Capital			Remarks
	Issued Shares	Unissued Shares	Total Shares	
Common Stock Inscribed	178,100,000	121,900,000	300,000,000	—

Note: The shares of the company as listed shares.

2. List of Major Shareholders

22rd of April, 2025

Shares / Major Shareholders	Number of Shares	Ratio of Shareholding
Yi Li Co., Ltd.	8,447,596	4.74%
Ming-Yi Wang	6,997,958	3.93%
Ming-Cheng Wang	6,409,433	3.60%
JPMorgan Securities Co., Ltd. acting as custodian for JPMorgan Chase Bank, N.A.	2,611,203	1.47%
HSBC Bank (Taiwan) Limited, acting as custodian for Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	2,314,000	1.30%
Standard Chartered Bank International Commercial Banking Division, acting as custodian for Standard Chartered Bank (Hong Kong) Limited – External Account Manager JPMorgan Investment Account	2,013,000	1.13%
Citibank (Taiwan) Commercial Bank, acting as custodian for Berkeley Capital Securities	1,657,000	0.93%
Deutsche Bank Taipei Branch, acting as custodian for the SPDR® Index Shares Fund's PDR Portfolio Emerging Markets ETF Investment Account	1,469,384	0.83%
Yueh-Jui Chen	1,359,516	0.76%
HSBC Bank (Taiwan) Limited, acting as custodian for Morgan Stanley International Limited Investment Account	1,137,093	0.64%

3. Company's Dividend Policy and Implementation

(1) The Company's Policy on Dividends

According to the company's articles of incorporation, if there is any surplus in the company's annual accounts, taxes shall be paid per the law. After making up for accumulated losses, an additional 10% shall be set aside as the statutory surplus reserve. However, when the statutory surplus reserve has reached the paid-in capital of the company, it may not be set aside, and the rest shall be set aside or converted into a special surplus reserve per laws and regulations; If there is still a balance and accumulated undistributed surplus, the Board of Directors shall draft a surplus distribution proposal and submit it to the shareholders' meeting for resolution on distributing dividends and bonuses to shareholders.

The industrial environment in which our company operates is a stable and growing information industry. In order to support the company's long-term business development, future funding needs, and long-term financial planning, as well as meet shareholders' demand for cash inflows, our company mainly distributes cash dividends, which may be matched with some stock dividends. The cash above dividend distribution ratio is 50% to 100% of the total dividend distribution. The distribution ratio of stock dividends is from 0% to 50% of the total amount of dividends distributed.

(1) The Proposed Dividend Distribution of this Shareholders' Meeting

The Company's unappropriated retained earnings at the beginning of the year amounted to TWD 24,270,267. An additional TWD 10,179,928 was recognized in retained earnings due to remeasurements of defined benefit plans in FY2024. Together with the profit after-tax of TWD 6,619,542 for the year, and after deducting TWD 1,679,947 for the earnings legal reserve following statutory requirements, the total distributable earnings for the year amount to TWD 39,389,790. In consideration of the Company's business development and the funding requirement, the aforementioned unappropriated retained earnings are planned to be retained in whole and not for distribution.

(3) Material Change in Dividend Policy is Expected: None.

4. Effect upon Business Performance and Earnings per Share of any Stock Dividend Distribution proposed or adopted at the most recent Shareholders' Meeting

The company has not planned the stock dividend proposal in this shareholders' meeting.

5. Compensation of Employees, Directors, and Supervisors

(1) The Percentages or Ranges concerning Employee, Director, and Supervisor Profit-Sharing Compensation, as outlined in the Company's Articles of Incorporation.

If the company is gaining profit within the year shall allocate 5 to 15 percent as the employee's compensation and determined in the form of stock or cash dividend by the resolution of the Board of Directors and the qualified requirement, including the employees of subsidiaries of the company meeting a certain specific requirement. The amount mentioned above of profit may allocate not more than 3% as the remuneration of the directors and supervisors. Compensation and Remuneration of the Employees, the directors and the supervisors shall propose to the shareholders' meeting.

If the company has accumulated loss, it shall retain the amount to cover up the loss. It shall allocate the compensation and remuneration of the employees, directors and supervisors per the abovementioned percentage.

(2) The basis for estimating the amount of employee, director, and supervisor profit-sharing compensation, for calculating the number of shares to be distributed as employee profit-sharing compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period.

1. The basis for estimating the amount of employee, director, and supervisor profit-sharing compensation: Estimate the remuneration of employees, directors and supervisors in accordance with the percentage provided by the Articles of Incorporation of the Company. The Company didn't recognize the employees' and directors' remuneration due to the loss this year.
2. The basis for calculating the number of shares to be distributed as employee profit-sharing compensation: Not Applicable.
3. the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period: Treated as the Changes in Accounting Estimates and will adjust in the following year.

(3) Information on any approval by the Board of Directors of distribution of profit-sharing compensation:

1. The amount of any employee profit-sharing compensation and director and supervisor profit-sharing compensation distributed in cash or stocks. If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed: The Board of Directors approved the distribution of employee and directors’ compensation and remuneration on the 13th of Match, 2025. The recognized employee compensation was NT$ 4,118,042, the directors’ remuneration was NT$ 658,886, and the aforementioned distribution was made in cash, with no difference to the amount recognized on the 2024 Financial Statement.
2. The amount of any employee profit-sharing compensation distributed in stocks and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee profit-sharing compensation: Not Applicable.

(4) The actual distribution of employee, director, and supervisor profit-sharing compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and the stock price of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor profit-sharing compensation, additionally the discrepancy, cause, and how it is treated.

