Stock Code: 3437

Advanced Optoelectronic Technology Inc.

2024 Annual Report

Notice to readers

This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

This annual report is accessible through the websites below:
Taiwan Stock Exchange Market Observation Post System: https://mops.twse.com.tw/
AOT Website: https://www.aot.com.tw/

May 10, 2025

Corporation Information

1. Spokesperson & Deputy Spokesperson information

Spokesperson: Fang, Jung-Hsi
Title: Chairman of the CEO and GM.
Tel: (03)597-6988
E-mail: ir@aot.com.tw

Deputy Spokesperson: Cheng, Chen-Hsun
Title: Div. Head of FA & Investment Management Div.
Tel: (03)597-6988
E-mail: ir@aot.com.tw

2. Headquarters, Branches and Plants

Headquarters
Address: No. 13, Gongye 5th. Rd., Hsinchu Industrial Park, Hukou Township, Hsinchu County, Taiwan, R.O.C.
Tel: (03)597-6988

Siwei Plant
Address: No.7-1, Siwei Rd., Hsinchu Industrial Park, Hukou Township, Hsinchu County, Taiwan, R.O.C.
Tel: (03)601-9188

3. Stock Transfer Agent

Name: Grand Fortune Securities Co., Ltd
Address: 6F, No.6, Sec. 1, Zhongxiao W. Rd., Taipei City, Taiwan, R.O.C.
Website: https://www.gfortune.com.tw/
Tel: (02)2371-1658

4. Auditors

Auditors: Lin, Po-Chuan & Chang, Shu-Chiung
Company: PricewaterhouseCoopers
Address: 27F, No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City, Taiwan, R.O.C.
Website: https://www.pwc.tw/
Tel: (02)2729-6666

5. Overseas Securities Exchange: Not applicable.

6. Corporate Website: https://www.aot.com.tw/

Contents

Section One - Letter to Shareholders

Dear Shareholders,

In 2024, the global economic and political environment continues to be filled with uncertainty. Geopolitical risks are intensifying, and the aftermath of the U.S. presidential election could bring a new wave of trade wars and supply chain disruptions. The Russia-Ukraine war remains unresolved, the Israel-Hamas conflict persists, and the Red Sea crisis has created shipping bottlenecks, all of which continue to challenge the global trade environment. According to the latest forecast by the World Bank, global GDP growth in 2024 is projected at 2.4%, down from 2.6% in 2023. The U.S. economy is expected to slow to 1.6%. China’s economic growth is projected to decline to 4.5%, impacted by a sluggish real estate market and foreign capital outflows. The Eurozone is forecasted to grow by only 0.7%. The weak momentum of global economic recovery is mainly affected by high inflation and high interest rate policies. In addition, the trend of de-sinicization of supply chains continues to deepen, with companies gradually shifting production bases to Southeast Asia, India, and Mexico, which affects the export performance of China’s manufacturing sector.

In the LED industry, the overall market development is still influenced by the global economic environment, but certain application markets are showing signs of recovery. According to TrendForce, global sports events such as the UEFA European Football Championship are driving up demand in the TV market, with global TV shipments increasing by 3.4% year-over-year and shipment area increasing by 8.6%. High-end and large-sized products continue to be favored by consumers. The laptop market is gradually recovering as inventories are cleared, and the end of Windows 10 support is prompting a wave of replacements in the enterprise sector. Microsoft has also introduced a new AI assistant, Copilot, in Windows 11, which is expected to boost laptop shipments by 3.6%, benefiting the commercial display market as well.The smartphone market continues to be affected by consumers extending their replacement cycles, with shipments growing by only 2.9%. New product launches in smartwatches have led to a modest growth of 1.2%, while low-priced smart bands continue to shrink, with a year-over-year decline of 19%.

Empowered by AI-driven innovation, application revolutions across various sectors will bring end-users brand-new experiences. LED technology development in the display industry continues to drive innovation in display applications. The penetration rate of Mini LED backlighting is increasing, driving demand growth in high-end laptops, tablets, and gaming monitors. Micro LED technology is still in its early stages, with tech brands such as Apple actively investing in development. However, the extent to which it can bring new applications and experiences—and its cost—remain key challenges to widespread adoption.The automotive LED market continues to grow alongside a rebound in global automobile demand. Electric vehicle sales are projected to grow by 29.6% year-over-year, driving the development of automotive LED applications, including intelligent headlights, matrix LED headlights, head-up displays (HUDs), in-car displays, and ambient lighting. However, as the global economy slows, automakers are boosting sales through price cuts and promotions, leading to increased price competition in the automotive LED market and impacting profit margins.

Considering global political trends, macroeconomic conditions, and developments in the LED industry, as display application markets recover, the rapidly growing EV industry and AI-powered innovation will bring forth new industries, new markets, and new opportunities. In response to the external challenges and industrial shifts in 2024, our company will actively deepen customer partnerships, optimize our product line strategy, strengthen supply chain collaboration, implement intelligent automation in production to improve quality and efficiency, and continue to enhance organizational capability. We will also focus on long-term deployment in emerging markets and niche applications, combining our module capabilities with customer channels to boost

competitiveness and ensure steady business growth.
Below is an overview of the company's operations in 2024 and business plans for 2025.

I. Overview of Business Operations in 2024

(I) Results of Business Plan Implementation

1. In 2024, the Company's net revenue was NT$2.035 billion, gross operating profit was NT$362 million, operating loss was NT$248 million, and the net loss attributable to owners of the parent amounted to NT$135 million., and the net loss per share after tax is NT$0.94.
2. In 2024, the Company recorded a net cash outflow of NT$162 million. As of the end of the period, the cash balance amounted to NT$1.226 billion, indicating that the Company maintains a sufficient level of liquidity.

(II) Status of budget implementation

The Company did not disclose financial forecasts in 2024; therefore, it is not necessary to disclose the implementation status.

(III) Profitability analysis

The entire year's loss per share after tax in 2024 was NT$0.94.

(IV) Research and development status

In 2024, the Company invested NT$163.909 million in research and development (R&D), accounting for 8% of the annual operating revenue, representing an increase compared to the previous year.

R&D achievements in 2024 include the development of high color-rendering XLED components applicable to various fields, wide-angle VLED components, high-efficiency backlight components and modules, sensor components, thin and small-size semiconductor packaging, automotive and TV backlight Mini LED components and modules, automotive headlights, taillights, and side light components and modules, as well as VR and AR eyewear projection modules.

II. Business plan and management policy in 2025

Outlook for 2025: Although global economic conditions will continue to be impacted by geopolitical factors, supply chain disruptions, and inflationary pressures, market demand is gradually recovering. AI-driven applications, the electric vehicle industry, and smart display technologies will continue to drive growth momentum. The Company will focus on high-value-added markets, further expanding the applications of Mini LED and sensor components, and strengthening its technological leadership to enhance market competitiveness.

In terms of product strategy, the Company will continue to integrate upstream and downstream operations, deepening the development of XLED, VLED components, and Mini LED module technologies. Leveraging the technological and innovation strengths of Rongyu Technology, the Company will focus on backlight driver circuits and local dimming algorithms to expand the application scope of LED backlight modules. This includes automotive, gaming laptops, industrial control, TVs, and high color-rendering backlight modules for XLED, aiming to improve product performance and market penetration through technological enhancements. Additionally, with the growing demand for automotive Mini LED backlighting and the development trend of smart cabins, the Company will continue to strengthen product development and collaborate with automotive manufacturers and Tier 1 supply chain partners to increase market share.

In the sensor components market, driven by the development of AIoT, robotics, smartphones, smartwatches, and wearable devices, the Company will continue to invest in high-precision sensor technologies, optimizing product application scenarios to boost revenue and profitability. In terms of new market and application strategies, AR/VR, thin and small-size high-power semiconductor packaging, and sensor technologies remain key development areas for the Company. The Company will deepen collaborations with emerging market customers in AI computing, autonomous driving, and other fields, conducting technology validation and product development to lay the foundation for future growth.

Through technological innovation and market expansion, the Company will continue to optimize its product portfolio, remain agile in responding to market changes, and enhance automation in manufacturing to improve quality and efficiency. These efforts will ensure steady growth in 2025, enhance competitiveness, and improve operational performance. The Company’s management team and all employees will continue to improve operational efficiency while promoting an environmentally friendly culture and good corporate governance, fulfilling corporate social responsibility. We would like to express our gratitude to all shareholders for their long-term support.

Chairman: Fang, Jung-Hsi

Section Two - Corporate Governance Report

I. Information of Directors, Supervisors and Management Team:

(I) Directors and Supervisors

1. Basic Information

May 10, 2025

Job title	Nationality or place of registration	Name	Gender, age	Date of election / appointment to current term	Term of Office (year)	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer, director, or supervisor with which the person has a relationship of spouse or relative within the second degree			Note
							No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%			Job title	Name	Relationship	
Chairman	ROC	Fang, Jung-Hsi	M 51~60	2022.06.29	3	2007.09.28	1,007,000	0.70%	1,007,000	0.70%	—	—	3,350,000	2.32%	Master, Dept. of Materials Science and Engineering, National Tsing Hua University Sales Dept. Head of Allied Material Technology Corp. Dept. head, Innolux Corp General Manager, Advanced Optoelectronic Technology(AOT)	CEO, Advanced Optoelectronic Technology Chairman, Asphetek Solution Director, Advanced ptoelectronic Technology Holding LTD Director, AOT Holding LTD Director, Elux, Inc. Director, Chi-Yu Investment Industrial Co., Ltd Director, Epileds Technologies CEO, OBE Integrated Tech Co., Ltd.	—	—	—	1

Job title	Nationality or place of registration	Name	Gender, age	Date of election / appointment to current term	Term of Office (year)	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer, director, or supervisor with which the person has a relationship of spouse or relative within the second degree			Note
							No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%			Job title	Name	Relationship	
Director	ROC	Chuang, Hong-Jen	M 71~80	2022.06.29	3	2010.06.22	3,206,000	2.22%	3,206,000	2.22%	—	—	—	—	Master, Dept. of Accounting, Soochow University Chairman, Innolux Corp. Chairman, Advanced Optoelectronic Technology Chairman, GIS Holding LTD	Director, eChem Solutions Corp. Director, OBE Integrated Tech Co., Ltd.	—	—	—	—
Director	ROC	Chang, Deng-Kai	M 51~60	2022.06.29	3	2013.09.25	60,999	0.04%	60,999	0.04%	—	—	—	—	Master, Dept. of Business Management, Daito Bunka University, Japan Dept head of CEO office , Chi Mei Optoelectronics Corp.	Chairman & General Manager , Century Technology (Shen Zhen) LTD	—	—	—	—
Independent Director	ROC	Liu, Shi-Heh	M 61~70	2022.06.29	3	2016.06.24	—	—	—	—	—	—	—	—	Master, Dept. of Finance, National Taiwan University Bureau of Foreign Trade, Ministry of Economic Affairs Specialist, TSEC VP of Sales, Fubon Securities Co., President, Unicon Optical Co., President, Empire Vision Optical Director, Generalplus Technology Inc.	—	—	—	—	—
Independent	ROC	Yu, Hsiang-	M	2022.06.29	3	2016.06.24	4,000	0.003%	4,000	0.003%	—	—	—	—	B.S., Dept. of Business Academy,	Director, GIS Holding LTD	—	—	—	—

Job title	Nationality or place of registration	Name	Gender, age	Date of election / appointment to current term	Term of Office (year)	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer, director, or supervisor with which the person has a relationship of spouse or relative within the second degree			Note
							No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%			Job title	Name	Relationship	
Director		Tun	61~70												Keio University, Japan Acting Manager, Int'l Business Dept., Yamaichi Securities, Japan General Manager, Yamaichi Merchant Bank (Singapore) Ltd., Section Manager, Trust Custody Dept., Merrill Lynch, Japan Minister, Management and Legal Dept., Prudential Financial Securities Investment Trust Enterprise, Japan Vice Minister, Daiwa Asset Management Co. Ltd., Japan					
Independent Director	ROC	Charles W. Tu	M 71~80	2022.06.29	3	2021.07.20	—	—	—	—	—	—	—	—	Ph.D. of Engineering and Applied Science, Yale University Researcher of AT&T Bell Labs Dean of Dept. Electrical & Computer Engineering, UCSD VC, College of Engineering, UCSD	Honorary Professor, Dept of Electrical & Computer Engineering, UCSD Yushan scholar of National Chung Hsing University	—	—	—	—
Independent Director	ROC	Wang, Shu-Lan	F 61~70	2022.06.29	3	2022.06.29	—	—	—	—	—	—	—	—	Master of Business Administration, California Miramar University.	Director, Sunplus mMedia Inc. Director, Jumplux Technology Supervisor,Shanghai Sunplus	—	—	—	—

Job title	Nationality or place of registration	Name	Gender, age	Date of election / appointment to current term	Term of Office (year)	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer, director, or supervisor with which the person has a relationship of spouse or relative within the second degree			Note
							No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%			Job title	Name	Relationship	
															Special Assistant to Chairperson, Sunplus Technology Co., Ltd.	Technology Co., Ltd. Director, Beijing Sunplus-Ehue Technology Co., Ltd. Supervisor, Sunplus Prof-tek Technology(Shenzhen) Co., Supervisor, Sunmedia Tech. Supervisor, Chongqing Shuangxin Technology Co.,Ltd.				

Note 1: The reason why the chairman serve as CEO and GM concurrently is for future development, higher operation efficiency and enhancing decision making. The company has set up four independent directors to improve the board ‘competency and enhance supervising function; and a majority of directors do not concurrently serve as an employee or managerial officer ; therefore, the board keeps objective in making decision.

2. Information disclosure on the professional qualifications of the directors, and state of independence of the independent directors

May 10, 2025

Criteria / Name	Gender	Professional qualifications and experiences	State of independence	Number of public companies in which Independent Directors also hold positions
Director Fang, Jung-Hsi	M	· Possesses work experience in commercial, legal, or other areas required by the company business. · Masters, Department of Materials Science and Engineering, National Tsing Hua University · Previously served as Sales Director of Allied Material Technology Corp., Director of Innolux Corporation, GM of Advanced Optoelectronic Technology., · Is not under any of the circumstances as described in Article 30 of the Company Act.	The individual serves as the representative of Chiyu Investment Industrial Co., Ltd., a top ten shareholder of the Company, and is also one of the Company's top ten individual shareholders. The individual is not an independent director. Except for the aforementioned circumstances, the individual meets all the independence criteria stipulated in Article 3, Paragraph 1 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission.	None
Director Chuang, Hong-Jen	M	· Possesses work experience in commercial, legal, finance, accounting or other areas required by the company business. · Masters, Department of Accounting, Soochow University · Previously served as Chairperson of Innolux Corporation, Chairperson of Advanced Optoelectronic Technology., Chairperson of GIS. · Is not under any of the circumstances as described in Article 30 of the Company Act.	The individual is one of the top ten individual shareholders of the Company and is not an independent director. The others have been verified in accordance with the independence criteria set forth in the 'Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies' issued by the Financial Supervisory Commission, and continue to meet the relevant independence requirements.	None

Director Chang, Deng-Kai	M	· Possesses work experiences in commercial, legal or other areas required by the company business. · Masters in Business Administration, Daito Bunka University in Japan. · Previously served as General Director of CEO Office, Chimei Innolux Corporation. Currently, is serving as Chairperson and President of Century Technology (shenzhen) Corporation limited. · Is not under any of the circumstances as described in Article 30 of the Company Act.	The individual currently serves as a natural-person director of the Company and is not an independent director. However, the individual meets the independence requirements set by the competent authority, and both during the two years prior to the appointment and throughout the term of office, has satisfied the independence criteria stipulated in Article 3 of the 'Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies' issued by the Financial Supervisory Commission	None
Independent Director Liu, Shi-Heh	M	· Possesses work experience in commercial, legal, finance, accounting or other areas required by the company business. · Masters, Department of Finance, National Taiwan University. · Previously served as Specialist of Taiwan Stock Exchange Corporation, Bureau of Foreign Trade, Sales Vice President of Fubon Securities Co., Ltd., Chairperson of Empire Vision, Chairperson of Unicon Optical Co., Ltd. · Is not under any of the circumstances as described in Article 30 of the Company Act.	The independent directors listed on the left have, during the two years prior to their appointment and throughout their term of office, met the qualification requirements set forth in the 'Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies' issued by the Financial Supervisory Commission, as well as Article 14-2 of the Securities and Exchange Act. Furthermore, in accordance with Article 14-3 of the Securities and Exchange Act, the independent directors have been granted full authority to participate in decision-making and express their opinions, thereby enabling them to perform their duties independently	None

Independent Director Yu, Hsiang-Tun	M	· Possesses work experience in commercial, legal, finance, accounting or other areas required by the company business. · Faculty of Business and Commerce, Keio University. · Previously served as Section Manager, Sales Department, Yamaichi Securities Co., Ltd., GM of Singapore Yamaichi Merchant Bank, Section Manager, Trust and Custody Department, Merrill Lynch Japan, Head of Legal Department, PGIM Japan, Deputy Head of International Management Department, Daiwa Securities Group Inc. · Is not under any of the circumstances as described in Article 30 of the Company Act.	The independent directors listed on the left have, during the two years prior to their appointment and throughout their term of office, met the qualification requirements set forth in the 'Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies' issued by the Financial Supervisory Commission, as well as Article 14-2 of the Securities and Exchange Act. Furthermore, in accordance with Article 14-3 of the Securities and Exchange Act, the independent directors have been granted full authority to participate in decision-making and express their opinions, thereby enabling them to perform their duties independently	None
Independent Director Charles W. Tu	M	· An instructor or higher in a department related to the business needs of the company in a public or private junior college, college, or university. · PhD, School of Engineering & Applied Science, Yale University, USA. · Previously served as Researcher, AT&T Bell Labs, Head of Computer Science & Engineering Department, University of California, San Diego. Currently serving as Honorary Professor, University of California, San Diego, Yushan Scholar, National Chung Hsing University. · Is not under any of the circumstances as described in Article 30 of the Company Act.	The independent directors listed on the left have, during the two years prior to their appointment and throughout their term of office, met the qualification requirements set forth in the 'Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies' issued by the Financial Supervisory Commission, as well as Article 14-2 of the Securities and Exchange Act. Furthermore, in accordance with Article 14-3 of the Securities and Exchange Act, the independent directors have been granted full authority to participate in decision-making and express their opinions, thereby enabling them to perform their duties independently	None

Independent Director Wang, Shu-Lan	F	・ Possesses work experiences in commercial, finance, accounting or other areas required by the company business. ・ Master of Business Administration, California Miramar University. ・ Previously served as Special Assistant to Chairperson, Sunplus Technology Co., Ltd. ・ Is not under any of the circumstances as described in Article 30 of the Company Act.	The independent directors listed on the left have, during the two years prior to their appointment and throughout their term of office, met the qualification requirements set forth in the 'Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies' issued by the Financial Supervisory Commission, as well as Article 14-2 of the Securities and Exchange Act. Furthermore, in accordance with Article 14-3 of the Securities and Exchange Act, the independent directors have been granted full authority to participate in decision-making and express their opinions, thereby enabling them to perform their duties independently	None

3. Diversity and independence of the board of directors:

(1) Diversity of the board of directors

A. Diversity policy of the board of directors:

In order to strengthen corporate governance, promote the sound development of the composition and structure of the board of directors, and implement the board member diversity policy, the company regulates the diversity policy of board members in the "Corporate Governance Practice Principle". Board members should generally possess the necessary knowledge and skills to perform their duty. In order to achieve the ideal goals of corporate governance, the board of directors as a whole should have the following abilities:

(A) Operational judgment ability.
(B) Accounting and financial analysis capabilities.
(C) Operation and management capabilities.
(D) Crisis handling capabilities.
(E)Industrial knowledge.
(F)International market perspective.
(G)Leadership.
(H) Decision-making ability.

The current board of directors of the company is composed of 7 directors, including 4 independent directors and 3 non-independent directors. The directors directors are all outstanding figures in industry and academia. They have diverse and complementary industrial experience and professional abilities in finance, accounting, law, etc., and are in line with the management objectives of diversification policy for the board of directors.

B. Implementation situation:

The 10th Board of Directors consists of seven members, each possessing professional backgrounds in fields such as law, industry, accounting and finance, marketing, and technology. With their diverse expertise, the members demonstrate strong capabilities in business management and leadership decision-making, operational judgment and crisis response, accounting and financial

analysis, industry knowledge, and insights into international markets—collectively contributing to a complementary and diversified board composition.
All board members are of ROC (Taiwan) nationality, with ages ranging from 55 to 74. One board member concurrently serves as a managerial officer of the Company, accounting for 14% of the board, thereby meeting the target of no more than one-third holding dual roles. The board includes four independent directors, representing 57% of the total board membership, exceeding the one-third independence requirement. Among them, one is a female independent director, achieving the governance target of having at least one female board member.
Currently, female directors account for one-seventh of the board seats. Although this does not meet the one-third target for female board representation, the primary reason lies in the characteristics of the industry in which the Company operates, where the pool of qualified female candidates remains comparatively limited.

(A) State of implementation on related diversity policy is as in the table below:

Name	Basic Composition								
	Nationality	Gender	Concurrent Employee	Age Group			Independent Director Tenure		
				51-60	61-70	71-80	<3years	3 to 6years	7 to 9years
Fang, Jung-Hsi	R.O.C.	M	V	V					
Chuang, Hong-Jen	R.O.C.	M				V			
Chang, Deng-Kai	R.O.C.	M		V					
Liu, Shi-Heh	R.O.C.	M			V				V
Yu, Hsiang-Tun	R.O.C.	M			V				V
Charles W. Tu	R.O.C.	M				V		V	
Wang, Shu-Lan	R.O.C.	F			V		V		

(B) State of implementation on related diversity policy is as in the table below:

Items / Name	Gender	Professional background					Professional skills				
		Legal	Industry	Finance and accounting	Marketing	Tech.	Business management and leading strategic decisions	Operations judgement and crisis handling	Accounting and Financial Analysis Skills	Industry Knowledge	Int'l Market Perspectives
Fang, Jung-Hsi	M	V	V		V	V	V	V		V	V
Chuang, Hong-Jen	M	V	V	V	V	V	V	V	V	V	V
Chang, Deng-Kai	M	V	V		V	V	V	V		V	V
Liu, Shi-Heh	M	V		V	V		V	V	V		V
Yu, Hsiang-Tun	M	V		V	V		V		V		V
Charles W. Tu	M		V			V	V			V	V
Wang, Shu-Lan	F		V	V	V		V		V	V	V

(C) Specific management goals and achievement status of diversification policies are as follows:

Management Goal	Achievement Status
No more than one-third of the board seats should be held by executive directors.	Achieved
The board should include at least one female member.	Achieved

Independent directors should hold more than one-third of the board seats.	Achieved

(D) Measures to Enhance Gender Diversity on the Board:

a. Diversity Criteria: In the director selection criteria, in addition to professional qualifications, gender, age, nationality, cultural background, and other diverse factors should also be considered.

b. External Search: Engage professional organizations (such as the Securities and Futures Institute's Independent Director Talent Database) to identify suitable female director candidates, thereby broadening the search scope.

c. Training and Development: Provide training for women and other minority groups to enhance their professional skills.

(2)Independence of the Board of Directors:

A. Board Structure

The Company has established a director selection system. The election procedures for all directors are conducted in an open and fair manner, in accordance with the Company’s "Articles of Incorporation, Rules for Election of Directors", "Corporate Governance Best Practice Principles", "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", and "Article 14-2 of the Securities and Exchange Act".

The current composition of the Board includes four independent directors (57.1%) and three non-independent directors (42.9%), among which one director concurrently serves as an employee/manager (14.3%, not exceeding one-third of the total board seats). None of the directors are spouses or within second-degree kinship of one another. Therefore, the Board of Directors maintains its independence, and no circumstances as specified under Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act apply.

B. Board Independence

The Board of Directors is responsible for directing the Company’s strategy, supervising management, and being accountable to the Company and its shareholders. In all aspects of corporate governance, the Board exercises its authority in accordance with applicable laws and regulations, the Articles of Incorporation, and resolutions of the shareholders’ meeting.

The Board emphasizes independent operations and transparency. Each director and independent director functions as an autonomous individual, independently exercising their duties. The four independent directors fulfill their responsibilities in accordance with the law and, in collaboration with the Audit Committee, assess the Company’s actual and potential risk management practices to ensure the effective implementation of internal controls, the proper appointment or dismissal of external auditors, their independence, and the accuracy of the financial statements.

Additionally, pursuant to the Company’s “Rules for Election of Directors,” the cumulative voting system and nomination system are adopted for the election of both directors and independent directors. Shareholders holding a specified number of shares are encouraged to participate by nominating candidates. Candidate qualifications and confirmation of compliance with Article 30 of the Company Act are reviewed in accordance with legal procedures and disclosed publicly. This ensures shareholder rights are protected, prevents the monopolization or abuse of nomination rights, and safeguards the independence of the Board.

C. Board Performance Evaluation

The Company has established a Board performance evaluation system. An internal self-assessment of the Board and individual director self-assessments are conducted annually.

The Board performance evaluation covers the following five aspects:

(A) Participation in the Company’s operations

(B) Quality of Board decisions

(C) Board composition and structure

(D) Selection and continuing education of directors
(E) Internal control mechanisms

D. Individual Director Self-Evaluation

Each director conducts a self-assessment based on the following six aspects:
(A) Understanding of the Company's goals and missions
(B) Awareness of director responsibilities
(C) Participation in the Company's operations
(D) Management of internal relationships and communication
(E) Professional expertise and continuing education
(F) Internal control mechanisms

E. Disclosure of Evaluation Results

The results of the above Board and individual evaluations are reported to the Board of Directors and disclosed in the Company's annual report and on the Company website.

To further enhance transparency and provide investors with a comprehensive understanding of Board operations, the following information is also disclosed in the annual report, on the Company's website, and via the Market Observation Post System (MOPS):
(A) Directors' attendance at Board meetings
(B) Proposals and resolutions passed by the Board
(C) Directors' participation in continuing education programs
(D) Changes in directors' shareholdings, including shareholding ratios, transfers, and pledges.
Please refer to MOPS for details.

(II) Information of Management Team

May 10, 2025

Title	Nationality	Name	Gender	Date of appointment to position	Shares held		Shares held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Note
					No. of shares	%	No. of shares	%	No. of shares	%			Job title	Name	Relationship	
CEO and GM	ROC	Fang, Jung-Hsi	M	2018.08.09	1,007,000	0.70%	—	—	3,350,000	2.32%	Masters, Department of Materials Science and Engineering, National Tsing Hua University Sales Dept. Head of Allied Material Technology Corp. Director of Innolux Corporation GM, Advanced Optoelectronic Tech.	Chairman, Asphetek Solution Director, Advanced Optoelectronic Technology Holding LTD Director, AOT Holding LTD Director, Elux Inc. Chairman, Chi-Yu Investment Director, Epileds Technologies Chairman of OBE Integrated Tech Co., Ltd.	—	—	—	1
Assistant Vice President	ROC	Lo, Shih-siang	M	2021.04.06	0	0	0	0	0	0	EMBA, National Cheng Kung University. Business Specialist, Zyxel Technology	—	—	—	—	—
Assistant Vice President	ROC	Ho, Hsing-Wei	M	2022.01.01	0	0	0	0	0	0	Bachelor, Dept .of Industrial Engineering, Feng Chia University Dept head, Edison Optoelectronics	—	—	—	—	—
Assistant Vice President	ROC	Yao, Chin-Hsing	M	2021.04.06	0	0	0	0	0	0	Master, Industrial Engineering and Management, Chunghwa University Dept head, Wang Falcon Technology	—	—	—	—	—
Div. Head	ROC	Chen, Chang-Ho	M	2015.08.31	0	0	0	0	0	0	Ph.D. in Materials Mechanics, Duke University, USA Dept head, R&D and Marketing, Walsin Lihwa RD Director, Lixu Optoelectronics	—	—	—	—	—

Div. Head of F&A and Investment Management	ROC	Cheng, Chen-Hsun	M	2011.05.13	18,000	0.01%	0	0	0	0	Bachelor, Dept. of International Business, National Taiwan University Accounting Manager, Innolux Corp.	Director, Epileds Technologies, Supervisor, Asphetek Solution Inc. Supervisor, Asphetek Solution (Chengdu) Inc. Director,Hua Yang Precision Machinery Co., Ltd.	—	—	—	—

Note 1: The reason why the chairman serves as CEO and GM concurrently is for future development, higher operation efficiency and enhancing decision making. The company has set up four independent directors to improve the board' competency and enhance supervising function; and a majority of directors do not concurrently serve as an employee or managerial officer; therefore, the board keeps objective in making decision.