The Company didn't recognize the employees' and directors' remuneration due to the loss this year as the total recognized in the 2023 financial statement.

6. Status of the Company Repurchasing its Own Shares: None.

7. Information on Corporate Bonds: None.

8. Information on Preferred Stock: None.

9. Information on Global Depository Receipts: None.

10. Information on Employee Stock Options: None.

11. New Shares Issuance in Connection with Mergers and Acquisitions: None.

12. New Shares Issuance in Connection with Mergers and Acquisitions: None.

13. Implementation of Capital Utilization Plans: None.

IV. Operational Overview

1. A Description of the Business

(1) Scope of Business

1. Main Content and Proportion of the Operating Business.

The Company’s main business scope includes development, design, research and development, manufacturing and sales of the computer's motherboard, Industrial PC, VGA and other peripheral software and hardware. The consolidated operating income mainly contributed by the computer motherboard in 2024 and consists of 56% (Please refer to the table below)

Unit: NT$ Thousand

Item	Amount	Percentage
Computer Motherboard	1,130,081	56%
VGA	230,054	11%
Industrial PC	191,135	10%
Other	467,414	23%
Total	2,018,684	100%

2. Current Products and Service Items of the Company

(1) Motherboard of Personal Computers

(2) Industrial PC

(3) VGA

3. Planning on the development of new products and services

(1) Launch motherboards targeting mainstream mid-sized system integrators in the market.

(2) Develop motherboards and systems that meet the requirements of edge computing.

(3) Develop touchscreen systems designed for smart retail applications.

(4) Develop motherboards tailored for smart manufacturing.

(5) Develop NV edge computing AI systems based on the Jetson Orin platform.

(6) Continue planning the introduction of high-end graphics card series based on the AMD RDNA 4 architecture. The Company is anticipating to deliver significant improvements in gaming performance, ray tracing effects, and artificial intelligence (AI) processing capabilities.

(2) Industrial Overview

1. Industrial Overview and Development

<u>Computer Motherboard</u>

In 2024, overall demand for PCs remained stable; however, disruptions related to Intel’s quality and organizational challenges impacted demand from certain customers. Additionally, emerging markets experienced cost increases due to currency fluctuations, resulting in a market contraction for the full year. Looking ahead to 2025, driven by corporate upgrades to Windows 11 and increased hardware demand fueled by AI applications, and assuming a stable macroeconomic and political environment, the PC market is expected to gradually recover.

<u>Industrial PC</u>

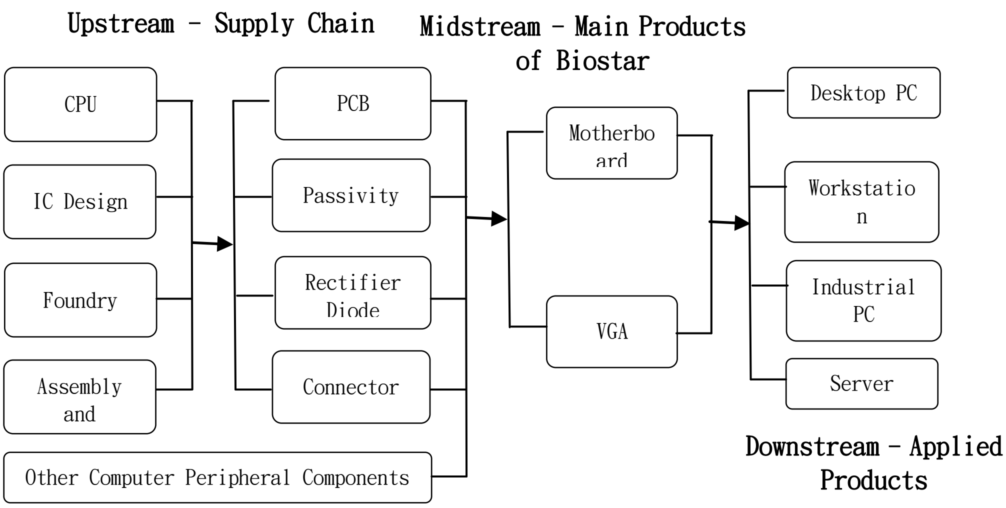
In 2024, the demand for industrial computers was relatively weak in the first half of the year due to inventory adjustments. However, in the second half, customers began replenishing their inventories, leading to a gradual recovery in demand. Overall, the industrial computer market experienced modest growth for the full year. With the rapid development of artificial intelligence (AI) technologies and the implementation of more related applications, it is expected that, under the framework of smart city development, edge computing will face increasingly diverse demands in areas such as smart retail, smart manufacturing, and intelligent transportation.

<u>VGA</u>

The graphics card industry is currently undergoing rapid transformation and development, driven in particular by emerging technologies such as artificial intelligence (AI) and deep learning. These advancements continue to propel innovation in graphics card technologies. The gaming industry remains a key driving force in the graphics card market. With enhancing graphics quality and the rise of virtual reality (VR) as well as augmented reality (AR) technologies, demand for high-performance graphics cards continues to grow. However, challenges such as the global chip shortage have impacted the graphics card industry, resulting in supply constraints and more pressure on prices.

At the same time, the growing emphasis on environmental protection and sustainable development has prompted the graphics card industry to strengthen efforts in power consumption control, carbon emission reduction, and the exploration of renewable materials and circular economy solutions. Overall, despite challenges such as supply chain disruptions, technological hurdles, and intensified market competition, the graphics card industry continues to demonstrate strong growth potential. With ongoing technological advancements and increasing market demand, the industry is expected to maintain its momentum of growth into the future.