Note 2: Ho, Hsing-Wei resigned in December, 2024

II. Remuneration paid to Directors, Supervisors and management team in the most recent fiscal year

(I) Remuneration paid to Directors

Unit: NT$ thousand; Shares: thousand

Job title	Name	Remuneration to directors								Sum of A+B+C+D and ratio to net income (Note 7)		Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E+F+G and ratio to net income(Note7)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		Base Compensation (A) (Note 1)		Retirement pay and pension (B) (Note2)		Director profit-sharing compensation (C) (Note3)		Expenses and perquisites (D) (Note 4)				Salary, rewards, and special disbursements (E) (Note 5)		Retirement pay and pension (F) (Note 2)		Employee profit-sharing compensation (G) (Note 6)						
		The Company	All consolidated	The Company	All consolidated	The Company	All consolidated	The Company	All consolidated	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
																Cash	Stock	Cash	Stock			
Chairman	Fang, Jung-Hsi	120	120	-	-	-	-	-	-	120 -0.09%	120 -0.09%	4,044	4,044	-	-	-	-	-	-	4,164 -3.08%	4,164 -3.08%	14.7
Director	Chuang, Hong-Jen	120	120	-	-	-	-	-	-	120 -0.09%	120 -0.09%	-	-	-	-	-	-	-	-	120 -0.09%	120 -0.09%	無
Director	Chang, Deng-Kai	120	120	-	-	-	-	-	-	120 -0.09%	120 -0.09%	-	-	-	-	-	-	-	-	120 -0.09%	120 -0.09%	無
Independent Director	Liu, Shi-Heh	360	360	-	-	-	-	25	25	385 -0.28%	385 -0.28%	-	-	-	-	-	-	-	-	385 -0.28%	385 -0.28%	無
Independent Director	Yu, Hsiang-Tun	360	360	-	-	-	-	25	25	385 -0.28%	385 -0.28%	-	-	-	-	-	-	-	-	385 -0.28%	385 -0.28%	無
Independent Director	Charles W. Tu	360	360	-	-	-	-	20	20	380-- 0.28%	380 -0.28%	-	-	-	-	-	-	-	-	380 -0.28%	380 -0.28%	無
Independent Director	Wang, Shu-Lan	360	360	-	-	-	-	25	25	385 -0.28%	385 -0.28%	-	-	-	-	-	-	-	-	385 -0.28%	385 -0.28%	無

1. Please describe the policy, system, standards and structure in place for paying remuneration to independent directors and describe the relationship of factors such as the duties and risks undertaken and time invested by the directors to the amount of remuneration paid;

   (1) The remuneration paid to independent directors is according to the company's Articles of Incorporation and resolved by the Remuneration Committee.

   (2) The remuneration of independent directors includes monthly compensation and Traveling expenses according to the individual responsibility and the standard of the same industry.

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): None.

Note 1: This refers to the remuneration of directors for the 113th fiscal year (including director salaries, allowances, severance payments, various bonuses, incentive payments, etc.).

Note 2: This refers to the pension contributions required by law for the 113th fiscal year.

Note 3: This refers to the director's compensation for the 113th fiscal year. Since the company incurred losses in the 113th fiscal year, no director compensation was paid.

Note 4: This refers to the relevant business execution expenses for directors in the 113th fiscal year (including transportation expenses, special allowances, various stipends, housing, provision of company cars, etc.).

Note 5: This refers to the compensation received by directors who are also employees (including those holding positions such as general manager, deputy general manager, other executives, and employees) for the 113th fiscal year, including salaries, allowances, severance payments, various bonuses, incentive payments, transportation expenses, special allowances, stipends, housing, provision of company cars, etc. Salary expenses recognized under IFRS 2 "Share-based Payments," including those for stock options, restricted stock rights, and cash increases through rights offering, should also be included in compensation.

Note 6: This refers to the compensation (including both stock and cash) received by directors who are also employees (including positions such as general manager, deputy general manager, other executives, and employees) for the 113th fiscal year. Since the company incurred losses in the 113th fiscal year, no employee compensation was paid.

Note 7: After-tax net profit refers to the after-tax net profit in the individual or separate financial statements for the 113th fiscal year.

Note 8: The compensation details disclosed in this table differ from the income concept in the Income Tax Act. Therefore, the purpose of this table is for information disclosure only and not for tax purposes.

(II) Remuneration paid to Supervisors: Not applicable.

(III) Remuneration paid to the Management Team

Unit: NT$ thousand

<table>
<tr><th rowspan="3">Job title</th><th rowspan="3">Name</th><th colspan="2">Salary(A)</th><th colspan="2">Retirement pay and pension (B)</th><th colspan="2">Rewards, and special disbursements (C)</th><th colspan="4">Employee profit-sharing compensation (D)</th><th colspan="2">Sum of A+B+C+D and ratio to net income</th><th rowspan="3">Remuneration received from investee enterprises other than subsidiaries or from the parent company</th></tr>
<tr><th rowspan="2">The Company</th><th rowspan="2">Companies in the consolidated financial statements</th><th rowspan="2">The Company</th><th rowspan="2">Companies in the consolidated financial statements</th><th rowspan="2">The Company</th><th rowspan="2">Companies in the consolidated financial statements</th><th colspan="2">The Company</th><th colspan="2">Companies in the consolidated financial statements</th><th rowspan="2">The Company</th><th rowspan="2">Companies in the consolidated financial statements</th></tr>
<tr><th>Cash</th><th>Stock</th><th>Cash</th><th>Stock</th></tr>
<tr><td>CEO</td><td>Fang, Jung-Hsi</td><td>3,920</td><td>3,920</td><td>0</td><td>0</td><td>124</td><td>124</td><td>0</td><td>0</td><td>0</td><td>0</td><td>4,044
-2.99%</td><td>4,044
-2.99%</td><td>14.7</td></tr>
</table>

Note 1: This table discloses remuneration information for managerial officers at or above the level of Deputy General Manager who were in office as of the end of 2024.

Note 2: Refers to salaries, position allowances, and severance payments received during 2024.

Note 3: Refers to retirement pension contributions made in accordance with legal requirements for 2024.

Note 4: Refers to various bonuses, incentive payments, transportation allowances, special reimbursements, various subsidies, housing, provision of company vehicles, and other forms of compensation received in 2024. Salary expenses recognized under IFRS 2 "Share-based Payment," including the acquisition of employee stock options, restricted stock awards, and subscription to capital increases in cash, are also included in remuneration.

Note 5: Refers to employee compensation for 2024. As the Company incurred a loss in 2024, no employee compensation was distributed.

Note 6: After-tax net profit refers to the net profit after tax in the parent company only or individual financial statements for 2024.

Note 7: The compensation disclosed in this table differs from the concept of income under the Income Tax Act and is provided solely for information disclosure purposes, not for taxation.

(IV) Remuneration to the Five Highest Remunerated Management Personnel

Unit: NT$ thousand

Job title	Name	Salary (A)		Retirement pay and pension (B)		Rewards, and special disbursements (C)		Employee profit-sharing compensation (D)				Sum of A+B+C+D and ratio to net income		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company		Companies in the consolidated financial statements		The Company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
CEO	Fang, Jung-Hsi	3,920	3,920	0	0	124	124	0	0	0	0	4,044 -2.99%	4,044 -2.99%	14.7
Division Head	Chen, Chang-Ho	2,300	2,300	108	108	20	20	0	0	0	0	2,428 -1.79%	2,428 -1.79%	None
Assistant Vice President	Ho, Hsing-Wei (Note 7)	2,257	2,257	108	108	35	35	0	0	0	0	2,400 -1.77%	2,400 -1.77%	None
Assistant Vice President	Lo, Shih-Hsiang	2,271	2,271	108	108	20	20	0	0	0	0	2,399 -1.77%	2,399 -1.77%	None
Division Head	Zeng Wen-Liang	2,090	2,090	106	106	35	35	-	-	-	-	2,231 -1.65%	2,231 -1.65%	None

Note 1: This table discloses the 2024 remuneration information of the top five highest-paid managerial officers who were in office as of the end of 2024.

Note 2: Refers to salaries, position allowances, and severance payments received in 2024.

Note 3: Refers to retirement pension contributions made in accordance with legal requirements for 2024.

Note 4: Refers to various bonuses, incentive payments, transportation allowances, special reimbursements, various subsidies, housing, provision of company vehicles, other in-kind benefits, and additional forms of compensation received in 2024. Salary expenses recognized under IFRS 2 "Share-based Payment," including the acquisition of employee stock options, restricted stock awards, and subscriptions to capital increases in cash, should also be included in remuneration.

Note 5: Refers to employee compensation for 2024. As the Company incurred a loss in 2024, no employee compensation was distributed.

Note 6: After-tax net profit refers to the net profit after tax as presented in the parent company only or individual financial statements for 2024.

Note 7: Mr. Ho, Hsing-Wei resigned in December 2024.

Note 8: The compensation disclosed in this table differs from the concept of income as defined under the Income Tax Act and is provided solely for information disclosure purposes, not for taxation.

(V) Employee compensation to the management team

The Company incurred a loss after tax for the fiscal year 2024, and therefore no employee compensation was distributed.

(VI) 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 2 fiscal years to directors, supervisors, presidents and vice presidents, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

1. 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 2 fiscal years to directors, supervisors, presidents and vice presidents, and analyze.

Year	2023		2024	
	The Company	All Consolidated Entities	The Company	All Consolidated Entities
The total amount of remuneration paid to Directors, Supervisors, presidents and vice presidents	-9.12%	-9.12%	-4.39%	-4.39%

2. Remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

(1) The Company's remuneration policy for directors and managerial officers is based on the responsibilities they undertake, their level of participation in operations, and their contribution value. It also takes into account the company's operational performance and industry standards. This policy is assessed by the Compensation Committee at the beginning of each year and submitted to the Board of Directors for approval.

(2) Director Remuneration:

A. The Company's director remuneration is linked to operational performance. According to Article 28 of the company’s Articles of Incorporation, if the company is profitable in a given year, the Board of Directors will decide on the remuneration amount, which will not exceed 0.1% of the annual profit, as stipulated in the company's Articles of Incorporation. However, if the company still has accumulated losses, the amount should be reserved for future compensation.

B. Article 24 of the company’s Articles of Incorporation authorizes the Board of Directors to determine the remuneration for all directors based on their level of participation and contribution to the company’s operations, as well as industry standards. Director remuneration is adjusted based on performance evaluations and the varying responsibilities and risks of each director.

C. The Company’s director remuneration primarily consists of director fees, fixed monthly salaries, and meeting-related transportation allowances. These are evaluated by the Compensation Committee and submitted to the Board of Directors for approval.

(3) Managerial Remuneration:

A. The Company's employee remuneration is linked to operational performance. According to Article 28 of the company's Articles of Incorporation, if the company is profitable, at least 5% of the profit should be allocated for employee compensation. However, if there are accumulated losses, the amount should be reserved for future compensation.

B. The appointment, dismissal, and remuneration of the Company’s managerial officers are handled in accordance with the company’s regulations and performance evaluations. These are also used as references for managerial bonus distributions. Managerial remuneration is determined based on salary management policies, with allowances and bonuses reflecting appreciation and rewards for employees' efforts. Related bonuses are adjusted according to the company’s annual performance, financial status, operational condition, and individual work performance.

C. Managerial remuneration consists of fixed salaries and variable bonuses. Fixed salaries are determined based on the position, responsibilities, and professional skills, with reference to industry standards. Variable bonuses are highly linked to the company’s operational results and the individual’s position and performance.

D. The performance evaluation for managerial officers includes:

(A) Financial Indicators: These are based on the company’s management profit and loss report, including major indicators such as revenue, gross margin, contribution margin, and earnings per share. Also considered are the contributions of each business unit to the company’s profit and the individual performance and goal achievement of managers.

(B) Non-financial Indicators: These include the implementation of the company’s core values, operational management capabilities, and participation in sustainable management, which are used to calculate performance-based compensation.

E. The reasonableness of managerial remuneration is reviewed annually by the Compensation Committee and submitted to the Board of Directors for approval. The remuneration system will be periodically reviewed in accordance with the company’s actual operational situation and relevant laws to ensure a balance between the company’s sustainable development and risk management.

(4) Employee salary structure mainly includes base salary, position allowances, bonuses, stipends, and other compensation. These are determined based on the position and responsibilities undertaken, with reference to industry standards for similar positions.

(5) The company’s salary adjustments, year-end bonuses, and remuneration distribution are planned based on the company’s operational performance and individual performance. After approval by the Compensation Committee, they are implemented accordingly.

(6) The company's primary compensation principle is to link responsibilities and performance with the company’s sustainable development results. Short-term profits are not the only measure of remuneration and performance, as the focus is on linking with shareholders' long-term value.

III. Implementation of Corporate Governance:

(I) Information on implementation of Board of Directors:

1. Five meetings (A) were held by the Board of Directors in the most recent year (2024) with their attendance shown as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%)(B/A)	Remarks
Chairman	Fang, Jung-Hsi	5	0	100%	-
Director	Chuang, Hong-Jen	5	0	100%	-
Director	Chang, Deng-Kai	5	0	100%	-

Independent Director	Liu, Shi-Heh	5	0	100%	-
Independent Director	Yu, Hsiang-Tun	5	0	100%	-
Independent Director	Charles W. Tu	4	0	80%	-
Independent Director	Wang, Shu-Lan	5	0	100%	-

2. Other noteworthy matters:
   (1) The Board Meeting's date, session, contents of motions , all Independent Directors' opinions and the Company's actions in response to the opinions if any of the following occurred:
      A. Matters specified in Article 14-3 of Securities and Exchange Act

Date	Session	Contents of Motions	Independent Directors' opinions	the Company's actions in response to the opinions	Resolution
2024/03/12	10th Term, 10th Meeting	• Retaining current accounting firm 'PricewaterhouseCoopers Taiwan' as the company's auditor. • Signing a 'Derivatives Trading Agreement' with a bank in Q2 2024. • Amending the company's 'Acquisition or Disposal of Assets Handling Procedures.' • Amending the company's 'Board Performance Evaluation Rules.'	None	None	Approved by all attending directors
2024/05/09	10th Term, 11th Meeting	• Signing a 'Derivatives Trading Agreement' with a bank in Q3 2024. • Amending the company's 'Board Meeting Rules.' • Amending the company's 'Audit Committee Organization Regulations.'	None	None	Approved by all attending directors
2024/08/12	10th Term, 12th Meeting	• Signing a 'Derivatives Trading Agreement' with a bank in Q4 2024. • Establishing the company's 'Sustainability Committee Organizational Regulations.' • Establishing the company's 'Sustainability Report Preparation and Verification Procedures.' • ・Establishing the company's 'Risk Management Policies and Procedures.'	None	None	Approved by all attending directors
2024/11/07	10th Term,	• Signing a 'Derivatives Trading Agreement' with a bank in Q1 2025.	None	None	Approved by all

Date	Session	Contents of Motions	Independent Directors' opinions	the Company's actions in response to the opinions	Resolution
	13th Meeting	• Amending the company' s 'Audit Committee Organization Regulations.' • Amending the company' s 'Corporate Governance Best Practice Principles.'			attending directors
2024/12/20	10th Term, 14th Meeting	• Internal Audit Plan for Fiscal Year 2025. • Proposal to Establish the Company' s Internal Control System for Sustainability Information.	None	None	Approved by all attending directors

B. Other matters apart from the aforementioned where an independent director has a dissenting opinion or qualified opinion: None

(2) Effort made by directors in preventing Conflict of Interests when required (the name of directors, the contents of motion, the reasons of preventing conflict of interests and the resolutions shall be noted if any): None.

(3) The Board of Directors Evaluation and Implementation

Internal Performance Self-Assessment of the Board of Directors, Board Members, Audit Committee, and Compensation Committee：The overall evaluation indicates that all meetings were able to communicate effectively and operate smoothly. The results of all agenda items were appropriately executed and in compliance with legal requirements. In summary, the evaluation results show that the performance significantly exceeded standards, with no major areas needing improvement. The related evaluation results were submitted to the Board of Directors on March 11, 2025. Please refer to the table below for details:

Evaluation Type	Frequency	Evaluation Period	Subject	Evaluation Method	Evaluation Criteria	Result
Internal Evaluation	Annually	2024/01/01 – 2024/12/31	Board of Directors	Self-assessment of the board	Five major areas: Participation in company operations, improving board decision-making quality, board composition and structure, director selection and continuous education, internal control; total of 33 evaluation indicators	Significantly exceeded standards. Reported to the Board on 2025/03/11.

Internal Evaluation	Annually	2024/01/01 – 2024/12/31	Individual Board Members	Individual self-assessment	Six major areas: Understanding company goals and tasks, awareness of director responsibilities, participation in company operations, internal relationship management and communication, director professionalism and continuous education, internal control; total of 20 evaluation indicators	Significantly exceeded standards. Reported to the Board on 2025/03/11
Internal Evaluation	Annually	2024/01/01 – 2024/12/31	Audit Committee and Compensation Committee	Individual self-assessment of members	Five major areas: Participation in company operations, understanding of functional committee responsibilities, improving functional committee decision-making quality, committee composition and member selection, internal control; total of 20 evaluation indicators	Significantly exceeded standards. Reported to the Board on 2025/03/11

(4) Evaluation of targets for strengthening of the functions of the board during the current and immediately preceding fiscal years:

A. The company has established the "Board of Directors Meeting Rules" in accordance with the "Regulations for the Board of Directors of Publicly Listed Companies" for adherence, and regularly announces the attendance of directors at board meetings on the public information observation station.

B. To enhance transparency, significant resolutions of the board are disclosed as major information.
C. The board of directors is responsible for guiding the company's strategy, overseeing management, and being accountable to the company and the shareholders' meeting. The board ensures that all operations and arrangements related to the company's governance system comply with laws, the company's articles of incorporation, and shareholder resolutions.
D. The company established an audit committee in September 2013, exercising the powers stipulated by the Securities and Exchange Act, the Company Act, and other legal provisions. The committee assists the board in overseeing the quality and integrity of the company's execution of accounting, auditing, financial reporting processes, and financial controls. The operation of the audit committee is detailed on pages 27–33 of this annual report, or you can visit the company's website for the latest information.
E. The company established a Remuneration Committee in May 2013 to regularly assess and set the salary compensation of directors and managers, as well as periodically review the performance evaluation and salary compensation policies, systems, standards, and structures for directors and managers. The operation of the Remuneration Committee is detailed on pages 47–50 of this annual report, or you can visit the company's website for the latest information.
F. At the company's annual shareholders' meeting on June 29, 2022, the board of directors was fully re-elected, with seven directors, including four independent directors. The board seats were all filled by natural persons as non-independent directors, and independent directors held the majority of seats to strengthen the board's functions and corporate governance.
G. Each year, board members continue to select courses related to corporate governance topics, such as finance, risk management, business, commerce, law, accounting, and sustainability, in addition to their professional competencies. These courses may include those related to internal control systems and financial reporting responsibilities, enhancing their understanding and implementation of corporate governance. The information on 2024 training is as follows:

Title	Name	Date		Host	Name of course	hours
		From	To			
Director	Fang, Rong-Xi	2024/10/29	2024/10/29	Chinese Business and Sustainability Association	ESG-Related Legal Issues the Board Should Consider	3
		2024/07/30	2024/07/30	Chinese Business and Sustainability Association	Impact of Export Control on Corporate Operations and its Risk Management	3
Director	Chuang, Hung-Jen	2024/10/29	2024/10/29	Chinese Business and Sustainability Association	ESG-Related Legal Issues the Board Should Consider	3
		2024/07/30	2024/07/30	Chinese Business and Sustainability Association	Impact of Export Control on Corporate Operations and its Risk Management	3
Director	Chang, Teng-Kai	2024/10/29	2024/10/29	Chinese Business and Sustainability Association	ESG-Related Legal Issues the Board Should Consider	3

		2024/07/30	2024/07/30	Chinese Business and Sustainability Association	Impact of Export Control on Corporate Operations and its Risk Management	3
Independent Director Independent Director	Liu, Hsi-Ho Yu, Hsiang-Tun	2024/05/16	2024/05/16	Taiwan Science Park Industrial Association	Legal Risks and Countermeasures for Directors and Supervisors from the Perspective of Major Fraud Cases	3
		2024/04/17	2024/04/17	Securities and Futures Institute	Governance Course Series for Directors, Supervisors, and Officers – Economic Outlook and Business Opportunities in New Southbound Countries	3
Independent Director	Yu, Hsiang-Tun	2024/07/12	2024/07/12	Chinese Corporate Governance Association	Director and Supervisor Responsibilities from the Perspective of Foreign Institutional Investors and Shareholder Activism Cases	3
		2024/05/14	2024/05/14	Chinese Corporate Governance Association	How Directors Can Avoid Breach of Trust and Irregular Transactions in Decision-Making	3
Independent Director	Tu, Wu-Ching	2024/10/25	2024/10/25	Securities and Futures Institute	2024 Insider Trading Compliance Promotion Conference	3
		2024/06/21	2024/06/21	Chinese Corporate Governance Association	Succession Planning – Employee Incentive Programs and Equity Succession	3
Independent Director	Wang, Shu-Lan	2024/10/29	2024/10/29	Chinese Business and Sustainability Association	ESG-Related Legal Issues the Board Should Consider	3
		2024/06/21	2024/06/21	Chinese Corporate Governance Association	Succession Planning – Employee Incentive Programs and Equity Succession	3

(II) Information on operation of Audit Committee or supervisors:

1.Operation status of the Audit Committee

（1）Professional knowledge and experience of the Audit Committee

May 10, 2025

Criteria / Title / Name	Professional qualifications and experiences

Independent Director	Liu, Shi-Heh	· Possesses work experience in commercial, legal, finance, accounting or other areas required by the company business. · Masters, Department of Finance, National Taiwan University. · Previously served as Specialist of Taiwan Stock Exchange Corporation, Bureau of Foreign Trade, Sales Vice President of Fubon Securities Co., Ltd., Chairperson of Empire Vision, Chairperson of Unicon Optical Co., Ltd. · Is not under any of the circumstances as described in Article 30 of the Company Act.
Independent Director	Yu, Hsiang-Tun	· Possesses work experience in commercial, legal, finance, accounting or other areas required by the company business. · Faculty of Business and Commerce, Keio University. · Previously served as Section Manager, Sales Department, Yamaichi Securities Co., Ltd., GM of Singapore Yamaichi Merchant Bank, Section Manager, Trust and Custody Department, Merrill Lynch Japan, Head of Legal Department, PGIM Japan, Deputy Head of International Management Department, Daiwa Securities Group Inc. · Is not under any of the circumstances as described in Article 30 of the Company Act.
Independent Director	Charles W. Tu	· An instructor or higher in a department related to the business needs of the company in a public or private junior college, college, or university. · PhD, School of Engineering & Applied Science, Yale University, USA. · Previously served as Researcher, AT&T Bell Labs, Head of Computer Science & Engineering Department, University of California, San Diego. Currently serving as Honorary Professor, University of California, San Diego, Yushan Scholar, National Chung Hsing University. · Is not under any of the circumstances as described in Article 30 of the Company Act.
Independent Director	Wang, Shu-Lan	· Possesses work experiences in commercial, finance, accounting or other areas required by the company business. · Master of Business Administration, California Miramar University. · Previously served as Special Assistant to Chairperson, Sunplus Technology Co., Ltd. · Is not under any of the circumstances as described in Article 30 of the Company Act.

（2）Annual major matters of the Audit Committee:

A. The main function of the Audit Committee is to assist the Board and implement the responsibility authorized by the Company Act, the Securities and Exchange Act, and any other related laws.

B. The Company has adopted "Audit Committee Charter" to follow up and the charter is disclosed in MOPS. Please refer to the MOPS (Market Observation Post System) link: MOPS > Summarized Reports > Corporate Governance > Company Organization/Structure > Regulations Related to Corporate Governance (https://mops.twse.com.tw/mops/#/web/t100sb04_1) for the inquiry.

C. Annual major matters are as following:

(A) The adoption of or amendments to the internal control system.
(B) Assessment of the effectiveness of the internal control system.
(C) 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.

(D) Review the matters in which a director is an interested party.

(E) Review the asset transactions or derivatives trading of a material nature.

(F) Review the loans of funds, endorsements, or provision of guarantees of a material nature.

(G) The offering, issuance, or private placement of equity-type securities.

(H) The hiring or dismissal of a certified public accountant, or their compensation.

(I) The appointment or discharge of a financial, accounting, or internal audit officer.

(J) Review the annual and second quarter financial reports.

(K) Review the business report and the proposal of profit distribution or deficit compensation.

(L) Review the other material matters as may be required by this company or by the competent authority.

（3）Information of the operation of the Audit Committee

A. In the most recent year(2024), the Audit Committee held 5 meetings(A) and the attendance of Independent Directors is as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%)(B/A)	Remarks
Independent Director	Liu, Shi-Heh	5	0	100%	—
Independent Director	Yu, Hsiang-Tun	5	0	100%	—
Independent Director	Charles W. Tu	4	1	80%	—
Independent Director	Wang, Shu-Lan	5	0	100%	—

B. Other noteworthy matters:

(A) When one of the following situations occurred to the operations of the Audit Committee, state the date, period, proposal contents, independent directors opinion, opinion with reservations or significant recommendation and resolutions of the Audit Committee, and the Company's actions in response to the opinions of the Audit Committee:

a. Matters specified in Article 14-5 of the Securities and Exchange Act:

Date	Period	Proposal contents	Independent directors opinion, opinion with reservations or significant recommendation	Resolutions of the Audit Committee	The Company's actions in response to the opinions of the Audit Committee
2024/03/12	4th Term, 9th Meeting	• 2023 Internal Control Statement • 2023 Consolidated & Individual Financial Reports • Reappointment of PwC Taiwan as Auditing Firm • Q2 2024 Derivative Financial Instruments Contracts	None	Unanimously Approved	None

Date	Period	Proposal contents	Independent directors opinion, opinion with reservations or significant recommendation	Resolutions of the Audit Committee	The Company's actions in response to the opinions of the Audit Committee
		• Amendment to "Procedures for Acquisition/Disposal of Assets" • Amendment to "Board Performance Evaluation Policy"			
2024/05/09	4th Term, 10th Meeting	• Q1 2024 Consolidated Financial Reports • Q3 2024 Derivative Financial Instruments Contracts • Amendment to "Rules of Procedure for Board Meetings" • Amendment to "Audit Committee Charter"	None	Unanimously Approved	None
2024/08/12	4th Term, 11th Meeting	• Q2 2024 Consolidated Financial Reports • Q4 2024 Derivative Financial Instruments Contracts • Establishment of "Corporate Sustainability Committee Charter" • "Sustainability Report Preparation & Verification Procedures"	None	Unanimously Approved	None
2024/11/07	4th Term, 12th Meeting	• Q3 2024 Consolidated Financial Reports • Q1 2025 Derivative Financial Instruments Contracts • Amendment to "Audit Committee Charter"	None	Unanimously Approved	None
2024/12/20	4th Term, 13th Meeting	• 2025 Internal Audit Plan • "Internal Control System for Sustainability Information"	None	Unanimously Approved	None

b. Resolutions passed by two-thirds of all Directors but without approval of the Audit Committee except for the preceding item:None.

(B) For the recusal of independent directors to the proposals with interest conflicts, the name of independent director(s), description of proposal, reason of recusal, and the status of voting participation shall be specified: None.

(C) Communications between the Independent Directors, and the head of internal audit and the CPAs:

Hold at least one separate meeting annually between the accountant and the head of internal audit to discuss the completed internal audit reports and the external audit opinions provided by the accountant, as well as to communicate regarding the audit deficiencies identified during the year. The communication outcomes shall be documented and reported to the board of directors.

a.Communications between the independent directors (members of the Audit Committee) and the head of internal audit:

Regularly:

Monthly: The internal audits are conducted on a monthly basis in accordance with the annual audit plan. The audit report shall be handed to the independent directors for reviews. Any questions or instructions arising from the reviews will be directed to the head of internal audit.

Quarterly: The head of the internal audit will be listed as being in non-voting attendance of the board meeting to report on the operation status for the audit activities. (The contents of the report include: The state of implementation for the annual audit report, the improvement matters and subsequent improvement follow-ups to be conducted).

Yearly: The head of internal audit is listed as being in non-voting attendance for the Audit Committee meeting to report on the contents of the audit plan for the following year and the self-evaluation results for the internal control system of the previous year.

Irregularly:

The head of internal audit is listed as being in non-voting attendance for the Audit Committee meeting to report on the amendments to the Enforcement Rules of the Internal Control System and Internal Audit Implementation. The independent directors can discuss questions relating to the company's internal control or legal compliance at any time with the head of internal audit. If the head of internal audit discovers any unusual situations, he/she may also report to the independent directors at any time.

◎The communications events in the most recent year are as below:

Date	Attendee	Method of communication	Key points of communication	Results or opinions arising from the communication
2024/3/12	Independent Director Liu, Shi-Heh Independent Director Yu, Hsiang-Tun Independent Director Charles W. Tu Independent Director Wang, Shu-La Head of Internal Audit Juan Ching	Audit Committee	1. Report on Internal Audit Matters for Q4 2023 2. Self-Prepared Financial Statements Report 3. Self-Assessment Results of Internal Control System for 2023	No objections
2024/5/9	Independent Director Liu, Shi-Heh Independent Director Yu, Hsiang-Tun Independent Director Wang, Shu-La Head of Internal Audit Juan Ching	Audit Committee	1. Report on Internal Audit Matters for Q1 2024 2. Self-Prepared Financial Statements Report	No objections
2024/8/12	Independent Director Liu, Shi-Heh	Audit Committee	1. Report on Internal Audit Matters for Q2 2024	No objections

	Independent Director Yu, Hsiang-Tun Independent Director Charles W. Tu Independent Director Wang, Shu-La Head of Internal Audit Juan Ching		2. Self-Prepared Financial Statements Report	
2024/11/7	Independent Director Liu, Shi-Heh Independent Director Yu, Hsiang-Tun Independent Director Charles W. Tu Independent Director Wang, Shu-La Head of Internal Audit Juan Ching	Audit Committee	1. Report on Internal Audit Matters for Q3 2024 2. Self-Prepared Financial Statements Report	No objections
2024/12/20	Independent Director Liu, Shi-Heh Independent Director Yu, Hsiang-Tun Independent Director Charles W. Tu Independent Director Wang, Shu-La Head of Internal Audit Juan Ching	Audit Committee	Annual Internal Audit Plan for 2025	No objections

b.Communications between the independent directors and the CPAs:

<u>Regularly:</u>

Yearly:

The accountant shall attend the audit committee at least once a year to report the annual audit results, and communicate governance matters that should be discussed with the audit committee during the annual audit planning and completion stages, either in writing or through meetings, to all audit committee members, including the following items:

- Communication plan
- The role and responsibilities of the Chief CPA
- Audit plan
- Independence of CPAs
- Communication items with the corporate governance unit at the completion stage
- Significantly adjusted entries or unadjusted entries
- Information of related parties
- Declaration statement by the customer

<u>Irregularly:</u>

When the audit committee members have questions on the company’s financial standing or internal control system, they can inquire and discuss with the CPAs at any time.

◎Record on communications in the most recent year and as of the annual report publication date:

Date	Attendee	Method of communication	Key points of communication	Results or opinions arising from the communication
2024/3/12	Independent Director Liu, Shi-Heh Independent Director Yu, Hsiang-Tun Independent Director Charles W. Tu Independent Director Wang, Shu-La Head of Internal Audit Juan Ching, Account Lin, Po-Chuan	Face-to-face Meeting	Post-review discussion of 2023 consolidated financial statements with governance representatives	No objections
2024/12/20	Independent Director Liu, Shi-Heh Independent Director Yu, Hsiang-Tun Independent Director Charles W. Tu Independent Director Wang, Shu-La Head of Internal Audit Juan Ching, Account Lin, Po-Chuan	Face-to-face Meeting	Audit planning discussion for 2024 annual financial statements with governance representatives	No objections

(4) Information on the supervisors’ participation in the board operations: Not applicable.

(III) The difference between the corporate governance implementation and the Corporate Governance Best Practice Principles for TWSE/GTSM-Listed Companies and reasons:

Assessment items	Operation status			Deviations and causes of deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	
I. Has the Company established and disclosed its corporate governance best practice principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?"	✓		On December 20, 2013, the Board of Directors established the "Corporate Governance Best Practice Principles" in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and disclosed it on the MOPS and the Company's website.	None
II. The Company's shareholding structure and shareholders' equity (I) Does the company establish internal operating procedures for handling shareholders' suggestions, questions, disputes and litigations, and implement the procedures accordingly?	✓		(I) The Company has established the "Corporate Governance Best Practice Principles" to handle shareholders' suggestions, questions, disputes, and litigations in accordance with the "Corporate Governance Best Practice Principles." The Company has a spokesperson and an acting spokesperson to handle shareholders' suggestions or disputes and so on problems.	None
(II) Does the company keep track of its major shareholders and the parties with ultimate control over its major shareholders? (III) Has the Company established and implemented risk control and firewall mechanisms with its affiliates? (IV) Does the Company establish internal norms to prohibit insiders from utilizing undisclosed information to trade securities?	✓ ✓ ✓		(II) The Company keeps track of the list of the Company's major shareholders and their ultimate controller. (III)The Company's dealings with affiliates are carried out in accordance with relevant laws and regulations and the Company's internal control system. (IV)The company has established the Procedures for Handling Inside Information and Insider Reporting' and the 'Corporate Governance Best Practice Principles,' which prohibit insiders from trading securities based on non-public information in the market.	None
III. Composition and duties of the Board of Directors				

Assessment items	Operation status			Deviations and causes of deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	
(I) Does the Board of Directors formulate and implement a diversity policy and specific management goals?	✓		(I) 1. The company's Corporate Governance Best Practice Principles strengthen the functions of the Board by formulating a diversified approach. The nomination and selection of board members are conducted in accordance with the company's Articles of Association, using a candidate nomination system. In addition to evaluating the qualifications of candidates based on their educational background and experience, the opinions of stakeholders are considered. The election procedures for directors and the Corporate Governance Best Practice Principles are followed to ensure the diversity and independence of the board members. 2. The proportion of employee directors is 14.3%, independent directors account for 57%, and female directors make up 14.3%. One independent director has a tenure of less than 3 years, one independent director has a tenure of 4-6 years, and two independent directors have a tenure of 7-9 years. Two directors are aged 70 or above, three directors are aged 60-69, and two directors are under the age of 60. The company emphasizes gender equality in the composition of the board, with female directors, including one female independent director. This meets the management goal of having at least one female director on the board. The company plans to add one more	

Assessment items	Operation status			Deviations and causes of deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	
			female director in the 11th board term to achieve its diversity goals. 3. For further details, please refer to the company's website and the Public Information Observatory..	None
(II) In addition to the Remuneration Committee and Audit Committee, has the Company set up other functional committees voluntarily?		✓	(II) In addition to the Remuneration Committee and the Audit Committee, and in order to implement corporate social responsibility and the concept of sustainable business management, the company established the 'Corporate Sustainability Development Committee' in August 2024. This committee is a cross-departmental functional committee under the Board of Directors. Currently, no other types of functional committees have been established, but the company plans to establish additional functional committees as needed in the future.	
(III) Does the Company have the Regulations Governing the Performance Evaluation of the Board of Directors and the method therefor? Does the Company have the performance evaluation conducted on a regular basis every year, with the results of the performance evaluation reported to the Board of Directors and used as a reference for remuneration and the nomination for re-election?	✓		(III) The company's Board of Directors approved the 'Board Performance Evaluation Guidelines' on November 12, 2019, which stipulates that the Board must conduct an annual performance evaluation of the Board itself, individual board members, and functional committees. The evaluation results must be completed before the end of the first quarter of the following year. 1. The performance evaluation of the company' s Board of Directors includes the following five key aspects: (1) Participation in the company's operations. (2) Improving the quality of board decisions. (3) (Board composition and structure. (4) Director selection and continuous education.	

Assessment items	Operation status			Deviations and causes of deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	
			(5) Internal controls. 2. The performance evaluation of individual board members covers the following items: (1) Understanding of the company's goals and tasks. (2) Awareness of director duties. (3) Participation in the company's operations. (4) Internal relationships and communication. (5) Director expertise and continuous education. (6) Internal controls. 3. The performance evaluation of the Remuneration Committee includes the following items: (1) Participation in the company's operations. (2) Awareness of the responsibilities of the functional committees. (3) Improving the quality of decision-making in the functional committees. (4) Committee composition and member selection. (5) Internal controls. 4. The performance evaluation of the Audit Committee includes the following items: (1) Participation in the company's operations. (2) Awareness of the responsibilities of the functional committees. (3) Improving the quality of decision-making in the functional committees. (4) Committee composition and member selection. (5) Internal controls.	None

Assessment items	Operation status			Deviations and causes of deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	
			The evaluation is conducted internally by the Finance Department using an internal questionnaire. The evaluation covers four main parts: Board operations, director participation, the operation of the Remuneration Committee, and the operation of the Audit Committee. It includes evaluations by directors on board operations, directors evaluating their own participation, remuneration committee members evaluating committee operations, and audit committee members evaluating committee operations. The performance evaluation results will serve as a reference when selecting or nominating directors and will be used as a reference for determining individual salary and remuneration. After collecting the questionnaires in January each year, the Finance Department analyzes the results according to the guidelines and submits them to the Board of Directors. The Board will also address suggestions for improvement. In February 2025, the company completed the performance evaluation for the Board, board members, Remuneration Committee, and Audit Committee for the year 2024 (covering the period from January 1 to December 31, 2024). The results were presented at the Board meeting on March 11, 2025, along with the directions for strengthening in 2025. The evaluation score for 2024 ranged from 90 to 97 points, which is considered good.	

<table>
<tr><th rowspan="2">Assessment items</th><th colspan="3">Operation status</th><th rowspan="2">Deviations and causes of deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary note</th></tr>
<tr><td>(IV) Does the Company regularly evaluate the independence of CPAs?</td><td>✓</td><td></td><td>(IV) The Company assesses the independence and suitability of the CPAs at least once a year. The company's finance department will first conduct an initial assessment of the independence and suitability of the visa accountant, and upon approval by the Audit Committee, it will be submitted to the Board of Directors for final approval.
The assessment mechanism includes:
1. Confirmation that the visa accountant of the company and the directors are not related parties.
2. Compliance with corporate governance best practices regarding the rotation of the visa accountant.
3. Prior approval from the Audit Committee is required before appointing the visa accountant firm for annual audit services. The firm will review compliance with independence standards before appointing non-audit services. The visa accountant will report relevant information during quarterly communication with the Audit Committee.
4. The visa accountant will report to the Audit Committee quarterly on the execution of review/audit tasks and compliance with independence requirements.
5. Regular issuance of an independence declaration by the visa accountant.
6. Inclusion of Audit Quality Indicators (AQIs) in the evaluation criteria for audit service</td><td></td></tr>
</table>

Assessment items	Operation status			Deviations and causes of deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	
			appointments. The visa accountant firm will report to the Audit Committee on relevant matters before the annual audit appointment. The company requires PricewaterhouseCoopers (PwC) to issue an "Independence Declaration by the Certifying Accountant." According to the "Audit Quality Indicators (AQI) Disclosure Template" issued by the Financial Supervisory Commission, information on Audit Quality Indicators (AQIs) is provided. The evaluation items are based on five aspects: professionalism, quality control, independence, supervision and pioneering ability, as well as the 13 indicators including experience of the AQI audit, training hour, turnover rate, professional support, workload of CPA, audit effort, QC review of cases, QC support capability, non-audit service percentage, familiarity with clients, deficiencies of external inspections and penalties, number of correspondences issued by the competent authority, and innovation plans or initiative. The last assessment of the independence and suitability of thevisa accountant was discussed and approved by the Audit Committee and the Board of Directors on March 11, 2025.Upon assessment, the results show that both CPAs Lin, Po-Chuan and Chang, Shu-Chiung met the requirements of independence and	

Assessment items	Operation status			Deviations and causes of deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	
			suitability and deemed eligible to serve as the visa accountant for the company.	
IV. Does the Company assign competent and appropriate number of corporate governance personnel, and appoint a corporate governance officer to be responsible for corporate governance affairs (including but not limited to providing directors and supervisors with the information needed to perform their duties, assisting directors and supervisors in complying with laws and regulations, handling matters related to the Board of Directors' Meeting and the Shareholders' Meeting, and preparing the minutes of the Board of Directors' Meeting and the Shareholders' Meeting)?	✓		The company's governance-related affairs are handled by the Finance Department, with the Chief Financial Officer, Mr. Cheng, Chen-Hsun, appointed as the Corporate Governance Officer. He is responsible for matters related to corporate governance, including providing necessary information for directors to carry out their duties, assisting directors in complying with laws and regulations, organizing Board of Directors meetings, shareholders' meetings, and corporate governance evaluations, as well as preparing meeting minutes for the Board and shareholders' meetings and overseeing corporate governance evaluations. Key points of corporate governance execution in 2024 are as follows: 1. A total of 5 Board of Directors meetings, 5 Audit Committee meetings, and 2 Remuneration Committee meetings were held. 2. The 2024 Annual General Meeting of Shareholders was chaired by the Chairman, with 4 directors (including the Audit Committee and Remuneration Committee chairpersons) attending the meeting, achieving a director attendance rate of over 50%. 3. Each year, the company reviews the achievement of corporate governance evaluation indicators, and for 2024, improvement plans and goals were proposed for the indicators that needed further strengthening. Thanks	None None

Assessment items	Operation status			Deviations and causes of deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	
			to the continued efforts of internal units, the company's ranking in the 11th (2024) corporate governance evaluation was improved to the top 51%-65% of listed companies. Among listed and OTC companies with a market capitalization of less than NT$5 billion, the Company ranked within the top 11% to 20%. 4. The 2024 Annual General Meeting of Shareholders was held in person and was fully recorded and uploaded after the meeting. This allows investors to access the meeting process through multiple channels. 5. The internal performance evaluation for the Board of Directors and functional committees was completed, and the evaluation results were reported to the Board in March 2024. 6. Independent directors were arranged to have separate communication meetings with the external auditors and the internal audit supervisor. 7. Assisted all directors in completing the required 12 hours of initial training or 6 hours of continuing education, and ensured that the Corporate Governance Officer completed over 12 hours of training courses annually."	
V. Has the Company established communication channel with stakeholders (including but is not limited to shareholders, employees, customers, and suppliers), and set up a stakeholder section on the company website, and respond	✓		The Company appoints a spokesperson and acting spokesperson to provide external communication channel, and sets up a stakeholder section on the corporate website to address the issues of concern to stakeholders and establishes a sound communication model.	None

Assessment items	Operation status			Deviations and causes of deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	
appropriately to important CSR issues of concern to stakeholders?				
VI. Does the Company appoint a professional stock service agent to handle the affairs of the Shareholders' Meeting?	✓		The Company has appointed the Share Registration Agency Department of Grand Fortune Securities to be the share registration agency of the Company, to handle affairs relating to the Shareholders' Meeting.	None
VII. Information Disclosure (I) Does the Company set up a website to disclose financial business and corporate governance information? (II) Does the Company adopt other information disclosure methods (such as setting up an English website, assigning dedicated personnel to collect and disclose company information, implementing a spokesperson system, and publishing the process of investor conferences on the company website)? (III) Does the Company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the Q1, Q2, Q3 financial reports and monthly operation reports before the deadline?	(I) ✓ (II) ✓	(III) ✓	(I) The Company has set up a corporate website and disclosed the Company's financial business and corporate governance information on the website. Company website: (https://www.aot.com.tw/) (II) The Company has designated personnel to be responsible for the collection and disclosure of corporate information. All information is disclosed on the Market Observation Post System and on the website of the Company according to laws. The Company has the spokesperson and acting spokesperson to act as the external communication channel. (III) The company's consolidated financial report for the year 2024 was completed and announced on March 11, 2025. The financial reports for the first, second, and third quarters of 2024, as well as the monthly revenue reports, were also announced and filed within the specified deadlines on the Public Information Observatory and were simultaneously uploaded to the company's website. • May 9, 2024: Announced the financial report for the first quarter of 2024.	None

Assessment items	Operation status			Deviations and causes of deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	
			• August 12, 2024: Announced the financial report for the second quarter of 2024. • November 7, 2024: Announced the financial report for the third quarter of 2024. • March 11, 2025: Announced the annual financial report for 2024. Monthly revenue reports were announced before the filing deadlines.	
VIII. Does the Company have other important information that can help in gaining a better understanding about the operations of corporate governance (including but not limited to the employees' rights, employee care, investor relations, supplier relation, rights of interested parties, training status of directors and supervisors, implementation status of risk management policies and standards of risk measurement, the implementation of customer policies, the purchase of liability insurance for directors and supervisors by the company)?	✓		(I) Employee rights: The Company adheres to the "integration of labor and management" concept, emphasizes rational and user-friendly management, establishes smooth communication channels, and maintains good labor-management relations, so as to jointly create productivity, profit-sharing and establish stable and harmonious labor-management relations. (II) Employee care: The Company provides Labor and National Health Insurance, group insurance and so on employee related welfare measures. It has established the Employee Welfare Committee to handle various employee welfare matters, organize Family Day, various internal activities, competitions, and stress relieving courses; it actively encourages employees to participate in various training courses and holds regular labor-management meetings to understand the needs of employees and to achieve harmonious labor-management relations. (III) Investor relations: The Company convenes a shareholders' meeting every year in accordance with relevant laws and regulations, giving	None

<table>
<tr><th rowspan="2">Assessment items</th><th colspan="3">Operation status</th><th rowspan="2">Deviations and causes of deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary note</th></tr>
<tr><td></td><td></td><td></td><td>shareholders ample opportunities to ask questions or make proposals, and establishes a spokesperson system to handle shareholders' suggestions, questions, and disputes. The Company also announces and reports information in accordance with the regulations of the competent authority in order to provide investors with information in a timely manner for decision-making.
(IV) Relationship with suppliers: The Company maintains good relationship with its correspondent banks and suppliers through smooth channels of communication.
(V) The rights of the stakeholders: The Stakeholders section is available on the Company's website. The Company appoints a spokesperson and an acting spokesperson to communicate with stakeholders for the protection of their rights and interests. The communication with stakeholders in 2024 was reported to the Board of Directors on November 7, 2024.
(VI) Directors' and supervisors' continuing education: The Company's Directors have relevant professional background, practical operation and management experience, and their continuing education has complied with the relevant regulations of the competent authority. For details, please refer to pages 26–27.
(VII) Implementation of risk management policies and risk measurement standards: The Company has established various</td><td>None

None</td></tr>
</table>

Assessment items	Operation status			Deviations and causes of deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	
			internal rules and regulations pursuant to laws to conduct various risk assessments and management. Please refer to Appendix 1: Implementation Status of Risk Management for Risk Management Categories and Material Issues under the Implementation of Sustainable Development (pages 91–93) (VIII) Implementation of customer policies: The Company maintains good relations with customers by maintaining smooth communication channels. (IX) Insurance against directors' and supervisors' liabilities: The Company has purchased liability insurance for directors to protect shareholders' interests. The insured amount and coverage are re-evaluated upon each annual renewal, and the actual insurance status is reported to the Board of Directors to enhance the protection of shareholders' rights and interests. The renewal status of the directors and officers liability insurance for 2024 was reported to the Board of Directors on August 12, 2024.	

IX. Please specify the measures adopted by the Company to improve the items listed in the Corporate governance review result from Taiwan Stock Exchange's Corporate Governance Center and the improvement plans for items yet to be improved.

(I) The Company’s 2024 evaluation results are as follows:
The Company was ranked within the top 51% to 65% of all evaluated listed companies. Among listed and OTC companies with a market capitalization of less than NT$5 billion, the Company ranked within the top 11% to 20%. The improvements in the 2024 evaluation indicators are as follows:
Information regarding shareholders' rights, Board operations, ESG, and related disclosures is available on the company's website.

(II) Future improvements are as follows:
Relevant information is regularly updated on the company's website (in both Chinese and English) to facilitate reference by investors and stakeholders, including those overseas.

(IV) Organization, responsibilities, and operation status of the Remuneration Committee:

1. Information on members of the Remuneration Committee

May 10, 2025

Title	Name / Criteria	Professional qualifications and experiences	State of independence	Concurrent independent director position in other public companies
Independent Director (Chairman)	Liu, Shi-Heh	· Possesses work experience in commercial, legal, finance, accounting or other areas required by the company business. · Masters, Department of Finance, National Taiwan University. · Previously served as Specialist of Taiwan Stock Exchange Corporation, Bureau of Foreign Trade, Sales Vice President of Fubon Securities Co., Ltd., Chairperson of Empire Vision, Chairperson of Unicon Optical Co., Ltd. · Is not under any of the circumstances as described in Article 30 of the Company Act.	The independent directors listed on the left have met the qualification requirements stipulated in the 'Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies' issued by the Financial Supervisory Commission, as well as Article 14-2 of the Securities and Exchange Act, during the two years prior to their appointment and throughout their tenure. Furthermore, in accordance with Article 14-3 of the Securities and Exchange Act, the independent directors have been granted full authority to participate in decision-making and to express their opinions, enabling them to independently exercise their respective duties.	None

Independent Director	Yu, Hsiang-Tun	· Possesses work experience in commercial, legal, finance, accounting or other areas required by the company business. · Faculty of Business and Commerce, Keio University. · Previously served as Section Manager, Sales Department, Yamaichi Securities Co., Ltd., President of Singapore Yamaichi Merchant Bank, Section Manager, Trust and Custody Department, Merrill Lynch Japan, Head of Legal Department, PGIM Japan, Deputy Head of International Management Department, Daiwa Securities Group Inc. · Is not under any of the circumstances as described in Article 30 of the Company Act.	The independent directors listed on the left have met the qualification requirements stipulated in the 'Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies' issued by the Financial Supervisory Commission, as well as Article 14-2 of the Securities and Exchange Act, during the two years prior to their appointment and throughout their tenure. Furthermore, in accordance with Article 14-3 of the Securities and Exchange Act, the independent directors have been granted full authority to participate in decision-making and to express their opinions, enabling them to independently exercise their respective duties.	None
Independent Director	Charles W. Tu	· An instructor or higher in a department related to the business needs of the company in a public or private junior college, college, or university. · PhD, School of Engineering & Applied Science, Yale University, USA. · Previously served as Researcher, AT&T Bell Labs, Head of Computer Science & Engineering Department, University of California, San Diego. Currently serving as Honorary Professor, University of California, San Diego, Yushan Scholar, National Chung Hsing University. · Is not under any of the circumstances as described in Article 30 of the Company Act.	The independent directors listed on the left have met the qualification requirements stipulated in the 'Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies' issued by the Financial Supervisory Commission, as well as Article 14-2 of the Securities and Exchange Act, during the two years prior to their appointment and throughout their tenure. Furthermore, in accordance with Article 14-3 of the Securities and Exchange Act, the independent directors have been granted full authority to participate in decision-making and to express their opinions, enabling them to independently exercise their respective duties.	None

2.Operation status of the Remuneration Committee:

(1) There are 3 members in the Company's Remuneration Committee.

(2) The fifth session term: from June 29, 2022 to June 28, 2025. In the recent year(2024), the Remuneration Committee held 2 meetings (A). The qualifications and attendance are stated as the follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate in Person (%)(B/A)	Note
Independent Director, Chairman	Liu, Shi-Heh	2	0	100%	—
Independent Director, Member	Yu, Hsiang-Tun	2	0	100%	—
Independent Director, Member	Charles W. Tu	2	0	100%	—
Other noteworthy matters: I. If the Board doesn't adopt or amend the Remuneration Committee's proposals, state the date, period, proposal contents, resolutions of the Board of the Directors, and the Company's actions in response to the opinions of the Remuneration Committee (If the resolution of compensation by the Board of Directors is better than the one by the Remuneration Committee, state the difference and the reasons): None. II. In cases Remuneration Committee members have dissenting opinions or qualified opinions against the resolution and recorded with notes in paper, the Company shall list date, number of the Remuneration Committee meeting, agenda, all members' opinion and the follow-up of the members' opinion: None.					

(3) Annual work focus of the Remuneration Committee:

The Company's Remuneration Committee convenes at least two meetings a year. The function of the committee is to assess the Company's director and manager remuneration policies and systems in a professional and objective manner, and make recommendations to the Board of Directors for reference in decision-making.

(4) The responsibilities of the Compensation Committee

A.The Committee shall exercise the care of a prudent administrator to faithfully perform the following duties, and shall submit its recommendations to the board of directors for discussion:

(A)Establishment and regular review of annual and long-term performance targets for directors and managers of the Company, as well as the compensation and remuneration policies, systems, standards, and structures.

(B)Regular assessment of the accomplishment of performance targets by the Company's directors and managers, and to determine the content and amount of individual compensation.

B.When performing the functions and powers referred to in the above, the Committee shall act according to the following principles:

(A)Ensuring that the Company's compensation arrangements comply with applicable laws and are capable of attracting top talents.

(B) The performance evaluation and compensation of directors and managers should be based on the typical compensation levels within the industry. It should also take into account the achievement of the company's short-term and long-term business goals, financial status, and assess the individual's performance in relation to the company's operational performance and the reasonableness of future risks.

(C)It shall not produce an incentive for the directors or managerial officers to engage in activity to pursue remuneration exceeding the risks that the Company may tolerate.

(D) The proportion of short-term performance-based compensation and the timing of variable salary payments for directors and senior executives should be determined based on industry characteristics and the nature of the company's business.

(E)Committee members are prohibited from participating in discussions and voting on their own salary/compensation decisions.