2. The Links Between the Upstream, Midstream, and Downstream Segments of the Industry



3. Development Trends and Competition for the Company's Products.

Computer Motherboard

In 2024, the PC market exhibited an extension of the prior market situations, with major brands increasingly capturing market share from white-label manufacturers, leading to a continued decline in demand within the clone market. In response to this market trend, the Company has been proactively adjusting its operational strategy, focusing on the commercial segment and specific application needs as the direction for future product planning. By prioritizing quality service over lower prices, the Company aims to earn customer trust and deliver Biostar's unique value.

Industrial PC

The industrial PC sector continues to shift toward demand for comprehensive solutions, with components and hardware no longer serving as the industry’s primary focus. In 2025, the Company will focus on integrating internal and external resources, while working closely with strategic alliances across upstream and downstream partners. The objective is to enhance service offerings while helping customers reduce product development time and accelerate the adoption of new products.

VGA

In the past few years, graphics card (VGA) products have undergone rapid development, with performance continuously improving in response to increasing demand for gaming and graphic applications. Major manufacturers have successively launched graphics cards with more powerful processing capabilities, larger memory capacity, and higher frequencies to meet the demands of high-end users for gaming and graphic processing.

For gaming enthusiasts, ray tracing technology and AI-enhanced graphics processing have become key features that attract consumers In addition, energy efficiency and environmental sustainability have become key focuses in graphics card design, with manufacturers striving to reduce power consumption while enhancing performance to meet users’ demands for eco-friendly solutions. However, the global chip shortage and supply chain challenges have impacted the graphics card industry, with manufacturers having to address issues such as insufficient chip supply and production delays, which may affect product delivery times and pricing. The graphics card market is highly competitive, with major manufacturers actively engaging in price competition, particularly in the mid- to low-end segments, by offering cost-effective products to capture a larger market share.

(3) An overview of the company's technologies and its research and development work

1. Research and Development Expenditures

Unit: NT$ Thousand

Item / Year	The year 2024	As of 31st of March, 2025 of the Current Year
Research and Development Expenditures	71,130	19,499
Research and Development Expenditures to the Net Operating Income	3.52	3.91

2. Technologies and/or Products Successfully Developed

Please refer to I Letter to Shareholders, 1. 2024 Operating Result, (5) Research and Development Conditions.

3. Future Development and Research Plan and the Expected Research and Development Expenditures

The annual R&D expenditure for the upcoming year is expected to be maintained at around 3% of the revenue. Future R&D plans will continue to focus on computer motherboards, industrial computers, and graphics cards, in line with customer and market demands. For representative R&D projects, please refer to the Risk Assessment under V Overview of the Company's Financial Status.

(4) The Company's Long- and Short-Term Business Development Plans.

Product Line	Short-Term Business Development Plan	Long-Term Business Development Plan
Computer Motherboard	1. Mainstream system integration motherboards. 2. Motherboards customized to meet system integrators' requirements.	1. Multi-form factor PC and AI application products. 2. SoC Motherboards.
Industrial PC	1. x86 Application Motherboards. 2. x86 bare bone	1. Artificial Intelligence Edge Computing Systems. 2. Edge Computing Devices.
VGA	1. Continuously launch AMD RX9000 series gaming graphics cards.	1. Expand gaming graphics card distribution channels to increase AMD graphics card market share.

2. An Analysis of the Market as well as the Production and Marketing Situation

(1) Market Analysis

1. Regions of Main Products Sales

Unit: NT$ Thousand

Amount\Year Region	The year 2023	The year 2024
	Amount	Amount
Asia Pacific	1,856,818	1,720,232
America	253,340	143,350
Europe	234,277	155,102
Total	2,344,435	2,018,684

2. Market Shares

As a company engaged in the development, design, research and development, manufacturing, and sales of computer motherboards, it is difficult to accurately rank the company's position and market share among competitors due to the lack of complete market share data.

3. Future Supply, Demand and Growth of the Market

(1) Computer Motherboard Market

A. Future Demand

Looking ahead to 2024, the upgrade demand driven by Windows 11 and the implementation of AI applications requiring hardware enhancements are expected to gradually revive the PC market.

B. Future Supply

The explosive growth of AI and related applications has heavily consumed semiconductor production capacity, resulting in the marginalization of the PC industry once again. Shortages of high-end CPUs and GPUs have forced customers to postpone their upgrade plans. Meanwhile, the low-end market has experienced oversupply due to shortages in the high-end segment, leading manufacturers to engage in aggressive price-cutting in order to compete for market share and maintain sales performance.

(2) Industrial PC Market

A. Future Demand

Due to the unexpected rapid development of artificial intelligence regulations, applications such as smart factories, smart retail, smart transportation, and smart security continue to inject new demand and vitality into the industrial computer sector.

B. Future Supply

In addition to the numerous existing competitors, the increasing demand has led to a continuous influx of new entrants, which has not reduced competition. However, the situation has provided customers with more options.

(3) VGA Market

A. Future Demand

With the continued evolution of gaming, AI, and other high-performance computing fields, the demand for high-performance graphics cards is expected to keep growing in the future. However, market competition and technological advancements will place higher demands on manufacturers to meet the ever-changing market needs.

B. Future Supply

Visioning the next step, it is expected that the gaming graphics card market will continue to be influenced by the development of AI technologies, with product performance and features continually improving. Competition among major manufacturers will intensify, and consumers can expect to benefit from higher performance and more cost-effective product options. At the same time, with the increasing penetration of AI across various fields, the application scope of graphics cards will expand, and market demand is expected to grow further.