(5) Proposals discussed by the Remuneration Committee members in the most recent year up till the publication date of this annual report are as follows:

Date of Meeting	Term	Contents of the motions	Opinions of all members	Company's response to members' opinions	Result of the resolution
2024.03.12	The 5th meeting of the 5th committee	• Description of the Company's policies, systems, standards, and structure for the performance evaluation and compensation of the Company's directors and managers.	None	None	Approved by all the members of the committee
2025.03.11	The 5th meeting of the 7th committee	• Establishment of the scope for the Company's grassroots employees. • Policy, system, standards, and structure for the performance evaluation and compensation of the company's directors and managers.	None	None	Approved by all the members of the committee
2025.05.09	The 5th meeting of the 8th committe	• The Company's Employee Stock Trust Plan and Manager Participation in the Employee Stock Trust Scheme.	None	None	Approved by all the members of the committee

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

Promoting items	Status of implementation			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	
I. Does the Company establish a governance structure to promote sustainable development, and set up a dedicated (or part-time) unit to promote sustainable development that is handled by the senior management authorized by the Board of Directors, and the supervision situation of the Board of Directors?	✓		The Company follows the vision and mission of the ESG policy. The Board of Directors serves as the highest decision-making body for sustainability-related issues. On August 12, 2024, the company established a functional committee directly reporting to the Board, named the "Sustainable Development Committee." The Chairman of the Board serves as the Convenor of this committee, and works together with senior executives from various fields to review the company's core operational capabilities and formulate medium- and long-term sustainable development plans. The "Sustainable Development Committee" acts as a cross-departmental communication platform for both vertical integration and horizontal coordination, incorporating sustainability concepts into the company's operational mechanisms through the promotion of ESG functional teams. Currently, the Sustainable Development Committee is divided into six functional groups: "Governance Operations," "Environmental Sustainability," "Supply Chain Sustainability," "Employee Care," "Social Welfare," and "Risk Management." The heads of the relevant functional units identify key issues related to the company's operations and stakeholder concerns, formulate corresponding strategies and work plans, and track execution effectiveness to ensure that sustainability strategies are fully implemented into the company's daily operations. The Sustainable Development Committee reports to the Board at least once a year on the progress of sustainability implementation. The Board listens to the management team's reports (including the ESG report), and the management must propose company strategies	

<table>
<tr><th rowspan="2">Promoting items</th><th colspan="3">Status of implementation</th><th rowspan="2">Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary note</th></tr>
<tr><td></td><td></td><td></td><td>and goals to the Board. The Board must evaluate the feasibility of these strategies and goals, regularly review their progress, and urge the management to make adjustments when necessary.
In 2024, two meetings of the Sustainable Development Committee were held, and reports were presented to the Board on August 12, 2024, and November 7, 2024. The Board has approved the agenda items for reference, which include:
• August 12, 2024, First Meeting:
(I) Plan for the introduction of the 2024 ESG Report.
(II) Stakeholder and key issues report.
(III) Report on the structure of the sustainability report.
• November 7, 2024, Second Meeting:
(I) Results of the 2024 stakeholder discussion report.
(II) Report on the company’s implementation of integrity management.
(III) Report on the company’s intellectual property management execution.
(IV) Report on the company’s information security risk management execution.
(V) Report on the company’s greenhouse gas inventory and assurance execution.</td><td></td></tr>
<tr><td>II. Does the Company conduct risk assessments on environmental, social, and corporate governance issues related to corporate</td><td>✓</td><td></td><td>To strengthen corporate governance and establish an effective risk management mechanism to achieve sound operations and sustainable development, the Company resolved and passed the "Risk Management Policy and Procedures" in August 2024. The Board of Directors is the highest decision-making body for the risk management mechanism, responsible for approving the overall risk management policy, major decisions, and the</td><td></td></tr>
</table>

Promoting items	Status of implementation			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	
operations in accordance with the materiality principle, and establish relevant risk management policies or strategies?			establishment and review of strategies and goals, with a focus on sound operations and sustainable development. The members of the Risk Management Team are heads of relevant responsible units, tasked with identifying, measuring, and controlling risks, ensuring that each unit effectively implements the risk management system, and supervising and monitoring the execution of risk control in operational units. The governance officers are responsible for planning, leading, and supervising risk identification, measurement, control, and monitoring for each operational unit, and providing timely suggestions for improvements. The performance of risk control by each responsible unit is supervised, and based on the responses from each unit, the risk matrix of the group is compiled, along with the performance for the current year and the risk management plan for the following year. The results are reported to the Audit Committee at least once a year. The Audit Committee is responsible for supervising and ensuring the execution of risk management and reports the overall risk management results to the Board at least once a year. The risk management process includes risk identification, risk measurement, risk control, risk monitoring, and risk disclosure, aimed at managing and reducing the likelihood and impact of risks. The scope of risk management includes seven categories of risks: strategic risks, operational risks, financial risks, hazard risks, compliance risks, cybersecurity risks, and other risks. The Company’s risk management policy defines various types of risks in accordance with the overall operational guidelines of the company, establishing mechanisms for early identification, accurate measurement, effective supervision, and strict control of risks.	

Promoting items	Status of implementation			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	
			Within an acceptable risk range, the Company aims to prevent potential losses, and continuously adjusts and improves best practices for risk management in response to internal and external environmental changes, in order to protect the interests of employees, shareholders, partners, and customers, enhance company value, and achieve optimal resource allocation. The execution of risk management in 2024 was reported to the Audit Committee and the Board on November 7, 2024. For details on the company's risk management in various areas and significant issues, please refer to Appendix 1.	
III. Environmental issues (I) Has the Company established an appropriate environmental management system based on its industrial characteristics?	✓		(I) The company complies with relevant regulations such as the Air Pollution Control Act, the Water Pollution Control Act, the Waste Management Act, the Resources Recycling and Reuse Act, the Greenhouse Gas Reduction and Management Act, the Soil and Groundwater Pollution Remediation Act, and the Toxic and Concerned Chemicals Management Act. Each plant area promotes the implementation of ISO 14001 activities and establishes an environmental management system in accordance with ISO 14001 standards. In 2024, the Company completed one environmental management project, primarily focused on energy conservation. This project involved recovering waste heat generated in the laboratory to replace heat pumps, reducing the operating time of heat pumps. This initiative is expected to save approximately 70,000 kWh of electricity annually.	

Promoting items	Status of implementation			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	
			The company obtained ISO 14001 certification for its Environmental Management System in May 2022, which was verified by a third party. The latest certification is valid from July 28, 2024, to July 5, 2027.	None
(II) Is the Company committed to enhance the efficiency of energy use and use renewable materials with low impact on the environment?	✓		(II) The company actively promotes various energy reduction measures, including the adoption of automated production equipment and energy-saving devices, the replacement of outdated production machinery and inefficient chiller units, and the promotion of energy conservation awareness among employees during daily operations. These efforts aim to reduce energy consumption at both the corporate and product levels and to optimize energy usage efficiency. In the year 2024, the total greenhouse gas emissions from Scope 1 and Scope 2 were 7,164.9832 metric tons, representing a reduction of 406.3386 metric tons, or a 5.37% decrease. The total electricity consumption for the year was 14.11 million kWh, with an electricity savings of 340,000 kWh, amounting to a 2.35% reduction. The electricity consumption per million units of output in 2024 was 5,179 kWh, a 17.34% decrease compared to the year 2023, thereby meeting the target of a 2% annual reduction in electricity intensity. The company's future energy reduction target is to achieve a 2% annual reduction in electricity intensity per unit of output, using 2023 as the base year, with the goal of reaching a 13% total reduction by 2030 (Year 119 in the Taiwanese calendar). In 2024, the company invested NT$8,050,000 in energy-saving and environmentally sustainable equipment, resulting in an estimated annual electricity savings of 626,060	

Promoting items	Status of implementation			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	
			kWh, equivalent to a reduction of 309.273 metric tons of carbon emissions. The investment items and their benefits are as follows: • Project 1: Replacement of Old Chillers with New Magnetic Levitation Variable-Frequency Chillers. Energy Efficiency Rating: Level 2 Investment Amount: NT$7,800,000 Electricity Savings: 61.47 kWh/hour, saving approximately 538,460 kWh annually Carbon Reduction: Based on a carbon emission factor of 0.494 kg CO_2/kWh, an annual reduction of approximately 265.999 metric tons • Project 2: Installation of Variable-Frequency Drives (VFD) on Air Handling Unit (AHU) Fans Investment Amount: NT$250,000 Electricity Savings: 10 kWh/hour, saving approximately 87,600 kWh annually Carbon Reduction: Based on a carbon emission factor of 0.494 kg CO_2/kWh, an annual reduction of approximately 43.274 metric tons The company has implemented resource recycling and waste sorting measures for many years. All scrapped items are handled by certified recycling vendors. For packaging materials, the company strives to use recycled materials as much as possible to reduce environmental impact, such as reusing antistatic metal bags until their antistatic properties diminish, after which they are properly disposed of. Additionally, the company continues to promote energy conservation in daily operations and the	None

Promoting items	Status of implementation			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	
			adoption of automated production and energy-saving equipment to further enhance energy efficiency.	
(III) Does the company evaluate potential risks and opportunities posed by climate change to the enterprise at present and in the future, and take measures in response to climate-related issues?	✓		(III) In 2024, the Company established a Risk Management Task Force under the Audit Committee. Utilizing the framework provided by the Task Force on Climate-related Financial Disclosures (TCFD), the Task Force analyzes the potential impacts of climate change, conducts risk and opportunity assessments, and implements measures to mitigate these impacts. The objective is to provide management and investors with reliable financial information for decision-making and evaluation. The Company conducts a climate risk assessment at least once per year through the Risk Management Task Force.The climate risk management process includes risk identification, risk assessment, risk control, risk monitoring, and risk disclosure, evaluating each issue from multiple perspectives in terms of its relevance and significance to the Company's operational risks. Material Climate-related Financial Risks and Response Measures: Following the Company's assessment in 2024, six major climate-related risks were identified from a wide range of potential risks: Changes in customer behavior Rising costs of raw materials Increased severity of extreme weather events such as typhoons and floods Changes in rainfall (water) patterns and extreme shifts in climate models Strengthened emission reporting requirements	None

Promoting items	Status of implementation			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	
			Increases in greenhouse gas emission pricing No significant high-level climate risks have been identified in the short-, medium-, or long-term periods. To mitigate operational impacts caused by climate change, the Company has set greenhouse gas emission reduction targets and established various energy-saving and carbon reduction goals, focusing on electricity, water resource management, and waste reduction. The Company has also formulated an "Emergency Response Procedure for Production Processes (LG-2-003)," outlining emergency response measures for incidents such as water shortages, power outages/voltage drops, typhoons, and earthquakes, aiming to minimize the potential impact of climate change on production activities. Through the Environmental, Health, and Safety Management System (EHSMS), the Company audits high energy-consuming machines and equipment, proposing and implementing energy-saving improvement measures to reduce production costs and enhance corporate competitiveness. Further information regarding climate-related risks, opportunities, and corresponding response measures can be found in the ESG section of the Company's official website	None
(IV) Has the Company kept track of its greenhouse gas emissions, water usage, and	✓		(IV) Conducting greenhouse gas verification In 2023 and 2024, all of the Company's facilities in Taiwan completed ISO 14064-1 verification for Scope 1, Scope 2, and Scope 3 emissions, including third-party	

<table>
<tr><th rowspan="2">Promoting items</th><th colspan="3">Status of implementation</th><th rowspan="2">Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary note</th></tr>
<tr><td>total waste volume over the past two years, and mapped out energy conservation, carbon reduction, greenhouse gas reduction, water usage reduction, or other waste management policies?</td><td></td><td></td><td>verification.
The inventory and verification details for the past two years are as follows.
The Scope 1, 2, and 3 data covers all of the Company's facilities in Taiwan.
Unit: metric tons of CO_2e
<table><tr><th>Year</th><th>Scope 1</th><th>Scope 2</th><th>Unit Product Emissions (kgCO_2e per million units)</th><th>Scope 3</th></tr><tr><td>2023</td><td>433.5937</td><td>7137.7281</td><td>2,306</td><td>1534.2111</td></tr><tr><td>2024</td><td>477.4790</td><td>6687.5042</td><td>2,724</td><td>1679.8791</td></tr></table>
The Company, following the requirements of the ISO 14064-1:2018 standard, uses the Operational Control Approach to inventory the direct greenhouse gas (GHG) emissions sources (Category 1), energy indirect GHG emissions sources (Category 2), and other indirect GHG emissions sources (Categories 3–6) within its operational boundaries. The inventory covers the following types of greenhouse gases: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6), and nitrogen trifluoride (NF_3).
In 2024, the Company's GHG emissions were as follows:
• Direct GHG emissions (Category 1): 477.4790 metric tons CO_2e</td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Promoting items</th><th colspan="3">Status of implementation</th><th rowspan="2">Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary note</th></tr>
<tr><td></td><td></td><td></td><td>

- Energy indirect GHG emissions (Category 2 – market-based): 6687.5042 metric tons CO_2e
- Other indirect GHG emissions (Categories 3–6): 1679.8791 metric tons CO_2e

The detailed breakdown of emissions by category is as follows:

Category	Description	Emissions (metric tons CO_2e)
Category 3	Indirect GHG emissions from transportation activities	232.2530
3.1	Upstream transportation and distribution of purchased goods	43.1577
3.2	Downstream transportation and distribution of sold goods	32.0410
3.3	Employee commuting	157.0543
3.4	Transportation by customers and visitors	Not material
3.5	Business travel	Not material
Category 4	Indirect GHG emissions from products and services utilized by the organization	1447.6261
4.1	Upstream emissions from purchased goods and services	1406.6717
4.2	Upstream emissions from capital goods	NA
4.3	Waste generated in operations (solid and liquid waste treatment)	40.9544

</td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Promoting items</th><th colspan="3">Status of implementation</th><th rowspan="2">Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary note</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td>4.4</td><td>Upstream emissions from leased assets</td><td>NA</td></tr>
<tr><td>4.5</td><td>Emissions from consulting, cleaning, maintenance, and related services</td><td>NA</td></tr>
<tr><td>4.6</td><td>Emissions from other outsourced services</td><td>NA</td></tr>
<tr><td>Category 5</td><td>Indirect GHG emissions associated with the use of sold products</td><td>NA</td></tr>
<tr><td>5.1</td><td>Emissions during the use phase of sold products</td><td>NA</td></tr>
<tr><td>5.2</td><td>Emissions from downstream leased assets</td><td>NA</td></tr>
<tr><td>5.3</td><td>Emissions from end-of-life treatment of sold products</td><td>NA</td></tr>
<tr><td>5.4</td><td>Emissions from investments</td><td>NA</td></tr>
</table>
The Company proactively monitors the various impacts and risks associated with climate change. In order to minimize its environmental footprint, the Company conducts annual assessments and implements various energy conservation and waste reduction projects, aiming to achieve energy saving, carbon reduction, and the overall reduction of environmental burden and greenhouse gas (GHG) emissions.
Each year, the Company engages an independent third-party verification body, ETC, to perform GHG emissions inventory and certification. The verified GHG Inventory Certificates are publicly disclosed on the Company's official website.
In Taiwan, the total GHG emissions from all facilities for the year 2023 were 9,105.533 metric tons CO_2e per year.
</td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Promoting items</th><th colspan="3">Status of implementation</th><th rowspan="2">Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary note</th></tr>
<tr><td></td><td></td><td></td><td>

Direct GHG emissions (including emissions from process use of CF_4, fire-fighting drills, emergency generators, and company vehicles) accounted for 433.5937 metric tons CO_2e per year, representing 4.76% of the total emissions.
Energy indirect GHG emissions (primarily from purchased electricity) totaled 7,137.7281 metric tons CO_2e per year, accounting for 78.39% of the total emissions.
Other indirect GHG emissions amounted to 1,534.2111 metric tons CO_2e per year, comprising 16.85% of the total emissions.

The total GHG emissions from all Taiwan facilities for the year 2024 are as follows:

Total GHG emissions: 8844.8623 metric tons CO_2e per year
Direct GHG emissions (including emissions from process use of CF_4, fire-fighting drills, emergency generators, and company vehicles): 477.4790 metric tons CO_2e per year, accounting for 5.40% of the total emissions
Energy indirect GHG emissions (primarily from purchased electricity): 6687.5042 metric tons CO_2e per year, accounting for 75.61% of the total emissions
Other indirect GHG emissions: 1679.8791 metric tons CO_2e per year, accounting for 18.99% of the total emissions

<u>The electricity, water, and waste generation at our plants in 2023 and 2024 are as follows:</u>
<table>
<tr><th></th><th colspan="2"><u>Electricity consumption (kWh)</u></th><th colspan="2"><u>Water withdrawal (tons)</u></th><th colspan="2"><u>Waste volume (tons)</u></th></tr>
<tr><th>Plant site</th><th>2023</th><th>2024</th><th>2023</th><th>2024</th><th>2023</th><th>2024</th></tr>
</table>
</td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Promoting items</th><th colspan="3">Status of implementation</th><th rowspan="2">Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary note</th></tr>
<tr><td></td><td></td><td></td><td>

Hukou Plant	9,778,000	10,163,400	34,935	35,131	Non-hazardous 47.02 Hazardous 8.00	Non-hazardous 46.99 Hazardous 8.71
Siwei Plant	4,670,600	3,945,000	13,535	12,496	Non-hazardous 9.07 Hazardous 0.56	Non-hazardous 5.52 Hazardous 0.00
Total	14,448,600	14,108,400	48,470	47,627	Non-hazardous 56.09 Hazardous 8.56	Non-hazardous 52.51 Hazardous 8.71

Formulation of Company’s Energy Conservation, Carbon Reduction, Greenhouse Gas Emission Reduction, Water Use, and Waste Management Policies

1. Carbon Reduction Goal:
   Our company continues to implement various energy-saving and carbon-reduction measures. In 2023, the total greenhouse gas emissions in Scope 1 and Scope 2 were 7,571.32 tons CO_2e/year. In 2024, these emissions were reduced to 7164.98 tons CO_2e/year, representing a reduction of about 5.37%compared to the previous year. The carbon intensity per million units produced was 3.2470 tons CO_2e/year, which decreased by 17.77% compared to 2023, achieving the target of reducing by 2%. The company will continue to promote various energy-saving and carbon-reduction measures, setting a goal to reduce carbon intensity by 2% per year.
2. Energy Saving Goal:

</td><td></td></tr>
</table>

Promoting items	Status of implementation			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	
			The company has implemented various energy-saving measures, and compared to 2023, the total electricity usage in 2024 was 14.11 million kWh, resulting in a reduction of 340,000 kWh, a decrease of 2.35%. The electricity consumption per million units produced was 5,179 kWh, a 17.34% reduction compared to 2023, achieving the target of a 2% reduction. The company will continue to promote various energy-saving measures, with a goal to reduce electricity usage by 2% annually. 3. Waste Reduction Goal: The company has implemented resource recycling and waste sorting measures for many years, and all scrap materials are handled by qualified recycling vendors. For packaging materials, the company strives to use recycled materials to reduce the environmental impact. Furthermore, the company promotes paperless operations by digitizing work checklists as part of the ISO 14001 Environmental Management System, aiming for 100% paperless operations. In 2024, the total waste generated was 61.22 tons, a reduction of 3.43 tons, a decrease of 5.31%. The waste generation per million units produced was 0.022 tons, a 19.84% reduction compared to 2023, achieving the target of reducing waste by 1%. The company will continue to implement various energy-saving and waste-reduction measures, setting a goal to reduce waste by 1% annually. 4. Water Conservation Goal: Regarding water resource management, we ensure the recycling of process water without compromising quality, maximizing water efficiency in the plant, and	

Promoting items	Status of implementation			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	
			increasing output while using the same amount of water. Water meters have been installed in the production facilities and buildings to monitor water usage and reduce water risks. The company has installed wastewater treatment equipment and has designated personnel to manage environmental matters, having obtained a wastewater discharge permit, and has passed ISO-14001 Environmental Management System certification, effectively reducing the negative environmental impact. The water reduction achievement：In the year 2024, total water consumption was 22.13 million liters, representing a reduction of 1.04 million liters or 4.5% compared to the previous year. Water consumption per million units of output was 8,124 liters, a 19.16% decrease from 2023, successfully meeting the target reduction of 1%. The company will continue to implement various water conservation measures, setting a goal to reduce water consumption per million units of output by 1% annually. 5. Strategies and Measures to Achieve Energy Conservation, Carbon Reduction, Water Conservation, and Waste Reduction: In order to achieve the reduction targets, in addition to implementing energy-saving and carbon-reduction measures such as turning off lights and controlling air conditioning temperatures, the company is actively promoting various energy-saving and carbon-reduction programs and waste reduction initiatives: (1) Replacing Old Chiller Units: The company is replacing old chiller machines with new magnetic levitation variable frequency chillers, which are estimated to save 538,460 kWh of electricity annually.	

Promoting items	Status of implementation			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	
			(2) Installing Variable Frequency Drives on Air Handling Units: Variable frequency drives have been installed on air handling unit fan motors, which are expected to save 87,600 kWh of electricity annually. (3) Water Recycling in the Manufacturing Process: During the production process, the company uses reverse osmosis (RO) purified water. The RO filtration process generates about 30% concentrated water. After filtering the water, the company recycles the concentrated water and uses it for soft water regeneration cycles, which is expected to reduce the use of tap water by approximately 30%. (4) Reducing Waste from Cleaning Cloths: The company has reduced the size of the cleaning cloths used in the production line from 99 inches to 44 inches, which is expected to reduce waste by 200 kg per month.	
IV. Social Issues (I) Has the Company established related management policies and procedures in accordance with applicable laws and international conventions on human rights?	✓		(I) The company's " Sustainable development practice principle " clearly stipulates that the company should abide by international human rights conventions and relevant laws and regulations, and recognize and support the "United Nations Global Covenant", "United Nations Universal Declaration of Human Rights", "Basic Principles and Declaration of Rights of the International Labor Organization" and other internationally recognized human rights standards and basic principles, formulate a human rights policy applicable to the company to prevent violations of human rights, and comply with relevant labor laws and regulations where the company is located. In the future, we will regularly assess the degree of human rights risks, and formulate improvement and strengthening measures based on the assessment results, working towards the goal of zero human	None

Promoting items	Status of implementation			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	
			rights risks in the workplace. In the year 2024, the company did not experience any incidents related to violations of human rights. 1. The human rights policy is as follows: (1) Establish a human rights code of conduct: AOT Norms: Respect human rights, comply with the United Nations Universal Declaration of Human Rights, treat every colleague with integrity and fairness. Be kind and respect individual differences. (2) Put an end to any discrimination and ensure fairness among colleagues. Comply with local government labor laws and ensure no discrimination based on race, gender, age, physical or mental disability, politics, religion, or pregnancy. (3) Prohibition of child labor Prohibit the employment of child labor (referring to anyone under the age of 15, or under the age of compulsory education, or the minimum age for employment in the country/region (whichever is the oldest of the three)), and conduct inspections on hired employees, Child labor shall not be used in any manufacturing process. (4) Protect labor rights and interests All work should be voluntary, and no unwilling person should be forced or coerced to perform labor. (5) Establish a friendly workplace environment Provide a caring communication channel for colleagues to handle human rights-related issues. Pay attention to the needs of employees, promote health promotion activities and provide diverse activities, encourage colleagues to participate	None

Promoting items	Status of implementation			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	
			independently, and continuously communicate the company's human rights policy concepts through supplier audits. 2. Specific management plan The company formulates "Working Rules" in accordance with the relevant provisions of the Labor Standards Act, formulates "Sexual Harassment Prevention Measures, Complaints and Management Standards" in accordance with the relevant provisions of the Gender Equality at Work Act and the Sexual Harassment Prevention Act to safeguard the rights and interests of employees and create a work environment free from harassment. . The company also implements relevant human rights policies in accordance with the Responsible Business Alliance (RBA). In addition to the legally mandated periodic selection of labor and management representatives and the regular convening of labor-management meetings and the Employee Welfare Committee to address employee rights and welfare matters, new suppliers are required to pass a supplier evaluation and sign a commitment to comply with the RBA (Responsible Business Alliance) human rights policy requirements before entering into cooperation.. 3. Related policy and implementation (1) Provision of a safe and healthy work environment The Company has passed the ISO 14001 (environmental management system), ISO 45001 (occupational safety and health management system), and ISO 14064 (greenhouse gas inventory), and actively promotes energy conservation and carbon reduction, disaster prevention, and pollution prevention. We make	None

Promoting items	Status of implementation			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	
			reasonable guarantee of a safe work environment. In addition to providing a safe and healthy work environment according to the laws and regulations, the Company has also established a dedicated unit and committee for occupational safety and health, and hired professional doctors and nursing staff to provide safety, health, fire safety and other related education and training. In addition, the Company will sample the operating environment periodically to grasp the actual status of the operating environment and assess the exposure status of laborers, and to take necessary preventive measures to prevent the occurrence of occupational hazards, and thereby reduce dangerous factors in the working environment. (2) Eliminate unlawful discrimination and reasonably ensure equal job opportunities The Company has implemented its human rights policy in its internal control procedures. On recruitment, appointment, remuneration and benefits, education and training, promotion, performance evaluation, resignation, termination, severance pay, or retirement, the Company does not discriminate against employees and job seekers based on their race, class, or any form of discrimination based on language, ideology, religion, political party, nationality, birthplace, gender, sexual orientation, age, marriage, appearance, facial features, physical and mental disabilities, zodiac sign, blood type, previous trade union membership, and unfair treatment. (3) Prohibition of child labor In order to ensure compliance with corporate social responsibility and ethical	None

Promoting items	Status of implementation			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	
			standards, the Company has explicitly stated from the beginning of recruitment that child labor is not allowed in any manufacturing process. As of December 31, 2024, the number of child laborers among all current employees is 0. (4) Prohibition of forced labor All work should be done by one's will, and the Company will not force or coerce any unwilling person to perform the labor service. The Company has complied with laws and regulations regarding the daily and weekly normal working hours and extended working hours, holidays, special holidays, and leave of absence. The time and attendance system is designed with a reminder function for employees to work overtime. Employees who work overtime are entitled to overtime pay or time off. Special personnel are assigned to inspect and control the working hours of the factory premises on a monthly basis. (5) Assisting employees in maintaining physical and mental health and maintaining work-life balance The Company provides venue or financial sponsorship for employees, including free health check-up, stress-relieving massage, encourages employees to form their own club, and organizes a variety of ball game competitions, year-end meals, family day and other activities to enable employees to balance family life to rejuvenate the body and mind. 4. Human rights protection training practices (1) Orientation for new recruits Upon arrival, employees are required to attend compliance orientation training for	

Promoting items	Status of implementation			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	
			new recruits, including safety and health education, introduction to the Company's administrative policies, and education on the prevention of sexual harassment. (2) Prevention of workplace violence Through advocacy and announcements, the company has clearly stated its "zero tolerance" stance on all kinds of illegal violations in the workplace, so that employees understand that they have the responsibility to help ensure the occurrence of illegal violations in the workplace. In addition to disclosing the complaint hotline, we also established standard handling to create a friendly work environment. (3) Occupational safety training The content includes: Safety and health education and training, fire safety training, emergency response, and first-aid training. (4) Promotion of ethical corporate management Educate all employees on the importance of ethical corporate management and related norms, in order to establish a healthy and positive workplace culture. (5) In 2024, the company conducted human rights general education training for new hires and current employees, with the following results: • For new hires, all 93 new employees received human rights education and training, totaling 93 training hours. • For current employees, 519 individuals participated in human rights education and training, totaling 519 training hours.	None