4. Competition Niche

(1) Years of experience in motherboard hardware R&D.
(2) Familiarity with upstream and downstream supply chains.
(3) Deep connections in motherboard distribution channels and understanding of customer behaviors.

5. Positive and Negative Factors for Future Development and the Company's Response to Such Factors.

Item	Positive Factors	Negative Factors
The motherboard market is mature and continues to shrink	■ AI development drives increased hardware demand, accelerating device replacement needs. ■ AMD's market share has significantly increased, which will drive the demand for AMD motherboards and ease the pricing pressure on Intel in the market.	■ The brand is less prominent compared to competitors, and the market is shifting towards mid-to-high-end products. ■ The Chinese supply chain is engaging in price-cutting competition. ■ The focus of Intel and AMD's development is no longer on consumer PC products.
Motherboard for Industrial PC	■ x86 remains the mainstream architecture in the PC market. ■ The development of artificial intelligence will lead to even more diversified industrial applications.	■ The variety of demand is too diverse, making integration a key challenge. ■ There is a shortage of human resources and a lack of strategic partnerships.
VGA	■ Growth of the Gaming and eSports Market As the gaming industry continues to grow, the demand for high-performance graphics cards is also expected to increase. ■ AI-assisted rendering technologies, such as NVIDIA's DLSS and AMD's FSR, enhance image quality and performance, driving consumers to upgrade their systems.	■ Intense Market Competition and Price Pressure The competition among the three giants—NVIDIA, AMD, and Intel—has intensified, with escalating price-cutting wars that are corrosing profit margins. ■ Unstabled Supply Chain and Raw Materials 1. Limited semiconductor production capacity and rising foundry costs have impacted the stability of graphics card supply and increased production costs. 2. Price fluctuations of key materials (such as GDDR memory) have led to increased production costs.

Response Measures:

(1) Expand the AMD product line and grow alongside AMD.

(2) Target commercial clients by offering enhanced services to alleviate pricing pressure.

(3) Invest in the development of AI and edge computing products to create new market opportunities.

(4) Pursue strategic partnerships to build a comprehensive industrial PC manufacturing ecosystem.

(2) Important Functions and Manufacturing Process of Main Products

1. Important Functions of Main Products

(1) The personal computer motherboard is the primary component of a personal computer system.

(2) Personal desktop computers offer essential functions including word processing, spreadsheet management, multimedia applications, internet access, online gaming, e-sports, and digital content creation.

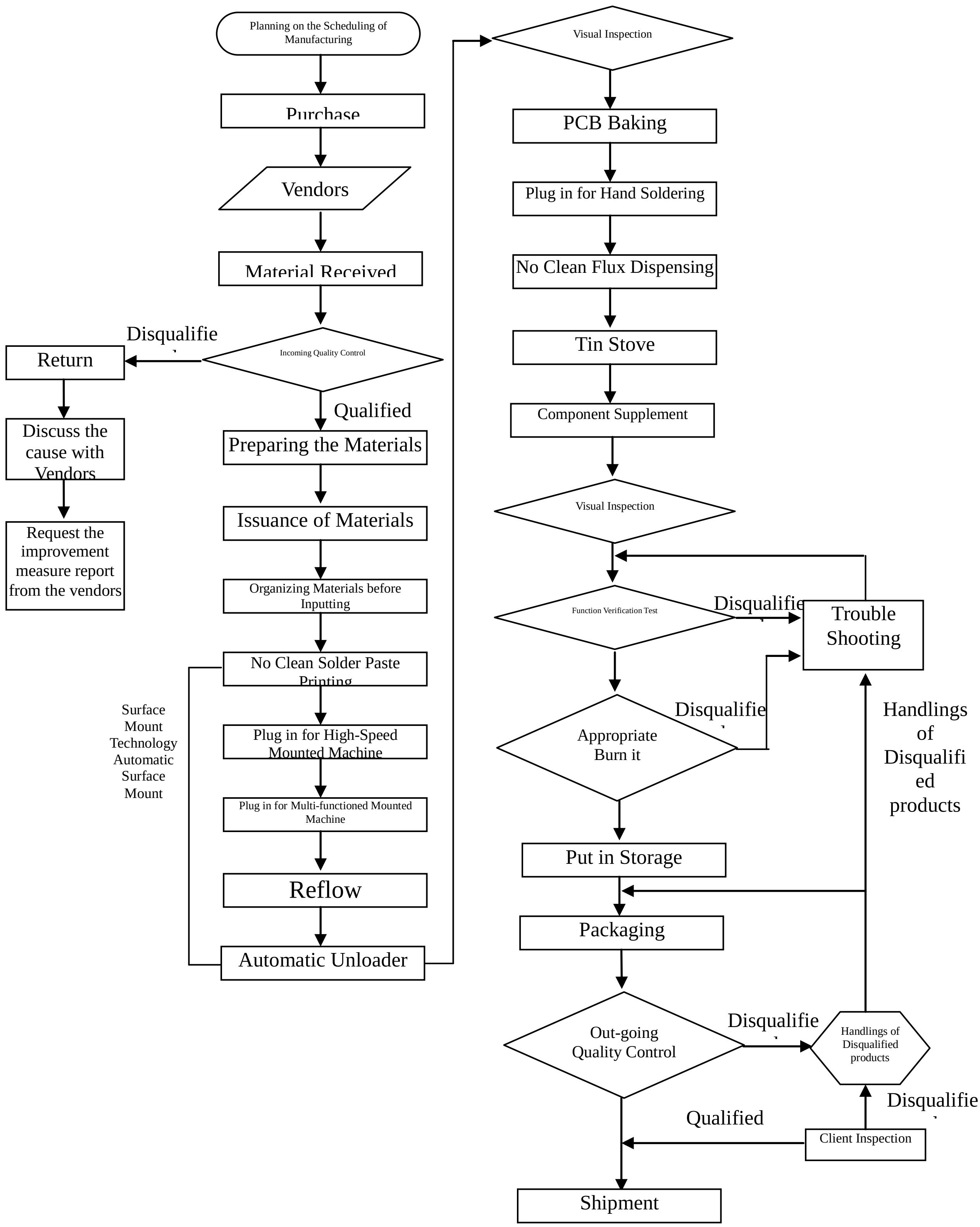
(3) The POS (Point of Sale) motherboard serves as the core component of POS computer systems and is also applicable in kiosks and smart retail environments.

(4) Industrial computer motherboards/systems are primarily used in smart factories, smart security, and other AIoT/IoT applications.

(5) Graphics cards are essential for 3D rendering, design drawing, online gaming, and eSports.

2. Manufacturing Process of Main Products

The Manufacturing process of the Motherboard



(3) Supply Condition of Main Raw Materials

Name of Raw Material	Vendors of Raw Materials
Chips	World Peace Industrial Group; AMD
Printed Circuit Board	GLOBAL BRANDS MANUFACTURE LTD.; Trustech Electronics Co., Ltd.
CPU Socket	LOTES CO., LTD; SUPERCON TECHNOLOGY CO., LTD.
PWM	TECHMOSA INTERNATIONAL INC., FRONTEK TECHNOLOGY CORPORATION
Polymer	APAQ TECHNOLOGY CO., LTD
Capacitor, Resistor	YAGEO CORPORATION

Most of the major raw material suppliers are well-established domestic and international manufacturers with good quality and reputations. They have had long-standing relationships with our company, and we have a stable cooperation with them. The supply of major raw materials is abundant, and there is no shortage of production sources.

(4) List of Major Suppliers and Clients in the Most Recent 2 Years

Information on Major Vendors for the Most Recent 2 Years

Unit: NT$ Thousand

Year	The year 2023		The year 2024		As of the 31st of March, 2025 of the Current Fiscal Year		
Name of Vendors	Amount	Percentage of Annual Net Purchase %	Amount	Percentage of Annual Net Purchase %	Amount	Percentage of Net Purchases Up to the Preceding Quarter of the Current Fiscal Year %	Relationship with the Issuer
W.P.I.C.L	432,074	22	477,069	37	141,699	36	None
T.S	305,044	16	162,857	13	54,593	14	None
Other	1,184,088	62	652,568	50	195,501	50	None
Net Purchase	1,921,206	100	1,292,494	100	391,793	100	

Information on Major Clients for the Most Recent 2 Fiscal Years

Unit: NT$ Thousand

Year	The year 2023		The year 2024		As of the 31st of March, 2025 of the Current Fiscal Year		
Name of Clients	Amount	Percentage of Annual Net Sales (%)	Amount	Percentage of Annual Net Sales (%)	Amount	Percentage of Net Sales Up to the Preceding Quarter of the Current Fiscal Year %	Relationship with the Issuer
A	132,338	6	277,177	14	-	-	None
B	249,013	11	151,112	7	17,891	4	None
C	17,410	1	111,791	6	102,136	20	None
Others	1,945,674	82	1,478,604	73	378,400	76	None
Net Sales	2,344,435	100	2,018,684	100	498,427	100	

Note：Adjustments made by Customers A and C are solely due to fluctuations in customer demand.

3. The Number of Employees Employed for the 2 Most Recent Fiscal Years, and during the Current Fiscal Year up to the Date of Publication of the Annual Report

31st of March, 2024

Year		The year 2023	The year 2024	As of 31st of March, 2025 of the current year
Number of Employees	Direct Employees	0	0	0
	Indirect Employees	134	131	128
	Total	134	131	128
Average Age		45.10	46.03	46.11
Average Years of Service		13.22	13.43	13.50
Percentage of Distribution on the Educational Background of the Employees (%)	PhD	0	0	0
	Master's Degree	13.43	12.21	10.16
	University/College	81.34	82.44	84.38
	High School	4.48	4.58	4.69
	High School and Below	0.75	0.76	0.78

4. Disbursements for Environmental Protection

Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents, an estimate of possible expenses that could be incurred currently and in the future, and measures being or to be taken: None

5. Labor Relations

(1) The Employee Welfare Measures

Our company complies with legal requirements by allocating employee welfare funds and establishing an Employee Welfare Committee approved by the competent authority to handle various employee welfare matters. The operational rules and regulations related to these matters are formulated per relevant laws and regulations and are outlined in the Charter of the Employee Welfare Committee for compliance. The current key welfare measures are as follows:

(i) The company provided, in accordance with the law: National Health Insurance, Labor Insurance, Contribution of Pension, Contribution of Wage Arrears Payment Fund.

(ii) The company provided, in addition: Bonuses for Major Holidays, Performance Bonuses, Subsidy for Marriage, Childbirth and Funeral, and Subsidy for Overseas or Domestic Travel.

(iii) Planning by the Employee Welfare Committee: Gifts for the Major Holidays, Wedding and Funeral Arrangements Subsidy, Employee Birthdays and Organization of various travel.

(2) Advanced Courses and Educational Training of Employees

The company proposes training plans for professional personnel improvement, operational process improvement, and various training by various units. It arranges internal training instructors or outsourced training to enable employees to self-enhance their academic abilities every year.