Promoting items	Status of implementation			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	
			• In total, 612 employees participated in human rights education and training throughout the year, with a combined total of 612 training hours. The Company will continue to focus on human rights protection issues and promote related educational programs to enhance human rights awareness and reduce the risk of potential violations.	None
(II) Does the Company formulate and implement reasonable employee welfare measures (including remuneration, leave of absence, and other benefits), and appropriately reflect business performance or results in employee remuneration?	✓		(II) 1. Employee welfare measures (1) Employee remuneration: The Company provides employees with remuneration based on their educational background, professional experience, job title, market conditions, and the Company's profitability. (2) Workplace Diversity and Equality: The company is committed to providing employees with a dignified and safe working environment. We implement diversity in hiring and ensure fairness in compensation and promotion opportunities. We guarantee that employees are not subject to discrimination, harassment, or unequal treatment based on race, gender, sexual orientation, religion, age, political affiliation, place of birth, disability, or any other status protected by applicable laws. We strive to achieve equal pay for equal work and equal promotion opportunities for all genders. As of December 31, 2024, there were 483 female employees, accounting for 63.4% of total staff, and 40 female employees in managerial positions, accounting for 27.2%. Among direct labor employees, the basic salary ratio between male and female employees was 1:1; for indirect labor employees, the ratio was	

Promoting items	Status of implementation			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	
			approximately 1:1.24, primarily due to men holding more R&D and sales positions while women predominantly worked in administrative and clerical roles, along with differences in seniority. Overall, the workplace is considered diverse and equitable. (3) Leave Policies: The company's leave policies comply with relevant legal regulations and are designed to create a friendly workplace environment. Employees who need to temporarily leave work due to parental leave or major illness may apply for unpaid leave according to the law and request reinstatement upon expiration. Additionally, the company offers flexible working arrangements to help employees balance work and family care responsibilities. (4) Allowances, Gifts, and Subsidies: The company regularly provides health checkups, organizes physical and mental wellness seminars, operates an employee cafeteria, and has established an Employee Welfare Committee. The Committee plans a variety of high-quality welfare benefits, including holiday gift vouchers, birthday vouchers, marriage, bereavement, maternity, and hospitalization allowances, scholarships for employees and their children, emergency assistance, as well as subsidies for domestic travel and club activities, ensuring comprehensive care and support for employees beyond work. (5) Employee Retirement System and Implementation: A. Old System:	None

Promoting items	Status of implementation			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	
			In accordance with the Labor Standards Act, the company established the "Labor Retirement Reserve Supervision Committee Organization Rules." Employees hired before June 30, 2005, could choose between the old or new pension system. Under the old system, the company contributed 2% of the monthly salary to a dedicated account at the Bank of Taiwan, supervised by the Labor Retirement Reserve Supervision Committee. In October 2022, after mutual agreement in the supervision committee, the company completed the settlement of old system seniority in accordance with Article 11, Paragraph 3 of the Labor Pension Act. After approval from the Hsinchu County Labor Affairs Department, settlement payments were made from the Bank of Taiwan's retirement reserve account. In May 2023, the company retrieved the remaining balance from the retirement reserve account with the approval of the competent authority. Due to the employment of foreign white-collar workers starting in 2024, the old system account was reactivated, and the company resumed contributions of 10% of total salaries under the old system. In 2024, the company contributed NT$43,000 under the old system. B. New System: For employees hired after July 1, 2005, and those who switched from the old to the new system, the company complies with the Labor Pension Act by contributing 6% of their total monthly salary into individual pension accounts. In 2024, contributions under the new system amounted to NT$22,299,000.	None

Promoting items	Status of implementation			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	
			C. Employees are eligible to apply for retirement under the following conditions: (A) After 15 years of service and reaching 55 years of age. (B) After 10 years of service and reaching 60 years of age. (C) After 25 years of service regardless of age. D. Standards for retirement pension payments: (A) For years of service both before and after the application of the Labor Standards Act, or employees who opted to continue under the old retirement system, the pension is calculated according to Article 84-2 and Article 55 of the Labor Standards Act. (B) Employees who meet the conditions for mandatory retirement under Article 35, Paragraph 1, Item 2, and whose mental or physical disability is caused by performing duties, receive an additional 20% of the pension under Article 55, Paragraph 1, Subparagraph 2 of the Labor Standards Act. (C) Employees under the Labor Pension Act have 6% of their monthly salary contributed to their individual pension accounts by the company. (6) Implementation of Labor-Management Meetings Since its establishment, the company has maintained smooth labor-management relations. Various communication channels are available for regular exchanges, and quarterly labor-management meetings are held to facilitate direct discussion on relevant issues. A. Labor-Management Meetings:	None

Promoting items	Status of implementation			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	
			Management Representatives: Appointed by the company from among senior executives Employee Representatives: Elected and nominated by each department Ratio: Equal number of representatives from labor and management sides Term: Each term lasts four years; employee representatives may be re-elected for consecutive terms Frequency: Meetings are held quarterly, and meeting minutes are announced to employees within one month B. Collective Agreement: The company has not established a labor union, and to date, employees have not requested negotiations for a collective agreement. Therefore, no collective agreement has been signed. 2. Remuneration Policy: The company has a clear remuneration policy. In addition to holiday bonuses, Article 28 of the Articles of Incorporation stipulates that if the company makes a profit in a given fiscal year, no less than 5% of the annual profit must be allocated as employee remuneration. However, if there is an accumulated loss, it must first be covered. The company also considers performance evaluations when allocating employee remuneration and bonuses to motivate all employees toward achieving company goals. In line with the amendment to Article 14-6 of the Securities and Exchange Act, the	None

<table>
<tr><th rowspan="2">Promoting items</th><th colspan="3">Status of implementation</th><th rowspan="2">Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary note</th></tr>
<tr><td>(III) Does the Company provide employees with a safe and healthy work environment, and provide safety and health education to employees regularly?</td><td>✓</td><td></td><td>company will amend Article 28 of its Articles of Incorporation at the 2025 Shareholders' Meeting to specify that at least 5% of the annual profit must be allocated to employee remuneration, with no less than 25% of that amount distributed specifically to grassroots employees.

(III) The Company has established an Industrial Safety Department to be responsible for the promotion of various safety and health services:
1. The Company has set up medical offices at Hukou Plant and Siwei Plant with professional nurses to provide employees with necessary health and first-aid facilities, health education, and regular health examinations. The “Health Promotion Label" issued by the Ministry of Health and Welfare has been obtained. The Company has also established an annual training program and regularly conducts necessary environmental, safety, and health education and training. In 2024, the Company offered the following related courses to employees:

<table>
<tr><th>Training Course</th><th>Course Duration (Hours)</th><th>Total Participants</th><th>Total Training Hours</th></tr>
<tr><td>On-the-Job Occupational Safety and Health Training (including initial and refresher training for operation supervisors)</td><td>-</td><td>23</td><td>240.0</td></tr>
<tr><td>Supervisor Occupational Safety and Health Training</td><td>3.0</td><td>126</td><td>378.0</td></tr>
</table></td><td>None</td></tr>
</table>

Promoting items	Status of implementation			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	

Internal Auditor Training for Environmental, Safety, and Health Systems	-	31	100.0
Emergency Response Drill	0.5	331	165.5
General Training on Hazardous and Harmful Substances	3.0	66	198.0
Self-Defense Firefighting Team Training	4.0	52	208.0
Maternity Protection Program	0.5	18	9.0
Abnormal Workload Management Program	0.25	150	37.5
Ergonomic Hazards Prevention Program	0.5	12	6.0
Workplace Health Promotion Seminar	1.0	147	147.0
Total	-	**956**	**1,489.0**

2. Specific Measures and Implementation Results for the Prevention of Employee Obesity and Metabolic Syndrome (Three Highs)
   In 2024, the Company conducted ten promotional activities aimed at preventing obesity and chronic diseases related to metabolic syndrome (i.e., hypertension, hyperlipidemia, and hyperglycemia). In August, the Company organized the annual employee health check-up, with 601 employees participating. Among them, 118 employees (approximately 19.6% of participants) were identified as meeting the criteria for metabolic syndrome.
   For employees diagnosed with metabolic syndrome, the Company arranged

Promoting items	Status of implementation			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	
			individual consultations and health education sessions with physicians based on a graded health management system. Employees with mild conditions were advised to improve through diet control and regular exercise, while those with more severe conditions were guided to seek regular medical treatment and medication, effectively reducing abnormal health indicators. A total of 65 employees underwent follow-up consultations, achieving a follow-up completion rate of 38%.	
			3. Occupational Health and Safety Monitoring and Training The Company commissions qualified inspection agencies to conduct workplace environmental monitoring every six months. In addition, various occupational safety and health training programs are implemented, and regular site inspections are carried out to identify potential risks. Fire safety training is conducted semi-annually, and evacuation drills are conducted annually. The Company has obtained ISO 45001 certification (valid from July 28, 2024, to July 5, 2027) and applies the PDCA (Plan-Do-Check-Act) cycle to continuously improve occupational health and safety management, thereby enhancing the protection of employees' personal safety and the working environment.	
			4. Occupational Safety Audits and Incident Statistics The Company strictly complies with occupational safety and health management regulations, conducting both internal audits and external verifications annually. We aim for zero major safety incidents and zero occupational diseases, striving to build	

Promoting items	Status of implementation			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	
			a safe and healthy workplace environment. In 2024, there were a total of 7 occupational injury cases, involving 7 employees, accounting for 1.004% of the total workforce. Of these, 1 case was an in-plant work injury, and 6 cases were commuting-related traffic accidents. Corrective and preventive measures were promptly implemented to avoid recurrence of similar incidents. 5. Fire Safety Management The Company conducts annual fire equipment safety inspections, quarterly self-inspections, and irregular weekly patrols. No fire-related accidents occurred during 2024. 6. Equipment Safety Management Regarding safety management of environmental, health, and production equipment, all relevant equipment is systematically registered and managed. Safety inspections and maintenance are conducted periodically according to established maintenance schedules. Although the Company currently does not operate any dangerous machinery or equipment, detailed safety inspections are still regularly performed to ensure operational safety and eliminate potential risks.	
(IV) Does the Company establish effective training programs for employees' career	✓		(IV) The Company establishes effective training programs for employees' career development: The company annually plans comprehensive training for all levels of management and	

Promoting items	Status of implementation			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	
development?			employees based on business operations, business direction, and future development. This includes new employee training, professional advancement training, management training, and more, helping employees continuously learn and grow through various learning methods. The company also introduces training courses related to corporate ethics development to cultivate key abilities in employees. In 2024, a total of 697 employees completed career development training, with a total of 3,941.6 hours. 1. Provide newcomers with education and training to help newcomers understand the working environment and related rules and regulations as soon as possible. 2. Formulate the license management system and related measures. Employees must complete relevant training and pass the certification exam before they can operate the production machines independently. 3. According to the Employee Education and Training Management Regulations, the Company organizes various professional training on engineering and quality control to ensure employees' professional competence in performing duties. 4. Organize managerial training according to the level of management (basic, middle, and senior) to assist and strengthen their organizational management skills. 5. Organize work ability and skill improvement courses to cultivate employees' improvement of work efficiency and self-management ability. 6. Employees may apply for external training according to their needs, so as to understand market trends and the latest knowledge and technology, in order to improve work ability. During the annual performance reviews, supervisors and employees discuss and set	

Promoting items	Status of implementation			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	
			personal annual development plans. Through regular reviews and feedback, the company helps employees create the best development plan tailored to their needs.	
(V) Does the Company comply with applicable laws and international standards on customer health and safety, customer privacy, marketing and labeling of products and services, and establish related policies and complaint procedures to protect the rights and interests of consumers or customers?	✓		(V) The Company is a professional electronic manufacturing service provider, managing and controlling the value chain of our products, from raw materials to transportation and customer delivery. We have established management mechanisms and continuously track product information, maintaining a robust internal reporting system to fulfill our commitment to product safety. We comply with relevant regulations and international standards, such as ISO 27001 for Information Security Management, ISO 9001 for Quality Management, and ISO 14001 for Environmental Management. Additionally, we strictly adhere to the "Green Product Management Operating System" and RoHS regulations on the restriction of hazardous substances, as well as REACH regulations concerning Substances of Very High Concern (SVHC). The company also values customer feedback. In addition to conducting routine customer visits, we provide an email service on our website for customer inquiries. We have set up a stakeholder area where our sales department personnel handle customer questions, complaints, and suggestions. The company operates on principles of integrity, handling all matters appropriately and responding to ensure customer rights are protected. We maintain the confidentiality of personal information related to our business partners, including suppliers, customers, consumers, and employees, through established management mechanisms and relevant behavior standards. These include the "Information Security Management Guidelines," "Document Encryption System," "Computer Information Control Procedures," "Internal Personal Data Protection Guidelines," "Work Rules," and education and	

Promoting items	Status of implementation			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	
			training programs, all aimed at ensuring customer rights, privacy protection, and the implementation of our product safety commitment. We safeguard the information security requirements of customers, employees, and suppliers, ensuring confidentiality aligns with the reasonable expectations of business partners. In collecting, storing, processing, transmitting, and sharing personal information, we comply with the Personal Data Protection Act and relevant privacy and data security regulations. In 2024, we established a "Customer Complaint and Return Handling Procedure (QA-2-011)" to provide transparent and effective channels for customer complaints. We have set up a customer service hotline and an email mailbox for handling complaints. Additionally, we have insured our products with liability insurance to protect customer interests. Complaint Channels Information: 1. Complaint Hotline: (03) 597-6988. 2. Customer Contact Email: sales@aot.com.tw 3. Whistleblower Email: https://www.aot.com.tw/report-mailbox/	
(VI) Does the company establish supplier management policies that require suppliers to comply with relevant regulations on environmental protection, occupational safety and health, or labor rights, and	✓		(VI) 1. Supplier management policies and related compliance specifications: The Company has established a Supplier Management Policy, recognizing suppliers as crucial partners in our operations. In promoting corporate social responsibility (CSR), we consider the participation of the entire supply chain. In addition to quality and delivery timelines, we actively encourage our supply chain to prioritize human rights, environmental protection, safety, health, and sustainable development. We focus on enhancing suppliers' ESG (Environmental, Social, and Governance) management, which	

Promoting items	Status of implementation			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	
the implementation status thereof?			includes green environmental practices, labor rights, health and safety, risk management, ethical standards, the prohibition of conflict minerals, the prohibition of child labor, labor management, and integrity in operations. We also require suppliers to comply with ISO 14001, ISO 9001, and RBA-related standards, working together to establish a sustainable supply chain. (1) Supplier CSR Risk Management: Rong Chuang has developed the "Supplier CSR Code of Conduct" based on the Responsible Business Alliance (RBA) Code of Conduct, which is included in our procurement contracts. For new suppliers, we require them to pass a supplier evaluation before cooperation and sign a commitment to adhere to RBA standards. For existing suppliers, we conduct risk assessments covering social, economic, and environmental aspects. Suppliers assessed as high-risk are subject to audits and controls. We also supervise and guide the improvement of any actual or potential significant negative issues. In 2024, the company added five key raw material suppliers, all of whom signed and committed to following the RBA standards. From 2022 to 2024, a total of 65 key raw material suppliers have completed the RBA adherence commitment. For important raw material suppliers, the company has also initiated the "Supplier System Audit Evaluation Form" mechanism and will continue to complete ESG self-assessments for key raw material suppliers to ensure the effective implementation of supplier ESG evaluation practices. (2) Supplier quality management: For the quality management of key materials, new suppliers are evaluated based on quality, cost, delivery time, technical ability, and selection is made for suitable suppliers for cooperation. The current	

Promoting items	Status of implementation			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	
			key material suppliers are evaluated based on the non-performing delivery rate, service quality, and procurement delivery deadline. If they are not up to the standard, we would provide guidance and counseling. If there is still no effective improvement, the supplier will be removed from the qualified supplier list. The comprehensive management of suppliers is controlled and guided from the following three aspects: A. On supplier management for critical materials, quality meetings are held with suppliers regularly to review related issues and make continuous improvements, in order to meet quality improvement requirements. B. On supplier management system verification, we would visit important suppliers as planned every year and conduct on-site audits. Once defects are discovered, the suppliers will be required to propose appropriate improvement plans to meet AOT expectations. C. Assessments for critical materials are made on a monthly basis based on the non-performing delivery rate, service quality, and procurement delivery deadline. Provide evaluation results to suppliers to urge them to make improvements. (3) Procurement risk diversification A. Material shortage risk management: The Company coordinates the material preparation mechanism with suppliers and establishes safety stocks according to the preparation time required for each material to ensure a smooth supply chain. To avoid the risk of material shortage or having only a	

Promoting items	Status of implementation			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	
			single supplier, we will select two or more qualified suppliers according to the material evaluation mechanism for product development, and select new qualified suppliers based on product development needs through selection and evaluation process to ensure the smooth supply of materials. B. Local procurement: AOT production is concentrated in Taiwan and China. The supply chain mainly includes suppliers and related contractors of machine equipment, key spare parts such as LEDs, printed circuit boards, electronic materials, lighting modules, and materials, energy resources, and transportation. In order to shorten the time required for material preparation and accelerate the development time of new products, the Company actively implements localization of materials, which can also reduce costs and carbon emissions generated during the transportation process, and create a triple-win situation for the AOT, suppliers, and the local economy. 2. Supplier management policies and related compliance specifications: (1) Procurement: The suppliers that pass the material evaluation must have the ISO9001& ISO14001 environmental certification and provide the quality guarantee and the environmental restricted substances testing consent. (2) Certification: Quality verification includes QSA and QPA. A. Suppliers with two scores >= 80% are qualified B. Suppliers with any item with a score of less than 80% cannot supply goods until the defects are corrected C. Performance and monitoring: In order to achieve stable quality and	

Promoting items	Status of implementation			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	
			continuous improvement, monthly performance evaluation and annual audit (same certification content as above) are conducted. (3) Supplier sustainability assessment: The Company conducts its Sustainability Index evaluation and selection of suppliers of raw materials. The annual evaluation of qualified suppliers in 2022 conforms to 100% of supply chain management mechanisms.	
V. Does the Company prepare a sustainability report or other reports for disclosing non-financial information of the company with reference to international standards or guidelines for preparing reports? Have the reports mentioned previously obtained the assurance or assurance opinion of a third-party verification unit?		✓	The Company will prepare the "2024 Sustainability Report" based on the Global Reporting Initiative (GRI) standards, which include general guidelines, industry-specific guidelines, and material topic standards. This report will disclose the economic, environmental, and social (including human rights) material topics and impacts identified by the company, along with the relevant disclosures and reporting requirements. The company will also refer to the Sustainability Accounting Standards Board (SASB) standards to disclose industry-specific indicators and provide an index mapping SASB indicators to the report's content. Third-party verification will be planned for the report. Upon completion, the "2024 Sustainability Report" will be submitted for board discussion and disclosed on the company website within the specified timeframe, with an additional filing on the ESG digital platform.	The Company's first Sustainability Report will be completed and filed in accordance with regulatory requirements by the end of August 2025.
VI. If the Company has established its own sustainability code of conducts in accordance with	✓		The company has established the Sustainable Development Best Practice Principles and promotes the balance of economy, society, and environment in accordance with the concept of the Principles. There is no deviation from the Principles for the operation.	

Promoting items	Status of implementation			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	
the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," please describe the current practices and any deviations:				
VII. Other important information helpful for understanding the implementation of sustainable development:	✓		(I) Assess risks or opportunities to the community and take corresponding measures: In 2019, based on the vision of "giving back to society," AOT established the "AOT Cultural Foundation." The foundation aims to actively engage in public welfare activities while pursuing revenue and profit, fulfilling corporate responsibilities, and fostering positive interactions with society. It seeks to deeply embed sustainable management and acts of care into the community. In order to implement corporate social responsibility, the company encourages and assists employees to participate in social welfare and care for disadvantaged groups. Giving back to the society is not limited to monetary donations, but also includes giving back to the society through practical actions and fulfilling social citizen responsibilities. We hope that by loving and caring, colleagues and society can gather positive power and work together for a better world. In 2024, the company participated in social welfare and disadvantaged group care activities as follows: 1. Delivering Love to Ningyuan Nursing Home Purpose: Improve the quality of care for elderly with dementia. Date: June 2024	

Promoting items	Status of implementation			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	
			Location: Hukou Township, Hsinchu County Amount: NTD 55,124 for 170 people 2. Traditional Massage Course for the Ministry of Justice's Correctional Institution, Chengzheng Middle School Purpose: Equip inmates with a skill to help them pursue further education or employment after release, ensuring a source of income. Date: March 2024 - July 2024 Location: Xinfeng Township, Hsinchu County Amount: NTD 72,000 for 15 people 3. Fulong Elementary School Hakka Drumming Team Purpose: Preserve traditional Hakka drumming skills and culture. Date: February 2023 - August 2024 Location: Hukou Township, Hsinchu County Amount: NTD 48,000 for 30 people 4. Food Bank Voucher for Vulnerable Families in Xinfeng and Hukou Purpose: Support children from disadvantaged families. Date: November 2024 Location: Hukou and Xinfeng Townships, Hsinchu County Amount: NTD 29,250 for 350 people 5. Sponsoring Programming Courses for He Xing Elementary School Students Purpose: Address the lack of urban curriculum resources in remote schools. Date: January 2024 - December 2024	

Promoting items	Status of implementation			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary note	
			Location: Hukou Township, Hsinchu County Amount: NTD 80,000 for 10 students 6. Winter Warmth for Ningyuan Nursing Home Purpose: Improve the quality of care for elderly with dementia. Date: December 2024 Location: Hukou Township, Hsinchu County Amount: NTD 64,760 for 170 people 7. Christmas Gift Donation for Xiuluan Elementary School and Xiuluan Tianpu Branch Purpose: Distribute gifts to children at rural kindergartens and elementary schools. Date: December 2024 Location: Jianshi Township, Hsinchu County Amount: NTD 42,500 for 85 people 8. Christmas Gift Donation for Hexing and Fulong Elementary Schools Purpose: Distribute gifts to children at rural kindergartens and elementary schools. Date: December 2024 Location: Hukou Township, Hsinchu County Amount: • He Xing Elementary: NTD 43,500 for 87 people • Fulong Elementary: NTD 43,000 for 86 people	

Appendix 1: Risk Assessment Boundary, Scope of Risk Management, and Implementation Status of Risk Management for Material Topics

1. Risk Assessment Boundary
   The disclosed information covers the Company's sustainability performance at its main sites from January to December 2024. The boundary of risk assessment is focused on the Company itself and includes all of its facilities in Taiwan.
2. Scope of Risk Management
   The Company adheres to the five principles of the AA1000 Stakeholder Engagement Standard and has identified eight major categories of stakeholders. The significant risks related to stakeholders involved in various Company operations include, but are not limited to, the following risk categories:

Stakeholder	Associated Risk Categories
Government Agencies	Ethical and integrity risk, information security risk, climate change and environmental risk, geopolitical risk, policy and regulatory change risk, compliance risk
Shareholders / Investors	Operational performance risk, ethical and integrity risk, investment risk, risk management, greenhouse gas emissions risk
Industry Associations	Information security risk, occupational safety and health risk, talent development, climate change and environmental risk, energy management risk
Suppliers / Contractors	Intellectual property risk, supply chain management risk, operational disruption risk, compliance risk, occupational safety and health risk, green product risk
Customers	Product quality risk, innovation and R&D risk, competitive risk, risk of new product substitution, supply chain management risk, inventory obsolescence risk, customer credit risk, process efficiency risk, operational disruption risk, green product risk
Employees	Key talent risk, talent development risk, compensation and benefits risk, trade secrets risk, human rights protection risk, intellectual property risk, occupational safety and health risk
Communities	Climate change and environmental risk, greenhouse gas emissions risk
Financial Institutions	Competitive risk, ethical and integrity risk, investment risk, exchange rate and interest rate risk, operational performance risk

3. Implementation Status of Risk Management for Material Topics
   The Company conducted an online questionnaire to survey stakeholders on their level of concern regarding sustainability topics, and gathered input from company executives on the perceived impact of each sustainability topic on the Company's long-term operations. Following discussions held by the Sustainability Report Task Force, a total of nine material topics were identified.
   In 2024, the Company conducted risk assessments for these material topics based on the principle of materiality. The main strategic actions and execution results are as follows:

Aspect	Material Topics	Action Strategies and Execution Results
Environment	Energy Management Greenhouse Gas Management Green Products	<u>Control Strategies</u> • Installed energy-saving facilities and regularly monitored electricity usage. • Replaced and upgraded production equipment to reduce energy consumption. • Promoted low-carbon automated production to lower greenhouse gas emissions. • Increased recycled water usage to reduce dependence on raw water. • Developed energy-saving and low-consumption products to enhance product value. • Developed technologies to extend the lifespan of LED products. <u>Execution Results</u> • In 2024, total electricity consumption was 14.11 million kWh, a reduction of 340,000 kWh compared to 14.45 million kWh in 2023, representing a 2.35% decrease.
People (including Human Rights)	Talent Development Compensation and Benefits Human Rights Protection	<u>Control Strategies</u> • Conducted various professional training programs for supervisors, engineers, and quality control personnel, and established a licensing training system to ensure employees' professional competency. • Provided reasonable compensation based on market standards, employees' academic and work experience, job roles, and performance appraisals. • Implemented human rights policies, strengthened human rights training and awareness activities. <u>Execution Results</u> • Average training hours per employee reached 5.66 hours. • A total of 612 participations in human rights courses, with 612 total training hours.

		• The average and median salary of full-time non-supervisory employees both increased compared to the previous year. • Entry-level male and female employees received standard salaries higher than the legal minimum wage. • Female employees accounted for 63.4% of the workforce; female supervisors (manager level and above) accounted for 27.2%.
Governance/Economy	Operational Performance Innovation and R&D Ethical Conduct	<u>Control Strategies</u> • Introduced automated production to lower manufacturing costs. • Achieved vertical integration of technology and manufacturing capabilities to provide comprehensive services to clients. • Prioritized R&D projects and established an internal R&D resource-sharing mechanism. • Collaborated with academia, customers, and suppliers as strategic partners to jointly develop new products and reduce R&D costs. • Held regular internal training and promotion sessions on ethical business practices. <u>Execution Results</u> • Invested NT$82,331 thousand in R&D, accounting for approximately 4.47% of standalone company revenue. • Acquired 26 patents. • A total of 612 participations in integrity training courses, with 612 total training hours.

The implementation of climate-related information

Promoting items	Status of implementation
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	The Board of Directors serves as the highest authority responsible for overseeing and governing climate-related risks. It approves the company's risk management policies and related regulations. The Audit Committee is tasked with supervising the execution of risk management and reporting the outcomes of climate risk management activities to the Board. In the fourth quarter of each year, the Audit Committee oversees the implementation results of the current year and reviews the work plan for the following year. The Risk Management Task Force, composed of supervisors from responsible departments, is responsible for planning the identification, assessment, and control of climate-related risks. The Corporate Governance Officer is in charge of planning, leading, and supervising the Task Force in its climate risk identification, assessment, control, and monitoring activities, and reports to the Audit Committee. The Risk Management Task Force discusses and evaluates climate risks. Climate change-related resolutions, along with performance assessments and improvement recommendations, are reported by the Corporate Governance Officer to senior management. Each year, during the fourth quarter, the outcomes of the current year's initiatives and the proposed work plan for the next year are submitted to the Audit Committee and the Board of Directors. Based on the feedback received, necessary adjustments are made to integrate climate change risk topics and corresponding management objectives.