(3) Pension System

The Implementation of the Labor Pension Act since the 1st of July, 2005 and the employees from the 1st of July of the year may choose to adopt the relevant regulations on the pension system from the Labor Standard Act or retain the years of service by adopting the pension system of the Labor Pension Act. Employees from the 1st of July 2005 onwards only adopted the pension system set by the Labor Pension Act.

The company established the Procedures of Employee Retirement per the Labor Pension Act and is considered a Defined Contribution Plan. The company distributed 6% of the employees' salary to the dedicated personal account in the Labor Insurance Bureau from the 1st of July, 2005.

The company established Procedures for Employee Retirement per Labor Standard Act and considered as Defined Contribution Plan. Employees with less than 15 years (including) can receive two bases for each full year of service and one for each additional year of service exceeding 15 years. The maximum total number of bases is 45.

(4) Status of Labor-Management Agreements and Measures for Preserving Employee Rights and Interests

The company held Labor-Management Agreements regularly to listen to the employee's opinions and established Procedures of Management and Protection of Personal Information and Disciplinary Procedures to protect the employees' rights and interests.

(5) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor, and disclose an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken: None.

6. Cyber Security Management

(1) Describe the Cyber Security Risk Management Framework, Cyber Security Policies, Concrete Management Programmes, and Investments in Resources for Cyber Security Management.

1. Cyber Security Risk Management Framework:

Cyber Security Risk Management Framework is in charge of the head and members of the Department of Information Management, responsible for establishing Cyber Security Policies, implementing the Cyber Security Management and the Handling of Emergency Response.

2. Cyber Security Policies:

(i) Regular Check of the Cyber Security to ensure the normal functioning of the Firewall, Antivirus Software, Data Backup and each of all the operational servers.

(ii) Protect the confidentiality and integrity of sensitive information and communication systems, and avoid unauthorized access and tampering.

(iii) Establishment of emergency response and recovery procedures for information security incidents, implement various business continuous plans, report and emergency response operations.

3. Concrete Management Programmes and Investments in Resources for Cyber Security Management

(i) The internet data entering and exiting the company shall go through the Advanced Network Defense System (ANDS) and the Second-Generation 7th Layer Internet Packet Filtring Firewall to block any possible invasions.

(ii) Emails entering our company must be filtered through the email filtering channel before release, and externally exchanged emails will be automatically backed up and retained.

(iii) All the computers installed the antivirus software to block Malicious files or files containing viruses automatically.

(iv) Regular backups of important business resource systems and related operational systems are conducted, and disaster recovery drills are conducted annually according to the business's continuous plan.

(2) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

7. Important Contracts

Nature of Contracts	Counterparty	Beginning and End Dates of Contract	Major Content	Restrictive Clauses
Authorization	Advanced Micro Devices, Inc.	Since 26th August 1999	Technical Authorization	Technology may not be Transferred and Disclosed
Authorization	Microsoft Licensing, GP	Since 5th of January, 2004	Software Authorization	May Not be Transferred without Written Consent

V. Review and Analysis of the Company's Financial Position and Financial Performance, and Shall Assess its Risks

1. Financial Position

(1) Analysis of Financial Position – Consolidated

Unit: NT$ Thousand

Item \ Year	The year 2024	The year 2023	Difference	
			Amount	%
Current Assets	2,131,731	2,287,940	(156,209)	-7
Property, Plant and Equipment	132,647	130,145	2,502	2
Intangible Assets	-	-	-	-
Other Assets	350,895	371,148	(20,253)	-5
Total Assets	2,615,273	2,789,233	(173,960)	-6
Current Liabilities	396,349	606,093	(209,744)	-35
Non-current Liabilities	48,995	37,601	11,394	30
Total Liabilities	445,344	643,694	(198,350)	-31
Common Stock Capital	1,781,000	1,781,000	-	-
Capital Surplus	66,778	66,778	-	-
Retained Earnings	311,519	294,720	16,799	6
Other Equity	10,632	3,041	7,591	250
Total Equity Attributable to Owners of Parent	2,169,929	2,145,539	24,390	1
Analysis of Differences Over 20% and the amount of Difference exceeds NT$ 10,000 Thousand, as follows: 1. The decrease in current liabilities and total liabilities is primarily due to reduced purchases, leading to a decrease in accounts payable. 2. The increase in non-current liabilities is mainly due to temporary differences causing a rise in deferred income tax liabilities.				

(3) Analysis of Financial Position – Parent Company Only

Unit: NT$ Thousand

Item \ Year	The year 2024	The year 2023	Difference	
			Amount	%
Current Assets	2,046,470	2,184,926	(138,456)	-6
Investments Accounted for Using Equity Method	85,861	98,332	(12,471)	-13
Property, Plant and Equipment	132,307	129,795	2,512	2
Other Assets	347,782	366,556	(18,774)	-5
Total Assets	2,612,420	2,779,609	(167,189)	-6
Current Liabilities	391,647	596,833	(205,186)	-34
Non-current Liabilities	50,844	37,237	13,607	37
Total Liabilities	442,491	634,070	(191,579)	-30
Common Stock Capital	1,781,000	1,781,000	-	-
Capital Surplus	66,778	66,778	-	-
Retained Earnings	311,519	294,720	16,799	6
Other Equity	10,632	3,041	7,591	250
Total Equity Attributable to Owners of Parent	2,169,929	2,145,539	24,390	1
Analysis of Differences Over 20% and the amount of Difference exceeds NT$ 10,000 Thousand, as follows: 1. The decrease in current liabilities and total liabilities is primarily due to reduced purchases, leading to a decrease in accounts payable. 2. The increase in non-current liabilities is mainly due to temporary differences causing a rise in deferred income tax liabilities.				