2. Describe how identified climate risks and opportunities impact the business, strategy, and financials (short-term, medium-term, long-term).	(1) Short-Term • Transition Risks: Changes in customer behavior; increase in raw material costs. • Physical Risks: Increased severity of extreme weather events such as typhoons and floods; changes in rainfall (water) patterns and extreme shifts in climate models. • Market Opportunities: Adoption of more efficient production and distribution processes and new technologies. (2) Medium-Term • Transition Risks: Changes in customer behavior; increase in raw material costs; strengthened emissions reporting obligations. • Physical Risks: Increased severity of extreme weather events such as typhoons and floods; changes in rainfall (water) patterns and extreme shifts in climate models. • Market Opportunities: Adoption of more efficient production and distribution processes and new technologies. (3) Long-Term • Transition Risks: Changes in customer behavior; increase in raw material costs; strengthened emissions reporting obligations; increased pricing of greenhouse gas emissions. • Physical Risks: Increased severity of extreme weather events such as typhoons and floods; changes in rainfall (water) patterns and extreme shifts in climate models.

	• Market Opportunities: Adoption of more efficient production and distribution processes and new technologies.
3. Describe the financial impact of extreme weather events and transition actions.	(1) Transition Risks A. Changes in Customer Behavior (A) Due to regulatory policies, the switch to low-carbon energy sources has led to higher product and operational costs. The Company adjusts resource utilization efficiency (such as optimizing distribution processes and using recyclable materials) to reduce operational expenses. (B) To enhance climate adaptation capacity, the Company implements risk management and seizes related opportunities by utilizing a low-carbon supply chain (e.g., green packaging materials, circular manufacturing technologies). It also expands the application of products to green industries (such as electric vehicles and smart grids) to strengthen green marketing, improve corporate image, ensure competitiveness, and attract more customers and market exposure. B. Increase in Raw Material Costs (A) Consolidate the number of suppliers and leverage volume pricing to control procurement costs. (B) Evaluate and validate the use of recycled materials (e.g., reuse of plastic sheets). (2) Physical Risks A. Increased Severity of Extreme Weather Events (Typhoons, Floods)

	(A) Identify climate-related risks and mitigate them through insurance by purchasing commercial fire insurance with additional typhoon and flood coverage, protecting buildings, interior decorations, production equipment, and inventory from potential climate-related damages.Assess the risks of flooding and drought at plant sites, and formulate and implement risk mitigation measures to avoid operational interruptions and ensure workplace safety. (B) Follow the "Emergency Response Plan" to fully utilize all available resources during climate disasters, aiming to control principles promptly and minimize personnel and financial losses. Immediate reporting, rescue actions, and post-incident investigations, analysis, and improvements are conducted after each event. (C) Conduct at least one emergency response training and disaster drill annually based on the established emergency plans. Post-drill reviews are carried out to ensure the plan's effectiveness and minimize potential disaster impacts. B. Changes in Rainfall Patterns and Climate Extremes (A) Establish a comprehensive water monitoring mechanism and emergency response procedures, with regular drills conducted. (B) Build backup water tanks and utilize water trucks during droughts to maintain plant operations. (C) To address drought risks, implement water-saving measures, prepare water trucks, and maintain a three-day water supply reserve at each plant.

	(3) Market Opportunities Utilizing More Efficient Production and Distribution Processes and New Technologies A. Local sourcing and localized production near major sales regions to reduce environmental impacts caused by transportation. B. Upgrade and replace production equipment to minimize energy losses. C. Promote low-carbon automated production to lower greenhouse gas emissions and set a benchmark in low-carbon manufacturing within the industry. D. The automation project is scheduled for completion in the second quarter of 2025 Q2, with the following expected benefits: (A) Reduction of human errors and resource waste: Automation enhances accuracy and consistency, reducing defective products and material waste, indirectly lowering carbon emissions. (B) Shortened production cycles: Faster production reduces energy consumption and equipment operating times, further cutting emissions. (C) Increased operational efficiency: Automated equipment operates more efficiently, reducing idle times and minimizing energy waste and associated carbon emissions.
4. Describe how the processes for identifying, assessing, and managing climate risks are integrated into the overall risk management system.	(1) Climate-Related Risk Identification and Assessment Process A. Climate Risk Identification: The Company's Risk Management Team identifies climate risks by referencing past historical disasters,

	regulatory and policy changes, and market trends, while also considering climate risk factors and stakeholder concerns. The scope of climate risk assessment primarily focuses on operations in Taiwan. Each department discusses the potential impacts of climate change factors on the Company's operational transition, physical risks, and opportunities. B. Climate Risk Assessment: The Risk Management Team discusses the identified types and items of climate risks, evaluating them based on the likelihood of occurrence, timing, and potential impact on operations. Risks are prioritized according to their significance and mapped into a risk matrix. (2) Climate-Related Risk Management Process A. Climate Risk Control: After measuring and consolidating risks, the Risk Management Team formulates appropriate risk management measures based on the Company's climate risk appetite, cost-benefit analysis of risk responses, and the potential for risk reduction, ensuring risks are controlled within an acceptable range. B. Climate Risk Supervision and Management: The Corporate Governance Officer plans, leads, and supervises the Risk Management Team's identification, measurement, control, and monitoring of climate risks. Climate risk management information, implementation results, follow-up improvements, countermeasures, and strategic

	objectives are reported annually to the Audit Committee and the Board of Directors. C. Risk Reporting and Disclosure: In addition to disclosing information as required by regulatory authorities, the Risk Management Team also publishes relevant risk management information in the Company’s annual report and on the corporate website to provide transparency for external stakeholders. (3) Integration of Climate-Related Risk Management into the Overall Risk Management Framework The Audit Committee is responsible for overseeing climate risk management. The Risk Management Team, in accordance with the "Risk Management Policies and Procedures," carries out the identification, analysis, assessment, and control of operational risks across the Group. Climate risk is integrated into the overall risk management framework, and risks are identified and assessed according to established procedures. After formulating corresponding countermeasures and strategies, responsible departments implement them and report the results to the Board of Directors.
5. If scenario analysis is used to assess resilience to climate change risks, describe the scenarios, parameters, assumptions, analytical factors, and key financial impacts applied.	(1) Referencing the 2°C Scenario by the International Energy Agency (IEA): The Company references the 2°C scenario published by the International Energy Agency (IEA) to simulate and analyze the potential future impacts of climate change. Based on this analysis, the Company establishes greenhouse gas (GHG) reduction targets and estimates future carbon reductions to inform adjustments in operational strategies.

	(2) "Increased Severity of Extreme Weather Events Such as Typhoons and Floods": A. Under climate change, typhoons and heavy rainfall are becoming more intense, which could expose the Company's operational sites to natural disasters, potentially causing operational disruptions or casualties. B. Under the SSP1-2.6 scenario: By the mid and end of the 21st century, Taiwan's annual total precipitation is projected to increase by approximately 12% and 16%, respectively. The intensity of the maximum 1-day rainfall per year is expected to increase by approximately 15.7% and 15.3%, respectively. C. Under the SSP5-8.5 scenario: By the mid and end of the 21st century, Taiwan's annual total precipitation is projected to increase by approximately 15% and 31%, respectively. The intensity of the maximum 1-day rainfall per year is expected to increase by approximately 20% and 41.3%, respectively. D. Under the SSP5-8.5 scenario: By the mid and end of the 21st century, the number of typhoons affecting Taiwan is expected to decrease by approximately 15% and 55%, respectively. However, the proportion of severe typhoons is expected to increase by about 100% and 50%, and typhoon rainfall intensity is expected to increase by approximately 20% and 35%. (3) "Rising Average Temperatures": A. Under the SSP1-2.6 scenario: By the mid and end of the 21st century, the annual average temperature in Taiwan may rise by 1.3ºC and 1.4ºC, respectively. The number of days with temperatures above 36ºC is

	expected to increase by approximately 6.8 and 6.6 days, respectively. B. Under the SSP5-8.5 scenario: By the mid and end of the 21st century, the annual average temperature may rise by more than 1.8ºC and 3.4ºC, respectively. The number of days with temperatures above 36ºC is projected to increase by approximately 8.5 and 48.1 days, respectively, with urban areas seeing a more significant increase than other regions. (4) Scenario Analysis: The Company references both SSP1-2.6 and SSP5-8.5 scenarios and, through discussions by the Risk Management Team, defines the short-term period as “1–3 years,” medium-term as “3–5 years,” and long-term as “6–10 years” for the purpose of climate risk and opportunity assessments. Climate risks are categorized into two main types: transition risks and physical risks. These are further subdivided into regulatory, technological, market, reputational, acute, and chronic risks. Opportunities are classified into five categories: resource efficiency, energy source, products and services, markets, and organizational resilience. Physical risks are simulated under the SSP5-8.5 scenario, which assumes a high level of GHG emissions and therefore presents higher likelihood and severity of physical risks. Transition risks are simulated under the SSP1-2.6 scenario, which is closer to a net-zero pathway and aligns with current trends. It reflects increasing regulatory risks, such as the amendment of the Greenhouse Gas Reduction

	and Management Act into the Climate Change Response Act, which poses higher legal compliance requirements for enterprises. Financial Impacts of Physical Risks: Due to severe weather events such as typhoons triggering work stoppages, production line operations may be halted, and water restrictions during droughts may increase operational costs due to water storage and transport. Scenario analysis indicates that physical risk-related losses are limited, with annual impacts estimated at less than 0.5% of total revenue. Financial Impacts of Transition Risks: Currently, the Company's combined Scope 1 and Scope 2 GHG emissions are below 10,000 metric tons, not meeting the threshold for carbon tax in the short term. The Company's contracted capacity of 2,100 kW also does not meet the threshold under the Renewable Energy Development Act. Therefore, in the short term, transition risks have limited financial impact. However, the Company will continue monitoring regulatory developments to ensure compliance.
6. If there is a transition plan to manage climate-related risks, describe the plan's content and the metrics and targets used to identify and manage physical and transition risks. ◦	Currently, there is no transformation plan in place for managing climate-related risks.
7. If internal carbon pricing is used as a planning tool, explain the basis on which the price is set.	Currently, internal carbon pricing tools are not yet used.
8. If climate-related targets are set, describe the covered activities, greenhouse gas emission scopes, planning timeline, and annual progress achieved. If carbon offsets or Renewable Energy Certificates (RECs) are used to meet these targets, explain the source and amount of carbon offsets or the quantity of RECs used.	The Company plans to reduce the greenhouse gas emission intensity (Scope 1 and Scope 2) of all plants in Taiwan by 2% annually, based on the year 2023 as the baseline. By 2030, the emission intensity will achieve a 13% reduction compared to

	2023, and by 2050, the company aims to reach net-zero emissions. The Company has not yet used carbon offsets or renewable energy certificates. However, we have set various energy-saving and carbon reduction management goals regarding energy use, water consumption, and waste. The company will review progress annually and develop improvement plans accordingly.
9. Greenhouse Gas Inventory and Assurance Status, Reduction Targets, Strategies, and Specific Action Plans (to be filled in 1-1 and 1-2).	(Also fill in sections 1-1 and 1-2)

1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent Two Years

1-1-1 Greenhouse Gas Inventory Information

(Indicate the greenhouse gas emissions for the most recent two years (in metric tons of CO 2e), intensity (metric tons of CO 2e per million dollars), and the scope of the data coverage.)

Year 2023

Company Basic Information	Per the Sustainable Development Roadmap for Listed Companies, the minimum disclosures required are:
□ Capital ≥ 10 billion TWD (Steel/Cement) □ Capital 5-10 billion TWD ■ Capital < 5 billion TWD	■ Mother company inventory □ Consolidated financial report subsidiary inventory ■ Mother company assurance □ Consolidated financial report subsidiary assurance

Scope 1	Total Emissions (tons CO_2e)	Intensity (tons CO_2e/NTD thousand)(Note 2)	Assurance Provider	Assurance Description (Note 3)
Mother Company	433.5937	0.000231	Taiwan Testing and Certification Center.	The above verification opinion is assured by ETC in accordance with ISO 14064-3 standards, with a reasonable assurance level.
Subsidiary Company	-			
…(Note 1)				

Total	433.5937	0.000231		
Scope 2	Total Emissions (tons CO_2e)	Intensity (tons CO_2e/NTD thousand)(Note 2)	Assurance Provider	
Mother Company	7137.7281	0.003798	Taiwan Testing and Certification Center	
Subsidiary Company	-			
…(Note 1)				
Total	7137.7281	0.003798		
Scope 3	Total Emissions (tons CO_2e)	Intensity (tons CO_2e/NTD thousand)(Note 2)	Assurance Provider	
Mother Company	1534.2111	0.000816	Taiwan Testing and Certification Center	
Subsidiary Company	-			
…(Note 1)				
Total	1534.2111	0.000816		

Year 2024

Company Basic Information	Per the Sustainable Development Roadmap for Listed Companies, the minimum disclosures required are:
□ Capital ≥ 10 billion TWD (Steel/Cement) □ Capital 5-10 billion TWD ■ Capital < 5 billion TWD	■ Mother company inventory □ Consolidated financial report subsidiary inventory ■ Mother company assurance □ Consolidated financial report subsidiary assurance

Scope 1	Total Emissions (tons CO_2e)	Intensity (tons CO_2e/NTD thousand)(Note 2)	Assurance Provider	Assurance Description (Note 3)

Mother Company	477.4790	0.000259	Taiwan Testing and Certification Center	The above verification opinion is assured by ETC in accordance with ISO 14064-3 standards, with a reasonable assurance level.
Subsidiary Company	-			
…(Note 1)				
Total	477.4790	0.000259		
Scope 2	Total Emissions (tons CO_2e)	Intensity (tons CO_2e/NTD thousand)(Note 2)	Assurance Provider	
Mother Company	6687.5042	0.003630	Taiwan Testing and Certification Center	
Subsidiary Company	-			
…(Note 1)				
Total	6687.5042	0.003630		
Scope 3	Total Emissions (tons CO_2e)	Intensity (tons CO_2e/NTD thousand)(Note 2)	Assurance Provider	
Mother Company	1679.8791	0.000912	Taiwan Testing and Certification Center.	
Subsidiary Company	-			
…(Note 1)				
Total	1679.8791	0.000912		

Note 1: Direct emissions (Scope 1, which are from emission sources owned or controlled by the company), energy indirect emissions (Scope 2, which are from the use of imported electricity, heat, or steam causing indirect greenhouse gas emissions), and other indirect emissions (Scope 3, which are emissions resulting from company activities but not categorized as energy indirect emissions, rather they originate from emission sources owned or controlled by other companies).

Note 2: The scope of coverage for direct emissions and energy indirect emissions data should be processed according to the schedule specified in Article 10, Paragraph 2 of this standard's decree. Information on other indirect emissions (Scope 3) may be disclosed voluntarily.

Note 3: Greenhouse gas inventory standards: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 published by the International Organization for Standardization (ISO).

Note 4: The intensity of greenhouse gas emissions can be calculated per unit of product/service or turnover, but at a minimum, the data should be reported based on turnover (in millions of New Taiwan Dollars).

1-1-2 Greenhouse Gas Assurance Information

(Explanation of the assurance situation for the most recent two years up to the date of the annual report publication, including the scope of assurance, assurance institutions, assurance standards, and assurance opinions.)

Year 2023

Company Basic Information	Per the Sustainable Development Roadmap for Listed Companies, the minimum disclosures required are:
□ Capital ≥ 10 billion TWD (Steel/Cement) □ Capital 5-10 billion TWD ■ Capital < 5 billion TWD	■ Mother company inventory □ Consolidated financial report subsidiary inventory ■ Mother company assurance □ Consolidated financial report subsidiary assurance

Scope 1	Total Emissions (tons CO_2e)	Intensity (tons CO_2e/NTD thousand)(Note 2)	Assurance Provider	Assurance Description (Note 3)
Mother Company	433.5937	0.000231	Taiwan Testing and Certification Center	The above verification opinion is assured by ETC in accordance with ISO 14064-3 standards, with a reasonable assurance level.
Subsidiary Company	-			
…(Note 1)				
Total	433.5937	0.000231		
Scope 2	Total Emissions (tons CO_2e)	Intensity (tons CO_2e/NTD thousand)(Note 2)	Assurance Provider	
Mother Company	7137.7281	0.003798	Taiwan	

Subsidiary Company	-		Testing and Certification Center.	
…(Note 1)				
Total	7137.7281	0.003798		
Scope 3	Total Emissions (tons CO_2e)	Intensity (tons CO_2e/NTD thousand)(Note 2)	Assurance Provider	
Mother Company	1534.2111	0.000816	Taiwan Testing and Certification Center	
Subsidiary Company	-			
…(Note 1)				
Total	1534.2111	0.000816		

Year 2024

Company Basic Information	Per the Sustainable Development Roadmap for Listed Companies, the minimum disclosures required are:
□ Capital ≥ 10 billion TWD (Steel/Cement) □ Capital 5-10 billion TWD ■ Capital < 5 billion TWD	■ Mother company inventory □ Consolidated financial report subsidiary inventory ■ Mother company assurance □ Consolidated financial report subsidiary assurance

Scope 1	Total Emissions (tons CO_2e)	Intensity (tons CO_2e/NTD thousand)(Note 2)	Assurance Provider	Assurance Description (Note 3)
Mother Company	477.4790	0.000259	Taiwan Testing and Certification Center	The above verification opinion is assured by ETC in accordance with ISO 14064-3 standards, with a reasonable assurance level.
Subsidiary Company	-			
…(Note 1)				
Total	477.4790	0.000259		

Scope 2	Total Emissions (tons CO_2e)	Intensity (tons CO_2e/NTD thousand)(Note 2)	Assurance Provider	
Mother Company	6687.5042	0.003630	Taiwan Testing and Certification Center	
Subsidiary Company	-			
…(Note 1)				
Total	6687.5042	0.003630		
Scope 3	Total Emissions (tons CO_2e)	Intensity (tons CO_2e/NTD thousand)(Note 2)	Assurance Provider	
Mother Company	1679.8791	0.000912	Taiwan Testing and Certification Center	
Subsidiary Company	-			
…(Note 1)				
Total	1679.8791	0.000912		

Note 1: According to the schedule prescribed by the order set forth in Article 10, paragraph 2 of these Guidelines, if the company cannot obtain the complete greenhouse gas assurance opinion by the printing date of the annual report, it should indicate "Complete assurance information will be disclosed in the sustainability report." If the company does not prepare a sustainability report, it should indicate "Complete assurance information will be disclosed on the Market Observation Post System," and the complete assurance information should be disclosed in the annual report of the following year.

Note 2: The assurance institution should comply with the relevant regulations for sustainability report assurance institutions as stipulated by the Taiwan Stock Exchange Corporation and the Taipei Exchange.

Note 3: The content of the disclosure can refer to the best practice reference examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange.

1-2 Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans

(Specify the baseline year and data for greenhouse gas (GHG) reduction, reduction targets, strategies, specific action plans, and the status of achievement of the reduction targets)

Greenhouse Gas and Energy Reduction Goals for All Factories in Taiwan:

1. Electricity Reduction:
   The electricity intensity per unit of output will decrease by 2% annually. Taking the year 2023 as the baseline, the goal is to achieve a 13% reduction in electricity intensity by 2030.
2. Greenhouse Gas Emission Reduction:
   The greenhouse gas emission intensity per unit of output for Scope 1 and Scope 2 will decrease by 2% annually. Taking the year 2023 as the baseline, the emission intensity will achieve a 13% reduction by 2030.

Strategies and Specific Action Plans:

1. Replace and update old production equipment to reduce energy consumption.
2. Purchase energy-efficient equipment and replace inefficient chillers.
3. Promote low-carbon automated production to increase production efficiency and reduce greenhouse gas emissions.
4. Implement practices like switching off lights when not in use and adjusting air conditioning temperatures, as well as optimizing the operation time of equipment to enhance energy efficiency.
5. Monitor changes in carbon tax regulations and, when carbon emissions reach the carbon tax threshold, evaluate and plan the purchase of green energy certificates.
6. Monitor changes in renewable energy regulations and, when electricity contract capacity reaches the renewable energy threshold, evaluate and plan the installation of solar panels or other renewable energy systems on factory rooftops.

Goal Achievement Status for All Factories in Taiwan:

- The carbon emission intensity per million units of output is 3.2470 metric tons CO_2e/year, which is 17.77% lower than the 2023 baseline, achieving the 2% reduction goal.
- The electricity consumption per million units of output is 5,179 kWh, which is 17.34% lower than the 2023 baseline, achieving the 2% reduction goal.
- The waste generation per million units of output is 0.022 metric tons, which is 19.84% lower than the 2023 baseline, achieving the 1% reduction goal.
- The water consumption per million units of output is 8,124 liters, which is 19.16% lower than the 2023 baseline, achieving the 1% reduction goal.

Note 1: It should be handled according to the schedule specified in the order stipulated in Article 10, Paragraph 2 of these guidelines.

Note 2: The base year should be the year in which the assessment within the consolidated financial report boundary is completed. For example, according to the order specified in Article 10, Paragraph 2 of these guidelines, companies with a capital amount exceeding 10 billion TWD should complete the assessment for the consolidated financial report of the year 2024 by 2025. Therefore, the base year would be 2024. If a company has completed the assessment of the consolidated financial report earlier, that earlier year can be used as the base year. Additionally, the base year data can be calculated using either a single year's value or the average value of multiple years.

Note 3: The disclosure content can refer to the best practice examples available on the Taiwan Stock Exchange Corporate Governance Center website.

(VI) Deviation and causes of deviation between ethical corporate management practices and Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies:

Assessment items	Operation status			Deviation and causes of deviation to the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies:
	Yes	No	Summary note	
I. Establishment of ethical corporate management policies and plans (I) Has the company established an ethical corporate management policy that has been approved by its Board of Directors, and clearly stated such policies and methods in its internal regulations and external documents, as well as the commitment made by the Board of Directors and senior management on implementing the ethical corporate management policy? (II) Has the Company established an assessment mechanism for unethical conduct risks, to regularly analyze and evaluate the business activities with relatively high unethical conduct risks within the scope of operation, and establish the programs to prevent against unethical conducts based on this, in accordance with Article 7 Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?	✓ ✓		(I) The Company has established the "Ethical Corporate Management Best Practice Principles" approved by the Board of Directors to stipulate the commitment of the Board of Directors and the senior management to implement the ethical corporate management policy of the Company. (II) The Company's board of directors has instituted the "Procedures for Ethical Management and Guidelines for Conduct" to address the concerns of conducts specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" or business activities with high risk of unethical practices within the scope of operation. The board has also established a mechanism for assessing the risk of unethical conducts for the supervision of the Company's Ethical Management Committee.The Company provides a "Statement of Compliance with the Ethical Corporate Management Policy" to all directors as a behavioral guideline. The statement includes	None

Assessment items	Operation status			Deviation and causes of deviation to the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies:
	Yes	No	Summary note	
(III) Does the company have the operation procedures, behavior guidelines, and disciplinary action and complaint system specified in the prevention program for unethical conduct and have they been implemented, reviewed and revised regularly?	✓		adherence to the ethical corporate management policy and a commitment not to engage in insider trading or any conduct that violates the Company Act or the Securities and Exchange Act. All seven directors of the Company have signed the statement, achieving a 100% signing rate. (III) The board of directors of the company has established the "Ethical Corporate Management Procedures and Code of Conduct" which specifies the procedures, code of conduct, disciplinary actions against violations, and a complaint system. They have been implemented and reviewed on a regular basis.	
II. Implementing ethical corporate management (I) Does the Company evaluate the ethical records of all counterparts it does business with and specify the ethical conduct clauses in the contracts it signs with the counterparties? (II) Has the Company set up a dedicated unit under the board of directors to promote ethical corporate management, and has it reported its ethical management policy and plans for the prevention of unethical practices and the supervision of implementation to the board of directors on a regular basis (at least once a year)?	✓ ✓		(I) The Company has thoroughly assessed the ethical records of its counterparties, and has clearly stated the integrity commitment in the contracts signed. (II) The Company set up the "Ethical Corporate Management Committee" as a dedicated unit under the Board of Directors in October 2019 to implement related operations such as revision, implementation, interpretation, and consultation of the Operating Procedures for Ethical Management and Code of Conduct, and supervision of implementation. It reports the implementation status to the	

Assessment items	Operation status			Deviation and causes of deviation to the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies:
	Yes	No	Summary note	
			Board of Directors regularly (at least once a year). The latest board of director's report was on November 07, 2024.	None
(III) Does the company establish policies to prevent conflicts of interest, provide appropriate communication and complaint channels and implement such policies properly?	✓		(III) The Company has an effective accounting system and internal control system, and reviews and revises it from time to time in accordance with changes in laws and regulations and actual needs. The internal audit personnel conducts regular audits to ensure that the design and implementation of the system are continued and effective for achieving corporate governance and risk control.	
(IV) Has the company established an effective accounting system and internal control system for practical implementation of ethical corporate management, and is the system regularly audited by the internal auditing unit, and does the unit propose relevant audit plans based on the assessment results of the risk of misconduct for auditing the implementation status of the prevention plan for misconduct, or is it entrusted to an accountant for auditing?	✓		(IV) The Company has established an effective accounting system and internal control system, which are reviewed from time to time to ensure the continued effectiveness of the design and implementation of such systems. Based on the findings of unethical conduct risk assessment, the internal audit unit will map out relevant audit plans and check on the compliance status with the plan, or will engage CPAs to perform the audits.	
(V) Does the Company organize internal and external training on ethical corporate management on a regular basis?	✓		(V) The Company upholds a corporate culture of integrity and honesty, and regularly organizes internal and external training and promotion of ethical corporate management. New recruits are to have their rights and obligations clearly communicated on the day they	None

<table>
<tr><th rowspan="2">Assessment items</th><th colspan="3">Operation status</th><th rowspan="2">Deviation and causes of deviation to the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies:</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary note</th></tr>
<tr><td></td><td></td><td></td><td>assume office, so as to cultivate employees' identification with the concept of integrity to enhance employees' self-discipline behavior.
In the year 2024, the company conducted integrity education training for both new hires and current employees. The details are as follows:
• New Employees: All 93 new hires received integrity education training, with a total of 93 training hours.
• Current Employees: 519 current employees participated in integrity education training, totaling 519 training hours.
In total, 612 employees participated in integrity education training throughout the year, with a total of 612 training hours completed.</td><td></td></tr>
<tr><td>III. Operation of the Company's whistle-blowing system
(I) Does the company establish specific complaint and reward procedures, set up conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received?</td><td>✓</td><td></td><td>(I) To establish a culture of integrity and transparency, promote sound business operations, and protect the rights of whistleblowers, the Company has implemented a concrete whistleblowing system. The Company has also published dedicated reporting channels on its official website, including a whistleblower hotline, email address, and mailing address, to allow both internal and external parties to report incidents involving crimes, fraud, or legal violations.
The Compliance Department is responsible for receiving</td><td>None</td></tr>
</table>

Assessment items	Operation status			Deviation and causes of deviation to the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies:
	Yes	No	Summary note	
(II) Does the company stipulate the standard operating procedures, the follow-up measures should be taken after the investigation and relevant confidentiality mechanism for the reported matters? (III) Did the Company take measures to protect whistleblowers from undue treatment due to whistle blowing?	✓ ✓		whistleblowing reports, while the Audit Department is responsible for conducting investigations. Whistleblowing contact information is as follows: 1. Whistleblower Hotline: (03) 597-6988 2. Whistleblower Email: https://www.aot.com.tw/report-mailbox/ 3. Report Receiving Department: The Company's Compliance Department (II) The Company has established standard investigation procedures for accepting reports, and related subsequent measures, and maintains the confidentiality of the whistleblowers and the contents of the report. For detailed reporting procedures, please refer to the Company's official website (III) Based on the confidentiality principle, the Company only provides the audit unit with the needs of the audit operation to protect the whistleblower and the content of the report from undue treatment as a result.	
IV. Strengthening of information disclosure Does the company disclose the content of its Ethical Corporate Management Best Practice Principles and its implementation effectiveness on its website and Market Observation Post System?	✓		The Company discloses the Ethical Corporate Management Best Practice Principles and other relevant information through the corporate website and MOPS in a timely manner.	None
V. If the Company has established its own Ethical Corporate Management Best Practice Principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", please describe the current practices and any deviations from the principles: None.				

<table>
<tr><th rowspan="2">Assessment items</th><th colspan="3">Operation status</th><th rowspan="2">Deviation and causes of deviation to the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies:</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary note</th></tr>
<tr><td colspan="5">VI. Other important information that helps to understand the operation of the Company's ethical corporate management (e.g., the Company's reviewing and amending of the Ethical Corporate Management Best Practice Principles): In accordance with the changes in laws and regulations, the Company had on the August 8, 2019, Board of Directors meeting, amended the “Ethical Corporate Management Best Practice Principles” and on the May 7, 2020 Board of Directors meeting, amended the "Ethical Corporate Management Procedures and Behavioral Guidelines."</td></tr>
</table>

(VII) Other material information that is helpful for understanding the operation of the Company's corporate governance may be disclosed: None.

1. Succession planning and operation status of board members:

The company adopts a candidate nomination system for the election of directors, and clearly stipulates the diversity policy for board members in the "Corporate Governance Practice Principle", including gender, age, nationality, professional knowledge and skills, etc. in the diversity policy. There are a total of 7 board members. Members have professional backgrounds in law, industry, accounting, marketing and technology, etc., and have different professional backgrounds, such as operation management and leadership decision-making, operational judgment and crisis management, accounting and financial analysis capabilities, industry knowledge and international market perspective, etc. Professional capabilities demonstrate diverse and complementary effects.

The composition structure of the company's board of directors should include no less than one-third of the directors as independent directors, and directors who also serve as company managers should not exceed one-third of the directors in order to achieve the goal of corporate governance.

In order to meet the needs of sustainable operation of the enterprise and implement the operation strategy, directors who are also managers of the company should possess operational judgment ability, accounting and financial analysis ability, business management ability, crisis management ability, industry knowledge, international market perspective, leadership ability and decision-making capacity.

For high-potential talents, the company conducts ability training and performance evaluation through internal and external courses, project experience, job rotation, etc. based on the abilities they should possess to serve as directors, in order to meet the company's expectations.

The company will use the "board performance evaluation results" as a reference for director nomination and renewal.

2. Succession planning and operation of important management levels:

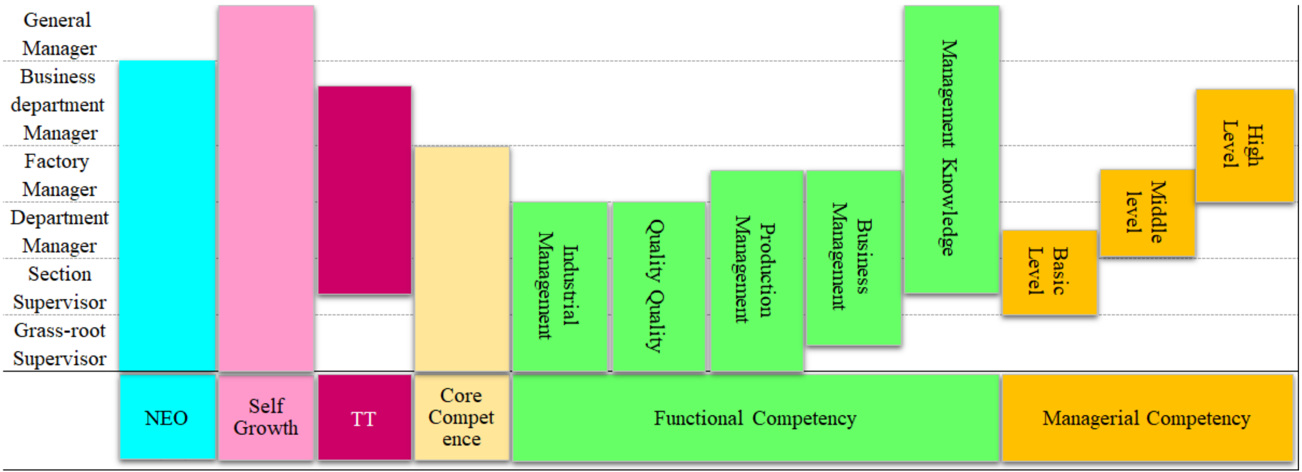
(1) The Company’s Human Resources Department is responsible for overseeing the talent development system. In addition to clearly defining the roles and responsibilities for each job function, the Company also systematically plans training programs and promotion criteria and timelines based on the competencies required for each position, thereby establishing a competency development framework for managers at all levels. The Company conducts regular talent reviews and implements talent development and evaluation programs for high-potential employees to cultivate senior leadership talent needed for sustainable development. Furthermore, “talent cultivation and development” is included as a key

performance indicator in managerial performance evaluations at all levels, aligning with departmental goals to strengthen the overall talent development mechanism.

(2) The Company organizes Executive Strategic Alignment Camps twice a year, focusing on annual strategic planning for future directions. These camps include various thematic courses and discussions, covering topics such as systems thinking, performance and talent management, high-performance leadership, organizational change and continuous renewal, change management, strategic thinking and planning, business growth leadership, talent development and leadership succession, strategy maps, and leadership talent development systems. These initiatives are designed to empower senior executives to lead their teams in alignment with the Company’s strategic goals.

(3) Each year, the Company provides management capability training for its leadership team. Through external resources such as industry knowledge, technological advancements, and benchmarking with leading enterprises, leaders stay informed on the latest management trends and insights. Internally, practical leadership experiences are shared to reinforce the Company’s organizational culture and management philosophy, strengthening internal cohesion. Additionally, by sharing experiences and insights, the Company fosters a sense of shared purpose, enhances identification with corporate values, and increases employee engagement and participation.

3. The company's talent development training system:



4. Intellectual Property Management Plan

In order to promote products and maintain hard-won innovative technologies, the Company has formulated intellectual property strategies that combine the Company's operational goals and R&D resources, and established an excellent intellectual property right management plan to create an operation model based on the Company's value, to protect the Company's R&D outcomes and strengthen our competitive advantage.

(1) Management of patents

In order to establish an intellectual property right system, the Company has established the intellectual property reward management regulations internally to encourage employees to submit applications for invention patents and continue to accumulate intellectual property rights. The evaluation and review process are conducted through the patent proposal system established by the patent offices within the Group for managing patent proposals, patent search reports, and controlling the quantity and quality of patent applications. Externally, for patent litigation triggered by the lawsuits against the domestic and foreign companies of the LED industry and end customers in the courts of various countries, the Company's Legal Affairs and Intellectual Property Department will immediately collect relevant information and conduct search and research related patent scopes. The Department will make technical exchanges and discussions with the Technology Development Department and R&D Department and related cooperating manufacturers to confirm if there is also the risk of infringement. In addition, on the layout of patents, the Company’s patent offices within

the Group plan the layout and application of patents.
Regarding the development of new products of the Company, the Technology Development and R&D Department will in the early stage of R&D conduct a prior art search through the Legal Affairs and Intellectual Property Department to avoid patent infringement problems.
In addition, in order to expand the sales scale of products, the Company not only applies for the patent right itself, but also signs patent licensing contracts with international leading manufacturers to enhance the strength of the Company's patent right protection, thereby obtaining sales orders and improving business performance.

(2) Business secret management: The employment contracts signed between the Company and regular employees have special regulations as follows:
Confidential information and passwords that employees have learned, came into contact, held, and used during their tenures are important assets of the Company and its customers. Employees shall take effective measures to protect such confidential information and passwords with due care as administrators. Employees are also prohibited from divulging or handing over their confidential information and passwords to any third party in any way during or after their employment. Employees must not directly or indirectly use the Company's confidential information and passwords for their own benefit or the benefit of others during or after their employment, except for the discharge of duties and with the prior written consent of the Company. Employees of the Company must not directly or indirectly copy, misappropriate or infringe upon the intellectual property and/or confidential information of their former employer or any third party in order to engage in or perform any business or work of the Company.

(3) The Company has introduced the Group's intellectual property management system since 2010. Major implementations in recent years are as follows:

A. In 2015, introduced the technical asset management system (patent proposal system).
B. In 2016, the Company conducted patent inventory and resold valuable patents for useless technologies in the plant and terminated maintenance on patents with outdated or unusable structural designs.
C. In 2018, applied for invention patent bonus in the intellectual property field from Market Supervision and Regulation Bureau of Shenzhen Municipality.
D. From 2019 to 2020, the Company conducted another patent inventory, classified the obtained patented technologies into grades A, B, and C, and eliminated grade C (i.e., low-value or outdated patented technologies), with a total of 319 cases terminated during the period (61 cases were converted into monetization) to reduce maintenance expenditure.
E. Reviewed the patents for which fees were charged in that year in 2021, and eliminated 20 patents with low value or outdated technology in order to reduce maintenance expenses.
F. Reviewed the patents for which fees were charged in that year in 2022, and eliminated 20 patents with low value or outdated technology in order to reduce maintenance expenses.
G. At the beginning of 2023, we conducted a comprehensive review of patents. We eliminated 59 patents related to outdated or non-applicable technologies to reduce maintenance costs.
H. In 2023, we filed patent applications for new products and technologies. To support our subsidiary's involvement in AR and VR products, Rongchuang and the subsidiary applied for joint and utility model patents. As of December 31, 2023, a total of 22 new proposals were submitted, including 15 patents under review in both China and Taiwan, and 4 patents under review in the United States.
I. In 2024, the Company reviewed all patents requiring maintenance fee payments and eliminated 10 patents that involved outdated technologies or were no longer used or applied in production, in order to reduce maintenance costs.

J. As of the end of December 2024, the Company filed a total of 62 new patent applications for new products and technologies. Among them, joint applications (AOT & APK) included 16 patents each in Taiwan and China, and 14 in the United States. AOT-only applications included 5 patents each in Taiwan and China, 4 in the United States, and 1 each in Japan and South Korea.

K. As of the end of December 2024, the Company was granted a total of 26 patents, including:
- 2 invention patents and 12 utility model patents in Taiwan
- 1 invention patent and 10 utility model patents in China
- 1 invention patent in the United States

(4) The list of intellectual property acquired so far and the results are as follows:
As of December 31, 2024, the Company had been granted a total of 1,291 patents worldwide, including:
- 563 patents in Taiwan
- 353 patents in China
- 316 patents in the United States
- 59 patents in other countries

Due to comprehensive patent reviews conducted in 2016, 2019–2020, and 2023, some patents were sold, discarded, or expired. In subsequent years, the Company has continued to review annually whether to maintain patents that are due for maintenance fees. As a result, the current number of active, maintained patents globally stands at 255, including:
- 89 in Taiwan
- 62 in China
- 100 in the United States
- 4 in other countries

The Company’s intellectual property management activities for 2024 have been reported to the Board of Directors in November 7, 2024.

(VIII) Status of Implementation of Internal Control System

1. Statement on Internal Control: Please refer to the link on the Open Information Observation Station.
MOPS Market Observation Post System > Individual Company > Corporate Governance > Internal Control Statement Announcements.
(https://mops.twse.com.tw/mops/#/web/t06sg20) for inquiry.
2. Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report: Not applicable.

(IX) Material resolutions of a shareholders meeting or a board of directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.

Type of Meeting	Date of Meeting	Important Resolutions
Annual Shareholders' Meeting	2024.06.27	(1) Approval of the Company’s 2023 Business Report and Financial Statements. Execution Status: Resolution Passed. (2) Approval of the 2023 Loss Compensation Plan. Execution Status: Resolution Passed, no dividends for 2023. (3) Approval of amendments to certain provisions of the "Asset Acquisition or Disposal Procedure". Execution Status: Resolution Passed.

Type of Meeting	Date of Meeting	Important Resolutions
Board of Directors Meeting	2024.03.12	(1) Approval of the Company’s 2023 Internal Control Statement. (2) Approval of the Company’s 2023 Consolidated and Individual Financial Statements. (3) Approval to reappoint the current auditor, PricewaterhouseCoopers (PwC), as the Company’s auditor. (4) Approval of the "Derivative Financial Product Trading" contract for Q2 2024 with the bank. (5) Approval of the bank credit limit application for Q2 2024. (6) Approval of amendments to the Company’s "Asset Acquisition or Disposal Procedure". (7) Approval of the operational plan for the Company’s subsidiary, APK, for 2024. (8) Approval of matters related to the convening of the 2024 Annual Shareholders' Meeting. (9) Approval of amendments to the Company’s "Board Performance Evaluation Regulations". (10) Approval of the recommendations from the Fifth Salary Committee.
Board of Directors Meeting	2024.05.09	(1) Approval of the Company’s 2023 Financial Statements. (2) Approval of the 2023 Loss Compensation Plan. (3) Approval of the Company’s Q1 2024 Consolidated Financial Statements. (4) Approval of the "Derivative Financial Product Trading" contract for the third quarter of 2024 with the bank. (5) Approval of the bank credit limit application for the third quarter of 2024. (6) Approval of amendments to the Company’s "Board Meeting Rules". (7) Approval of the amendment to the Company's "Audit Committee Charter".
Board of Directors Meeting	2024.08.12	(1) Approval of the Company’s Q2 2024 Consolidated Financial Statements. (2) Approval of the "Derivative Financial Product Trading" contract for the fourth quarter of 2024 with the bank. (3) Approval of the bank credit limit application for the fourth quarter of 2024. (4) Approval of the establishment of the Company’s "Sustainable Development Committee Charter". (5) Approval of the establishment of the "Sustainability Report Preparation and Verification Procedure". (6) Approval of the establishment of the "Risk Management Policy and Procedure".
Board of Directors Meeting	2024.11.07	(1) Approval of the Company’s Q3 2024 Consolidated Financial Statements. (2) Approval of the "Derivative Financial Product Trading" contract for Q1 2025 with the bank. (3) Approval of the bank credit limit application for Q1 2025. (4) Approval of amendments to the Company’s "Audit Committee Charter". (5) Approval of amendments to the Company’s "Corporate Governance Best Practice Principles".
Board of Directors Meeting	2024.12.20	(1) Approval of the 2025 Annual Internal Audit Plan. (2) Approval of the establishment of the "Internal Control System for Sustainable Information". (3) Approval of the 2025 Annual Operational Plan.

Type of Meeting	Date of Meeting	Important Resolutions
Board of Directors Meeting	2025.03.11	(1) Approval of the Company's 2024 Internal Control Statement. (2) Approval of the Company's 2024 Consolidated and Individual Financial Statements. (3) Approval to reappoint the current auditor, PricewaterhouseCoopers (PwC), as the Company's auditor. (4) Approval of the "Derivative Financial Product Trading" contract for Q2 2025 with the bank. (5) Approval of the bank credit limit application for Q2 2025. (6) Approval of the change in the Company's "Corporate Governance Supervisor". (7) Approval of the change in the Company's "Accounting Supervisor". (8) Approval of the re-election of all Directors. (9) Approval of the recommendations from the Fifth Salary Committee. (10) Approval of the convening of the 2025 Annual Shareholders' Meeting.
Board of Directors Meeting	2025.05.09	(1) Approval of the Company's 2024 Final Financial Statements. (2) Approval of the 2024 Loss Compensation Plan. (3) Approval of the Company's Q1 2025 Consolidated Financial Statements. (4) Approval of amendments to the Company's "Articles of Incorporation". (5) Approval of the "Derivative Financial Product Trading" contract for Q3 2025 with the bank. (6) Approval of the bank credit limit application for Q3 2025. (7) Approval of the nomination list for Director (including Independent Directors). (8) Approval of the removal of the non-compete restriction for the new Directors. (9) Approval of the report on Directors' compensation for 2024. (10) Approval of the Fifth Salary Committee's proposal to implement the employee stock trust plan. (11) Approved the addition of the agenda item for convening the 2025 Annual Shareholders' Meeting.

(X) Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof: None

IV、Information on the Professional Fees of the attesting CPAs Unit: NT$ thousand

Accounting Firm	Name of CPA	Audit Period	Audit Fee	Non-audit Fee	Total	Remarks
Pricewaterhouse Coopers	Lin, Po-Chuan Chang, Shu-Chiung	2024.01.01~ 2024.12.31	2,730	460	3,190	Non-audit fee is for Business Income Tax Certification

(I) When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: None.

(II) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefore shall be disclose: None.

V. Information on Replacement of CPAs：No such situation

VI. Where the company's 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 at an affiliated enterprise of such accounting firm: None.

VII. Any transfer of equity interests and/or pledge of or change in equity interests by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.

(I) Changes in Equity/Pledge

For information regarding changes in shareholding of the Company’s Directors, Managers, and Shareholders holding more than 10% of shares, please visit the Market Observation Post System (MOPS) by navigating to:

Summary Reports > Shareholding Changes / Securities Issuance > Directors, Supervisors, and Major Shareholders’ Shareholding / Pledging / Transfers > Directors, Supervisors, Managers, and Major Shareholders' Shareholding Balances > Summary Table of Shareholding Balances of Directors, Supervisors, Managers, and Major Shareholders.

(MOPS inquiry link: https://mops.twse.com.tw/mops/#/web/stapap1_all)

(II) The counterparty of a transfer of shareholding is a related party: There is no such case.

(III) The counterparty of a pledge of shareholding is a related party: There is no such case.

VIII. Relationship information, if among the company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another

April 21, 2025

Name	Shareholding		Shareholding of spouse and minor children		Shareholding by Nominee Arrangement		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree		Remark
	Number	%	Number	%	Number	%	Name	Relationship	
Hua Zhu Investment Co., Ltd	7,672,000	5.31%	–	–	–	–	–	–	–
Representative: Lu, Chun-Fu	–	–	–	–	–	–	–	–	–
InnoJoy Investment Corp.	6,964,222	4.82%	–	–	–	–	–	–	–
Representative: Hung, Chin-Yang	–	–	–	–	–	–	–	–	–
Chi-Yu investment Industrial Co., Ltd	3,350,000	2.32%	–	–	–	–	–	–	–
Representative: Fang, Jung-Hsi	–	–	–	–	–	–	–	–	–
Chuang, Hong-Jen	3,206,000	2.22%	–	–	–	–	–	–	–
Standard Chartered	2,469,000	1.71%	–	–	–	–	–	–	–

Bank as custodian of LGT Band AG									
Haishiwei Ltd.	1,300,000	0.90%	–	–	–	–	–	–	–
Representative: Huang, Yung-Ting	–	–	–	–	–	–	–	–	–
Chen An Investment Consulting Ltd.	1,210,000	0.84%	–	–	–	–	–	–	–
Representative: Wu, Yu-Ju	–	–	–	–	–	–	–	–	–
Fang, Jung-Hsi	1,007,000	0.70%	–	–	–	–	–	–	–
Fu-Yao Ltd.	1,000,000	0.69%	–	–	–	–	–	–	–
Representative: Li, Chih-Hsiang	–	–	–	–	–	–	–	–	–
Standard Chartered International Commercial Bank, Business Department, as custodian for the investment account of Japan Securities Finance Co., Ltd.	723,000	0.50%	–	–	–	–	–	–	–

IX. 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.

March 31, 2025

Investee enterprise	Investment by the Company		Investment by the Directors, Supervisors, Managerial Officers and Directly or Indirectly Controlled Entities of the Company		Total investment	
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio
Advanced Optoelectronic Technology Holding LTD.	3,250,000	100%	－	－	3,250,000	100%
AOT Holding Ltd	－	－	2,250,000	100%	2,250,000	100%
ZHAN JING Technology (Shen ZHEN) Co., Ltd.	－	－	Paid-in capital USD 2,130,000	－	Paid-in capital USD 2,130,000	100%
ELUX Inc.	283,000	25.94%	－	－	283,000	25.94%
Asphetek Solution Inc.	14,200,000	47.33%	800,000	2.67%	15,000,000	50%
Asphetek Solution(Chengdu) Inc.	－	－	Paid-in capital USD 2,300,000	47.33%	Paid-in capital USD 2,300,000	47.33%

Section Three - Capital Overview

I. Source of Capital

(I) Capitalization

May 10, 2025

Unit:1,000 shares; NT$1,000

Year/ Month	Issued price (Per share)	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital Increased by Assets Other than Cash	Other
1999.10	10	2,400	24,000	600	6,000	Capital injection by cash	None	Oct. 02, 1999 Central Region Office, Ministry of Economic Affairs No.00619209
2000.09	10	10,000	100,000	4,706	47,063	Capital increase by cash	None	Sep. 18, 2000 Central Region Office, Ministry of Economic Affairs No.89494849
2002.10	12	20,000	200,000	13,033	130,334	Capital increase by cash	None	Oct. 11, 2002 Ching-Shou-Shang-Tzu No.09101412000
2003.03	13	20,000	200,000	19,250	192,500	Capital increase by cash	None	Mar. 28, 2003 Ching-Shou-Shang-Tzu No.09201092570
2003.12	10	33,000	330,000	21,771	217,706	Captial increase by retained earnings	None	Dec. 30, 2003 Ching-Shou-Chung-Tzu No.09233222810
2003.12	10	33,000	330,000	23,436	234,360	Captial increase by capital reserve	None	Dec. 30, 2003 Ching-Shou-Chung-Tzu No.09233222810
2004.07	20	33,000	330,000	26,436	264,360	Capital increase by cash	None	Jul. 02, 2004 Ching-Shou-Chung-Tzu No.09332344670
2004.09	10	56,000	560,000	32,675	326,747	Captial increase by retained earnings	None	Sep. 09, 2004 Ching-Shou-Chung-Tzu No.09332684680
2005.02	28	56,000	560,000	39,675	396,747	Capital increase by cash	None	Feb. 05, 2005 Ching-Shou-Chung-Tzu No.09431668060
2005.10	10	88,000	880,000	53,986	539,859	Captial increase by retained earnings	None	Oct. 14, 2005 Ching-Shou-Shang-Tzu No.09401202920
2006.02	10	88,000	880,000	55,321	553,205	Exercise of employee stock	None	Feb. 07, 2006 Ching-Shou-Shang-Tzu

Year/ Month	Issued price (Per share)	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital Increased by Assets Other than Cash	Other
						options		No.09501021590
2006.08	20	120,000	1,200,000	65,320	653,205	Capital increase by cash	None	Aug. 09, 2006 Ching-Shou-Shang-Tzu No.09501173980
2006.11	10	120,000	1,200,000	70,262	702,621	Captial increase by retained earnings	None	Nov. 21, 2006 Ching-Shou-Shang-Tzu No.09501262300
2007.09	10	240,000	2,400,000	180,000	1,800,000	Private placement	None	Sep. 06, 2007 Ching-Shou-Shang-Tzu No.09601217350
2009.07	10	240,000	2,400,000	90,000	900,000	Reduced capital by deficit compensation	None	Jul. 22, 2007 Ching-Shou-Shang-Tzu No.09801165220
2009.11	10	240,000	2,400,000	130,000	1,300,000	Capital increase by cash	None	Nov. 10, 2009 Ching-Shou-Shang-Tzu No.09801258130
2014.08	72	240,000	2,400,000	145,340	1,453,400	Capital increase by cash	None	Aug. 25, 2014 Ching-Shou-Shang-Tzu No.10301166930
2015.01	10	240,000	2,400,000	146,236	1,462,360	Exercise of employee stock options	None	Jan. 14, 2015 Ching-Shou-Shang-Tzu No.1040100524
2015.04	10	240,000	2,400,000	146,584	1,465,840	Exercise of employee stock options	None	Apr. 29, 2015 Ching-Shou-Shang-Tzu No.10401067250
2015.05	10	240,000	2,400,000	146,688	1,466,880	Exercise of employee stock options	None	May 26, 2015 Ching-Shou-Shang-Tzu No.10401098190
2016.01	10	240,000	2,400,000	147,496	1,474,960	Exercise of employee stock options	None	Jan. 26, 2016 Ching-Shou-Shang-Tzu No.10501015820
2016.04	10	240,000	2,400,000	147,931	1,479,310	Exercise of employee stock options	None	Apr. 28, 2016 Ching-Shou-Shang-Tzu No.10501073770
2016.05	10	240,000	2,400,000	147,956	1,479,560	Exercise of employee stock options	None	May 30, 2016 Ching-Shou-Shang-Tzu No.10501107610
2017.01	10	240,000	2,400,000	148,863	1,488,630	Exercise of employee stock options	None	Jan. 06, 2017 Ching-Shou-Shang-Tzu No.10501298690

Year/ Month	Issued price (Per share)	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital Increased by Assets Other than Cash	Other
2017.04	10	240,000	2,400,000	149,416	1,494,160	Exercise of employee stock options	None	Apr. 13, 2017 Ching-Shou-Shang-Tzu No.10601046650
2017.05	10	240,000	2,400,000	149,450	1,494,500	Exercise of employee stock options	None	May 31, 2017 Ching-Shou-Shang-Tzu No.10601068340
2017.11	10	240,000	2,400,000	149,548	1,495,480	Exercise of employee stock options	None	Dec. 06, 2017 Ching-Shou-Shang-Tzu No.10601162850
2018.08	10	240,000	2,400,000	144,548	1,445,480	Cancellation of treasury shares	None	Aug. 22, 2018 Ching-Shou-Shang-Tzu No.10701103520

(II) Type of stock

May 10, 2025
Unit: 1,000 shares

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Common Shares	144,548	95,452	240,000	Listed on TWSE

II. List of Major Shareholders

April 21, 2025

Shareholding / Major shareholders	Shareholding(Shares)	Shareholding(%)
Hua Zhu Investment Co., Ltd	7,672,000	5.31%
InnoJoy Investment Corp.	6,964,222	4.82%
Chi-Yu investment Industrial Co., Ltd	3,350,000	2.32%
Chuang, Hong-Jen	3,206,000	2.22%
Standard Chartered Bank as custodian of LGT Band AG	2,469,000	1.71%
Haishiwei Ltd.	1,300,000	0.90%
Chen An Investment Consulting Ltd.	1,210,000	0.84%
Fang, Jung-Hsi	1,007,000	0.70%
Fu-Yao Ltd.	1,000,000	0.69%
Standard Chartered International Commercial Bank, Business Department, as custodian for the investment account of Japan Securities Finance Co., Ltd.	723,000	0.50%

Note: Major Shareholder means the shareholder who owns over 5% ownership or belongs to top 10 shareholders.

III. Dividend Policy and Implementation Status

(I) Dividend Policy

If there is any profit for a specific fiscal year, the Company shall allocate not less than 5% of the profit as employees' compensation and shall allocate not more than 0.1% of the profit as remuneration to Directors, provided that the Company's accumulated losses shall have been covered in advance.

Employee's compensation is distributed in the form of shares or cash, and employees qualified to receive such compensation may include employees from affiliates companies who meet certain qualification. Those proposals shall be adopted by the Board of Directors by a majority vote in a meeting attended by over two-thirds of the Directors and shall be reported in the shareholder's meeting.

If there is any profit in the annual financial statements of the Company, such profit shall be distributed in the following orders:

(1) Reserve for tax payments.

(2) Offset accumulated losses in previous years, if any.

(3) Legal reserve, which is 10% of leftover profits. However, this restriction does not apply in the event that the amount of the accumulated legal reserve equals or exceeds the Company's total capital stock.

(4) Allocate or reverse special reserves as required by Article 41 of Securities and Exchange Act.

(5) The remaining net profits and the retained earnings from previous years will be allocated as shareholders' dividends. The Board of Directors will prepare a distribution proposal and submit the proposal to the shareholders' meeting for review and approval by a resolution.