2. Financial Performance

(1) Financial Performance – Consolidate

Unit: NT$ Thousand

Item \ Year	The year 2024	The year 2023	Difference Amount	Difference Percentage %
Turnover	2,018,684	2,344,435	(325,751)	-14
Cost of Turnover	1,852,747	2,209,087	(356,340)	-16
Gross Profit	165,937	135,348	30,589	23
Operating Expenses	272,862	265,154	7,708	3
Operating Income (Loss)	(106,925)	(129,806)	22,881	-18
Non-Operating Income and Expenses	135,092	12,783	122,309	957
Profit (loss) from continuing operations before tax	28,167	(117,023)	145,190	-124
Income Tax Expenses (Benefits)	21,548	(3,663)	25,211	-688
Profit (Loss) From Continuing Operations.	6,619	(113,360)	119,979	-106
Profit (loss) from Discontinued Operations	-	-	-	-
Net Income (Loss) Attributable to Shareholders of the Parent	6,619	(113,360)	119,979	-106
Net Income (Loss) Attributable to Non-Controlling Equity	-	-	-	-
Other Comprehensive Income (Loss)	17,771	11,472	6,299	55
Total Comprehensive Income (Loss)	24,390	(101,888)	126,278	-124

The main reasons for the change of more than 20% in the previous and current term and the change amount of more than TWD 10,000 thousand:

1. Operating gross profit increased compared to the previous period, primarily due to the increase in product gross margin.
2. Operating net loss decreased compared to the previous period, primarily due to the increase in gross margin.
3. Non-operating income and expenses increased compared to the previous period, mainly due to higher gains from financial assets measured at fair value through profit or loss and increased net foreign exchange gains.
4. The pre-tax and after-tax net profit of continuing operations increased compared to the previous period, mainly due to the rise in non-operating income and expenses during the current period.
5. Income tax expense increased compared to the previous period, mainly due to temporary differences.
6. Net profit attributable to owners of the parent company increased compared to the previous period, mainly due to the after-tax net profit of the current period.
7. The total comprehensive income increased compared to the previous period, mainly due to the net profit after tax of the current period.

(2) Financial Performance Analysis – Parent Company Only

Unit: NT$ Thousand

Item \ Year	The year 2024	The year 2023	Difference Amount	Difference Percentage %
Turnover	1,895,172	2,266,047	(370,875)	-16
Cost of Turnover	1,756,755	2,178,829	(422,074)	-19
Gross Profit	138,417	87,218	51,199	59
Operating Expenses	233,932	226,126	7,806	3
Operating Income (Loss)	(95,515)	(138,908)	43,393	-31
Non-Operating Income and Expenses	123,682	21,459	102,223	476
Income (Loss) Before Tax	28,167	(117,449)	145,616	-124
Income Tax Expenses (Benefits)	21,548	(4,089)	25,637	-627
Net Income (Loss)	6,619	(113,360)	119,979	-106
Other Comprehensive Income (Loss)	17,771	11,472	6,299	55
Total Comprehensive Income (Loss)	24,390	(101,888)	126,278	-124

The main reasons for the change of more than 20% in the previous and current term and the change amount of more than TWD 10,000 thousand:

1. Operating gross profit increased compared to the previous period, primarily due to the increase in product

gross margin. 2. Operating net loss decreased compared to the previous period, primarily due to the increase in gross margin. 3. Non-operating income and expenses increased compared to the previous period, mainly due to higher gains from financial assets measured at fair value through profit or loss and increased net foreign exchange gains. 4. The pre-tax and after-tax net profit of continuing operations increased compared to the previous period, mainly due to the rise in non-operating income and expenses during the current period. 5. Income tax expense increased compared to the previous period, mainly due to temporary differences. 6. The total comprehensive income increased compared to the previous period, mainly due to the net profit after tax of the current period.

(3) For the Estimated Number of Sales and its basis for 2024, please refer to the following:

I. Letter to Shareholders: (2) Summary of the Business Plan for 2024;

IV. Operational Overview: (5) An Analysis of the Market as well as the Production and Marketing Situation.

(4) Describe the Effect upon the Company's Financial Operations as well as Measures to be Taken in Response.

Visioning 2025, under expectations of a stable overall economy and eased political tensions, the Company optimistically anticipates that Windows 11 and AI applications will boost demand in office, education, and commercial sectors.

3. Cash Flow

(1) Cash Flow Analysis for the Current Year:

Year / Item	The year 2024	The year 2023	Percentage of Increase(Decrease)%
Cash Flow Ratio%	22.05	4.78	361
Cash Flow Adequacy Ratio%	3.96	30.95	-87
Cash Reinvestment Ratio%	3.58	1.21	196
Analysis of the changes in the ratio of increase and decrease: 1. The cash flow ratio increased, mainly due to a decrease in current liabilities during the period. 2. The cash flow adequacy ratio increased, primarily because the net cash flow from operating activities over the past five years decreased. 3. The cash reinvestment ratio increased, primarily due to an increase in working capital during the current period.			

(2) Improvement Plan for Insufficient Liquidity: No Such Condition of Insufficient Liquidity.

(3) Cash Flow Analysis for the Coming Year:

Unit: NT$ Thousand

Cash Balance 31st of December, 2024 (1)	Estimated Net Cash Flow From Annual Operating Activities (2)	Estimated Annual Cash Outflow in 2024 (3)	Estimated Cash Surplus (Insufficient) Amount (1)+(2)-(3)	Expected Remedies for Insufficient Cash	
				Investment Plan	Investment Plan
892,390	(48,595)	(68,272)	824,118	-	-

4. Effect upon Financial Operations of Any Major Capital Expenditures during the Most Recent Fiscal Year

No Major Capital Expenditures of the Company in 2024

5. Describe the Company’s Reinvestment Policy for the Most Recent Fiscal Year, the Main Reasons for the Profits/Losses Generated thereby, the Plan for Improving Reinvestment Profitability, and Investment Plans for the Coming Year

Unit: NT$ Thousand

Explanation / Item	Recorded Amount at the end of 2024	Reinvestment Policy	Amount of Investment Profit/Losses recognized under the equity method	Plan for Improving Reinvestment Profitability	Investment Plans for the Coming Year
Garnet International Corp.	33,164	Investment	Profit 805	—	—
Biostar Microtech (U.S.A.) Corp.	(1,916)	In charge of the sales business in the American Region	Loss 7,680	Cut Back on spending to reduce the cost	—
Biostar Microtech Europe Holding B.V.	52,697	In charge of the investment holding of the European Region	Loss 8,304	Cut Back on spending to reduce the cost	—
Immense Wealth International Limited.	-	Investment Holding of Medical Supplies and Devices Businesses	Profit 13	End of operations	—

6. Risk Assessment

(1) The Effect Upon the Company's Profits (losses) of Interest and Exchange Rate Fluctuations and Changes in the Inflation Rate and Response Measures to be Taken in the Future:

The fluctuation in the interest rate of US Dollars and New Taiwan Dollars is not huge, and the inflation is not obvious and not impacting the company’s profit or loss as of the most recent year and as of the date of publication of this annual report.

The Company’s exchange gains (losses) in the first quarter of 2024 and 2025 were NT$ 49,638 Thousand and NT$ 14,767Thousand, respectively, accounting for 2.46% and 2.96% of the respective period’s operating income. The company has taken response measures towards exchange rate fluctuation by natural hedging. The company will pay in US Dollars when purchasing and maintaining a certain level of US Dollars net position held to reduce the impact of exchange rate fluctuations.

(2) The company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in

the future:

The company didn’t involve high-risk and highly leveraged investments within the most recent fiscal year and as of this annual report's publication date. With regard to the loans to other parties, endorsement, guarantees and derivatives transactions were conducted per the Operational Procedures for Loaning Funds to Others, Operational Procedures for Endorsements/ Guarantees, Procedures for the Acquisition or Disposal of Assets and other regulations to ensure the greatest equity of the company and the shareholders.

(3) Research and development work to be carried out in the future, and further expenditures expected for research and development work:

1. Future Research and Development Plan

(i) Computer Motherboard

A. Development of Intel 200 series CPU AI PC.

B. Development of AMD 9000 series CPU AI PC.

(ii) Industrial PC

A.Intel Arrow Lake-U SBC Motherboard and Systems.

B. NV Jetson Orin AI Motherboard and Systems.

C. Intel Core 100/200 Tablet Systems.

(iii) VGA

A. Development of AMD’s Next-gen Graphics Cards.

2. Further Expenditures Expected for Research and Development Work:

The company expected to maintain the spending on the expenditures for Research and Development work as 3% of the Turnover in 2025.

(4) The effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response:

The company pays attention to the changes in the legal environment and the important policies adopted domestically or overseas and evaluates the impacts on the company. There is no significant adverse effect on the company due to the changes in the legal environment and the policies adopted domestically or overseas within the most recent fiscal year and as of the date of the publication of this annual report.

(5) The effect on the company's financial operations of developments in science and technology (including cyber security risks) as well as industrial change and measures to be taken in response:

The company is constantly attentive to changes in the industry and related technologies. We assess and research the potential impact on our company's future development and financial operations and devise corresponding measures as needed. We also have dedicated personnel evaluating information security risks and implementing preventive measures such as firewalls and antivirus software. In the most recent fiscal year and until the printing date of the annual report, no significant technological changes (including information security risks) or industry shifts would significantly impact our company's financial operations.

(6) The effect on the company's crisis management of changes in the company's corporate image and measures to be taken in response: None.

(7) Expected benefits and possible risks associated with any merger and acquisitions and mitigation measures to be taken: None.

(8) Expected benefits and possible risks associated with any plant expansion and

mitigation measures to be taken: None.

(9) Risks associated with any consolidation of sales or purchasing operations and mitigation measures to be taken:

The company's largest supplier consists of 37% of the Net Purchase, and the largest clients of the Company consist of 14% of Net Sales in 2024. Therefore no such condition of overly concentrated.

(10) The effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the Company has been transferred or has otherwise changed hands, and mitigation measures to be taken: None.

(11) The effect upon and risk to the Company associated with any change in governance personnel or top management and mitigation measures to be taken: None.

(12) Litigious and non-litigious matters: None.

(13) Other important risks and mitigation measures to be taken: None.

7. Other Important Matters: None.

VI. Affiliates Information and Other Special Items

1. Information Related to the Company’s Affiliates：
https://mopsov.twse.com.tw/mops/web/t57sb01_q10

2. Private Placement of Securities during the Most Recent Fiscal Year or the Current Fiscal Year up to the Date of Publication of the Annual Report: None.

3. Other Matters that Require Additional Description: None.

VII. Any of the Situation Listed in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act, which might materially affect Shareholders' Equity or the Price of the Company's Securities, has occurred during the Most Recent Fiscal Year or the Current Fiscal Year up to the Date of Publication of the Annual Report, such Situations shall be listed one by one: None.

Biostar Microtech Int’l Corp.

Chairman, Ming-Yi Wang