The dividend policy shall take the factors into account such as future development, stable financial structure and shareholders' benefits, and the allocation of dividends shall be paid at a rate not less than 20% of the current year's distributable earnings; however if the distributable earnings are less than 1% of the paid-in capital, the Company may resolve to transfer the entire amount to retained earnings without distribution. Dividends to shareholders may be distributed in cash or in stock, and the stock dividends shall not be higher than half of the total dividends to shareholders.

In compliance with the amended Article 14, Paragraph 6 of the Securities and Exchange Act, the Company will amend Article 28 of its Articles of Incorporation at the 2025 Annual General Shareholders' Meeting to specify that, in the event of a profit in a given fiscal year, not less than 5% of that year's profit shall be allocated as employee remuneration. Furthermore, not less than 25% of such remuneration shall be allocated to frontline employees.

(II) Proposed Distribution of Dividend: There is no distribution proposal in this shareholders' meeting.

(III) Expected significant change in dividend policy: None.

IV. Effect of the Proposed Stock Dividends (to be adopted by the shareholders' meeting) on the Operating Performance and Earnings Per Share: Not applicable.

V . Remuneration of Employees, Directors and Supervisors

(I) Information Relating to Employee Bonus and Directors' and Supervisors' Remuneration in the Articles of Incorporation:

1. If there is any profit for a specific fiscal year, the Company shall allocate not less than 5% of the profit as employees' compensation and shall allocate not more than 0.1% of the profit as remuneration to Directors, provided that the Company's accumulated losses shall have been covered in advance.

Employee's compensation is distributed in the form of shares or cash, and employees qualified to receive such compensation may include employees from affiliates companies who meet certain qualification. Those proposals shall be adopted by the Board of Directors by a majority vote in a meeting attended by over two-thirds of the Directors and shall be reported in the shareholder's meeting.

2. The remuneration of directors shall be determined by the Board of Directors according to their participation level and contribution value, and shall be compared with the standard of the same industry.

(II) 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 calculation of the amount of employee, director, and supervisor profit-sharing compensation is to use the number of the net income before tax with employee & directors compensation as basis, and to consider the status of accumulated losses. Then, use the percentage in Articles of Incorporation to be the basis for estimating.
2. The closing price of the day before the resolution date of the Board of Directors is the calculating basis for the number of shares to be distributed as employee profit-sharing compensation, according to FSC's instruction No.1050001900 dated on 2016.01.30.
3. Where there is discrepancy between the actually distributed and the estimated amount, it shall be treated in accordance with the change in accounting estimates and adjusted in the year of the Board's resolution.

(III) Distribution of remuneration approved by the Board of Directors:

1. The amount of Employees' compensation distributed in cash or stocks and directors' remuneration: Due to the loss of 2024, there is not distribution of employee's compensation and directors' remuneration. The figures passed by the Board and accounted in the financial statements are both zero.
2. The amount of employees' compensation distributed in stocks, and its proportion of the net income after tax provided in individual financial reports for the current period and total employees' compensation: Not applicable.

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

1. Actual disbursement amount and difference:

Unit: NT$ thousand

Fiscal year 2023	The amount accounted in the financial statements.	The amount actual paid	Difference
Employees' Compensation	0	0	0
Directors' Compensation	0	0	0

2. The reason for difference: No difference.
3. Response: NA.

VI. Status of Stock Buyback: None.

VII. Status of Bonds: None.

VIII. Status of Preferred Shares: None.

IX. Status of Global Depository Receipts: None.

X. Status of Employee Stock Options: None.

XI. Status of Employee Restricted Stock: None.

XII. Status of Mergers: None.

XIII. Status of New Share Issuance in Connection with Acquisitions: None.

XIV. Financing Plans and Implementation:

Uncompleted share issuance, private placement or completed transactions without expected benefits in the past 3 years: None.

Section Four - Business Activities

I. Business Scope

(I) Business Scope

1. The scope of business of the Company shall be as follows:

（1） CC01080: Electronic Parts and Components Manufacture.

（2） F119010: Wholesale of Electronic Materials.

（3） F219010: Retail Sale of Electronic Materials.

（4） F401010: International Trade

（5） IZ99990: Other Industrial and Commercial Services.(The research & Test of LD and LED)

（6） I501010: Product Designing.

（7） ZZ99999: All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Major lines of business and the relative weight of each

Unit: NT$ thousand

Year Product Category	2023(Consolidated)		2024(Consolidated)	
	Net Revenue	(%)	Net Revenue	(%)
SMD LED(self-made)	1,772,973	89.88	1,912,501	93.97
SMD LED(commodity)	198,406	10.06	105,444	5.18
Others	1,245	0.06	17,263	0.85
Total	1,972,624	100.00	2,035,208	100.00

3. Current Products (Services)

（1） Surface Mount Device LED(SMD LED)

（2） LED Backlight & Lighting

（3） Sensor and wearable device application products

（4） Automotive application products

（5） Other Products

4. New Products(Services) Planned for Development

（1） Backlighting Application Products

（2） Sensor/optocoupler/IC packaging application products

（3） Vehicles-related Application Products

（4） Lighting applied in Biotech and industry

(II) Overview of the industry

1. Industry status and development

In 2024, global economic and political conditions remained highly uncertain. Geopolitical risks intensified, and the aftermath of the U.S. presidential election introduced new variables in trade tariffs and supply chains. The war between Russia and Ukraine persisted, and the conflict between Israel and Hamas remained unresolved. Additionally, the Red Sea crisis led to shipping bottlenecks, further challenging the global trade environment.

According to the latest World Bank forecast, the global GDP growth rate for 2024 is projected at 2.4%, down from 2.6% in 2023. The U.S. GDP growth slowed to 1.6%. China's growth declined to 4.5% due to a sluggish real estate market and foreign capital outflows. The Eurozone's growth was only 0.7%. The global economic recovery remained weak, primarily impacted by persistent inflation and high-interest rate policies. Moreover, the trend of supply chain decoupling from China has deepened, with companies gradually shifting production bases to Southeast Asia, India, and Mexico, affecting China's manufacturing exports.

The overall LED market continued to be influenced by the global economic climate. However, signs of recovery emerged in specific application sectors. According to TrendForce, global demand for TVs rebounded, driven by international sporting events such as the UEFA European Football Championship. Global TV shipments increased by 3.4% year-over-year, and shipment area grew by 8.6%, with high-end and large-size products remaining popular among consumers.

The laptop market began to recover as inventory levels declined. The end of Windows 10 support spurred a corporate replacement cycle. Microsoft's introduction of the new AI assistant Copilot in Windows 11 is expected to boost laptop shipments by 3.6% annually, benefiting the commercial display sector as well. The smartphone market saw a modest increase of 2.9%, hindered by consumers extending their device replacement cycles. Smartwatch shipments rose slightly by 1.2% due to new product launches, while budget fitness trackers continued to decline, with a 19% drop.

Under the wave of AI-powered innovation, application breakthroughs across various fields are expected to deliver new user experiences. LED technology continues to drive innovation in the display sector. The penetration of Mini LED backlighting has increased, boosting demand in high-end laptops, tablets, and gaming monitors. Micro LED technology remains in its early stages of development. While tech giants like Apple are actively investing in this area, key challenges remain in terms of cost and widespread adoption.

The automotive LED market continues to grow in tandem with the global auto industry recovery. Electric vehicle sales rose 29.6% year-over-year, driving demand for automotive LED applications, including smart headlights, matrix headlamps, HUDs (Head-Up Displays), in-vehicle displays, and ambient lighting. However, the economic slowdown has led automakers to boost sales through price reductions, triggering price competition in the automotive LED market and pressuring gross margins.

Considering the global political climate, macroeconomic trends, and LED industry developments—alongside a recovering display market, the rapid expansion of the EV sector, and AI-driven innovations—the Company will proactively respond to external challenges and industry shifts in 2024. Our strategies include deepening customer collaboration, optimizing product portfolios, strengthening supply chain partnerships, implementing intelligent automation to enhance quality and efficiency, and continuously improving our organizational resilience. We will also focus on long-term investments in emerging markets and niche applications. By leveraging Rong Yu Technology's module capabilities and customer channels, we aim to enhance competitiveness and ensure sustainable operational growth.

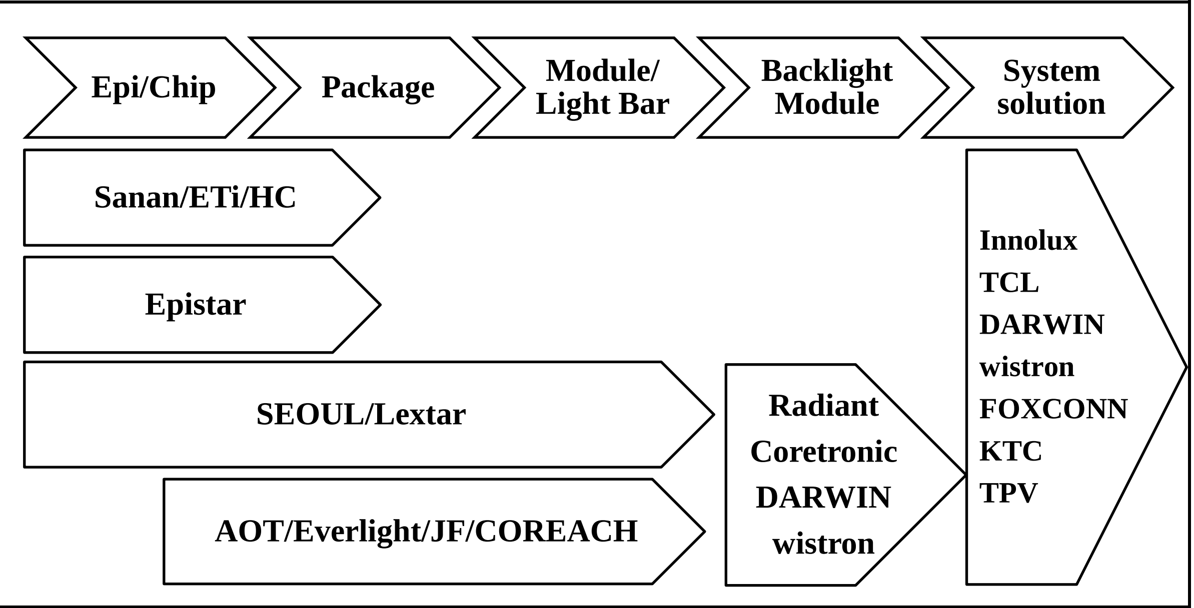
2.Correlation of up-stream, mid-stream and down-stream of industry

Taiwan's LED industry has developed for more than 20 years so far. The overall industry is divided into the upstream of single crystal and epi-wafer manufacturing, the mid-stream chip manufacturing, the downstream package industry, module factory and terminal application (see figure below).

LED Industry Chain

*Data Source: Compiled by the company

LED Backlight Industry Chain



*Data Source: Compiled by the company

Overall, the LED backlight industry chain is complete; there are many manufacturers for upstream LED chips/crystal grains, midstream LED packaging, and downstream modules as well as their design and manufacturing they all have various corresponding manufacturers. Hence, overall speaking, it has already entered a high state of competition.

3. Product development trends and competitions

Looking ahead to 2025, although the global economy remains affected by geopolitical tensions, supply chain disruptions, and inflationary pressures, market demand is gradually recovering. Growth momentum is expected to continue, driven by AI-enabled applications, the electric vehicle (EV) industry, and smart display technologies. The Company will focus on high value-added markets, further expanding applications of Mini LED and sensor components to strengthen its technological leadership and enhance market competitiveness.

In terms of product strategy, the Company will continue to pursue vertical integration across the upstream, midstream, and downstream sectors. It will deepen its expertise in XLED and VLED component technologies as well as Mini LED module technology, leveraging the technological strength and innovation capabilities of Rong Yu Technology. By advancing backlight driving circuits and local dimming algorithms, the Company aims to expand the application scope of LED backlight modules, covering automotive, gaming laptops, industrial control, TVs, and high color-rendering XLED backlight modules. Through technological upgrades, the Company seeks to improve product performance and increase market penetration.

Additionally, as demand grows in the automotive Mini LED backlight market alongside the development of smart cockpits, the Company will strengthen product development and promote deeper collaboration with automakers and Tier 1 supply chain partners to increase market share.

In the sensor component market, with the growth of AIoT, robotics, smartphones, smartwatches, and wearable devices, the Company will continue investing in high-precision sensing technologies and optimizing product use cases to drive revenue and profitability.

Regarding new markets and applications, AR/VR, ultra-thin and small-size high-power semiconductor packaging, and sensor technologies remain key development focuses. The Company will engage in close collaboration with customers in emerging markets such as AI computing and autonomous vehicles to conduct technology validation and product development, laying a strong foundation for future growth.

Through technological innovation and strategic market deployment, the Company will continue to optimize its product portfolio and respond flexibly to market changes. By accelerating intelligent and automated factory construction, it aims to enhance quality and efficiency to ensure stable growth, improved competitiveness, and operational performance in 2025.

The Company’s management team and all employees will remain committed to improving operational efficiency, promoting environmental sustainability, upholding sound corporate governance, and fulfilling corporate social responsibilities.

(III) The company's technologies and its research and development status

1. R&D expenditures during the most recently year and 2025Q1.

Unit: NT$ thousand

Year / Item	2024(Consolidated)	2025Q1(Consolidated)
R&D expenditures	163,909	32,685
Net Revenue	2,035,208	449,773
Percentage of RD expenditure to Net Revenue (%)	8.05	7.27

2. Overview of Technologies and/or Products successfully developed

Year	Items of Technologies and/or Products successfully developed
2020	1. High resolution 4K RGB LED display solution. 2. High color gamut, RGB multi-chip LED display module solution. 3. Mini-LED (optical distance < 1mm) backlight unit solution for virtual reality headset. 4. Proximity sensor and ambient light sensor for TWS/Mobile device. 5. LED component solution for automotive interior indicator. 6. Mini-LED component and module solution for automotive display backlight unit. 7. RGB LED module for display solution. 8. Reduced blue light LED component solution.
2021	1. Easy disassembly Mini RGB LED display module solution. 2. High contrast, deep black LED backlight unit solution. 3. Mini-LED (optical distance=0) backlight unit solution. 4. Proximity sensor and ambient light sensor solution for TWS/mobile device. 5. LED component solution for automotive interior indicator and atmosphere light. 6. Mini-LED component solution for backlight unit. 7. High power, multi-chip LED component solution for car headlamp. 8. High dynamic range imaging controller and display module solution. 9. Super slim, edge emitting, multi-chip LED component solution. 10. Reduced blue light LED component solution for less damaging to the eye. 11. High energy-efficient, multi-chip, flip-chip LED package solution. 12. Infrared LED solution for fingerprint identification on display. 13. VCSEL solution for light sensor. 14. Car lighting module solution.
2022	1. Small size Mini-LED package solution. 2. High power, multi-chip LED component solution for automotive headlamp. 3. Super slim, edge emitting, multi-chip LED component solution.

Year	Items of Technologies and/or Products successfully developed
	4. LED package solution for automotive backlight unit. 5. High power, multi-chip, flip-chip LED package solution. 6. Infrared LED solution for full-screen fingerprint recognition system. 7. Direct Time-of-Flight (dToF) sensor solution. 8. LED module solution for automotive headlamp and rear light. 9. DFN package solution for Mini LED driver. 10. Small size, multi-LED package solution for wearable device.
2023	1. LED components and modules for AR glasses projection illumination. 2. LED components for HMD (Head Mounted Display). 3. LED components for HUD (Head-Up Display) for automotive applications. 4. Mini LED components and modules for automotive backlighting. 5. Small-sized, thin, and high-efficiency backlighting LED components. 6. High-efficiency side-lit TV backlighting LED components and modules. 7. High-efficiency direct-lit TV backlighting LED components and modules. 8. High-efficiency LED components for car indicators. 9. LED headlight components and modules for automotive applications. 10. LED taillight components and modules for automotive applications. 11. LED sidelight components and modules for automotive applications. 12. Thin, small-sized semiconductor packaging. 13. Minimization of Mobile Phones Following Successful Development of Digital Sensors
2024	1. VR display module and local dimming algorithm 2. Customized high-efficiency projection light source module for AR glasses 3. Customized ultra-compact projection light source module for AR glasses 4. Mini LED module and local dimming algorithm 5. Dual-chip high color rendering Mini LED module with driver circuit and local dimming algorithm 6. Ultra-thin light guide plate TV and LED components 7. Direct-lit TV with flat EMC LED components 8. Automotive backlight with flat EMC LED components 9. Automotive turn signal and brake light with flat EMC LED components 10. Automotive headlamp module using high thermal conductivity metal substrate 11. Single-chip high color rendering LED components, modules, driver circuit, and local dimming algorithm 12. Automotive backlight with wide-angle flat EMC LED components and module 13. Mini LED TV with wide-angle flat EMC LED components and module

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

1. Short-term development plan

(1) Marketing strategy

A.Customer service-oriented approach, providing comprehensive after-sales support and building strong, long-term relationships with clients.

B. Focus on developing new application markets with a profit-first mindset rather than pursuing scale expansion.

C. Establish an integrated team to offer clients comprehensive optical design solutions by combining backlight, sensing, and automotive lighting technologies.

D. Deepen engagement with value-driven customers to pursue higher returns on investment.

(2) Production, R&D and product development direction

A. Raise capacity utilization and reduce costs.

B. Actively introduce and nurture R&D talents to extend technical fields and accelerate product development.

C. Develop products that meet the needs of customers and the market.

(3) Operational management policies

A. Stabilize the source of raw materials and strengthen supply chain management.

B. Strengthen the quality control system, continuously improve product quality, and improve customer service.

C. Make good use of the information management system to improve the Company's operating performance.

2. Long-term development plan

(1) Marketing strategy

A. Strengthen relationships with current key customers, deepen collaboration with brand-name clients, and expand product line partnerships.

B. Leverage resources within the Rongen Group and establish strategic partnerships.

C. Enhance engagement and depth of interaction within regional markets.

D. Continue investing in new product development and customer acquisition to build a comprehensive marketing and distribution network.

E. Increase supplier and distributor dependency on the company.

(2) Production, R&D and product development direction

A. Integrate process management to improve production performance and yield.

B. Establish a close supply chain and long-term cooperative partnership with the upstream and midstream raw materials and equipment suppliers in the LED industry in Taiwan to enhance the overall competitiveness of the industry.

C. Continue to develop R&D talents and upgrade R&D technologies.

D. Expand product applications and develop new products and services ahead of the market.

(3) Operational management policies

A. Vertical integration of technology and manufacturing capabilities to provide customers with comprehensive services.

B. By raising funds in the domestic and foreign capital markets, the Company develops close relationship with domestic and foreign customers, and vertically integrates the supply chain to further build the corporate global territory and actively seize global market share.

II. Market and Sales Outlook

(I) Market Analysis

1. Major Products and Sales Areas

Unit: NT$ thousand

<table>
<tr><th colspan="2" rowspan="2">Year
Area</th><th colspan="2">2023(Consolidated)</th><th colspan="2">2024(Consolidated)</th></tr>
<tr><th>Amount</th><th>%</th><th>Amount</th><th>%</th></tr>
<tr><td colspan="2">Domestic Sales</td><td>81,187</td><td>4.12</td><td>73,601</td><td>3.62</td></tr>
<tr><td rowspan="2">External Sales</td><td>Asia</td><td>1,796,982</td><td>91.10</td><td>1,872,295</td><td>92.00</td></tr>
<tr><td>Americas</td><td>85,049</td><td>4.31</td><td>83,158</td><td>4.09</td></tr>
</table>

	Africa	9,406	0.48	6,154	0.29
Total		1,972,624	100.00	2,035,208	100.00

Note: to classify according to the destination of goods.

2. Market share

The Company is principally engaged in the research, development, design, manufacturing and testing of surface mount device light emitting diodes (SMD LED), which belongs to the mid-stream LED packaging industry. At present, the Company's main competitors include Everlight, Liteon, Lextar and other more than 30 manufacturers. However, the Company plays a decisive role in the domestic LED packaging backlight application, and also actively enters the military vehicle lighting and sensing product application market which also reaps abundance.

3. Future market supply, demand, and growth

The LED market is expected to continue its growth in 2025, driven by multiple technological advancements and policy-related factors. Supply and demand dynamics will continue to evolve in response to shifting market trends. The following are key development trends shaping the future of the LED market:

(1) Growing Global Demand for LEDs

LED applications will continue to expand across various sectors:

A. Lighting Market: Indoor, outdoor, and automotive lighting remain major sources of demand, further driven by smart lighting technologies.

B. Display Technology: LED displays—including Mini LED and Micro LED—are gaining market share in TVs, commercial displays, and AR/VR devices.

C. Consumer Electronics: Increasing demand for high-performance LEDs in smartphones, laptops, and wearable devices.

D. Emerging Applications: Expanding use of LEDs in agricultural lighting, medical lighting, and UV LED disinfection technologies.

E. According to a recent TrendForce report, the global LED market size is projected to reach USD 87.42 billion in 2025, representing an annual growth rate of approximately 6.1%.

(2) Technological Advancements Driving Market Growth

A. Micro LED and Mini LED Display Technologies: Tech giants such as Apple and Samsung are accelerating the commercialization of Micro LED, boosting its share in the high-end display market.

B. Development of Smart Lighting: The maturity of IoT and smart home technologies is enabling integration of AI with LED lighting, improving energy efficiency and enhancing personalized lighting experiences.

C. High-Performance LED Technologies: Innovations in low-power, high-brightness LED chips are facilitating adoption in electric vehicles (EVs), 5G communication devices, and other advanced applications.

(3) Policy Support and Environmental Regulations

A. Governments worldwide are promoting energy efficiency regulations—such as the EU’s Ecodesign Directive and the U.S. Department of Energy’s new lighting standards—accelerating the phase-out of traditional incandescent bulbs.

B. Carbon neutrality goals are boosting demand for LED lighting, especially in the European and Chinese markets, where companies must meet ESG standards to remain competitive.

C. Emerging markets like India and Southeast Asia are offering LED subsidies and investment incentives, accelerating the adoption of LED lighting.

(4) Declining LED Costs and Intensifying Competition

As the LED supply chain matures and manufacturing technologies improve, average LED product costs are expected to decline by 7% to 10% in 2025 (Source: LEDinside, 2024). While this will drive market penetration, it will also intensify competition, prompting suppliers to accelerate technological upgrades to maintain their competitiveness.

(5) Rise of Emerging Application Markets

A. Smart Lighting: According to MarketsandMarkets, the global smart lighting market is projected to reach USD 35.5 billion in 2025, with an annual growth rate of approximately 11.2% (Source: MarketsandMarkets, 2024).

B. Agricultural Lighting (Agri-LED): Demand for plant grow lights is rapidly increasing, especially in vertical farming and large-scale greenhouse applications.

C. Medical and Biotech Applications: Demand is rising for UV-C LEDs, infrared LEDs (IR LEDs), and shortwave infrared LEDs (SWIR LEDs) in disinfection, health monitoring, and phototherapy applications.

4. Competing in niche markets

(1) Experienced management team

The company's management team mostly comes from the upstream and the industry, with years of experience in the LED industry, and continues to cultivate R&D, manufacturing and other professional talents.

(2) Long-term customer relationship

The Company possesses strong capabilities in backlighting, sensing, automotive lighting, and optical module design, and collaborates closely with major domestic and international clients from the early stages of product development. This integration of customer needs from the outset makes it difficult for competitors to enter the market.

(3) Accumulated manufacturing experience and internal management

Since the establishment of the Company in 1999, the Company has accumulated years of experience from upstream epitaxy to downstream packaging manufacturing, and has internally managed a systematic platform that can further improve the efficiency of production and operation management.

(4) Good supply chain management efficiency:

The raw material suppliers converged, and the material tracking is fast in response to the real-time needs of the customers. In addition, the sharing of raw materials in product design is high, and the customer needs can be responded immediately.

5. Favorable and unfavorable factors in the prospect of development and countermeasures

(1) Favorable factors:

A.Strong relationships with brand clients, panel makers, and TV manufacturers make market entry difficult for competitors.

B.Long-term and stable supply chain partnerships with industry-leading companies ensure reliable access to critical raw materials.

C.An outstanding R&D and project management team continuously develops and manufactures high-quality products that meet customer needs.

D.Strong future growth momentum driven by new products such as Mini LED (COB), Micro LED, high-efficiency LEDs, automotive LEDs, and IR LEDs.

(2) Unfavorable factors:

A.The currency used for the quotation for sales is different from the quotation for purchase. In addition, the international foreign exchange market is highly volatile. There are potential risks in exchange rate fluctuations.

<u>Response and countermeasures:</u>

- ➢ The international landscape is changing drastically, causing exchange rates to rise and fall sharply. Therefore, it is necessary to pay attention to exchange rate movements and adjust product costs and selling prices in a timely manner.
- ➢ Adopt foreign currency hedging to avoid exchange rate risks.

B. Under the highly mature Chinese supply chain, the Company faces great pressure to reduce LED prices, resulting in great pressure for revenue growth and maintenance of gross profit margin.

Response and countermeasures:

- ➢ Work with suppliers and customers to optimize production and sales and reduce stagnant inventory opportunities.
- ➢ To compete for value based on quality and technology.

(II) Usage and manufacturing processes for the company's main products.

1. Usage for the company's main products

Major products	Usage
LED back light solution	mobile phone, tablet computer, notebook, monitor, TV, IR.
LED automotive solution	headlights, tail lights, signal lamps, fog lamps, interior lamps, automotive display.
LED lighting solution	indoor lighting fixture, lamps, down light.
LED sensing solution	mobile phone, wearable devices.

2. Manufacturing processes for the company's main products.

Die Bonding → Wire Bonding → Encapsulation / Molding → Dicing / Punching → Testing / Binning → Taping

(III) Supply situation for the company's major raw materials

Raw Materials	Supplier	Supply Situation
LED Chip	Epistar、HC Semitek	In good condition
PCB、Lead frame	CWTC、DEREN、Liang-Yu	In good condition
Encapsulate	DOIT、TOPCO	In good condition
Phosphor	Sumitronics、MITSUBISHI	In good condition

(IV) Major Suppliers and Clients

1. A list of any suppliers accounting for 10 percent or more of the company's total procurement amount in either of the 2 most recent fiscal years, the amounts bought from each, the percentage of total procurement accounted for by each, and an explanation of the reason for increases or decreases in the above figures.

Unit: NT$ thousand

	2023(Consolidated)	2024(Consolidated)	Up to March 31, 2025 (Consolidated)

Item	Name	Amount	Percentage of annual net purchases(%)	Relationship with the issuer	Name	Amount	Percentage of annual net purchases(%)	Relationship with the issuer	Name	Amount	Percentage of net purchases	Relationship with the issuer
1	Supplier C	145,907	15.22	None	Supplier C	166,849	17.16	None	Supplier C	36,410	15.86	None
2	Supplier E	113,690	11.86	None	Supplier E	132,788	13.66	None	Supplier E	25,359	11.05	None
3	Others	699,147	72.92	—	Others	672,491	69.18	—	Others	167,756	73.09	—
	Net purchases	958,744	100.00	—	Net purchases	972,128	100.00	—	Net purchases	229,525	100.00	—

Explanations of the reason for increases or decreases: Due to the change of product portfolio.

2. A list of any clients accounting for 10 percent or more of the company's total sales amount in either of the 2 most recent fiscal years, the amounts sold to each, the percentage of total sales accounted for by each, and an explanation of the reason for increases or decreases in the above figures.

Unit: NT$ thousand

	2023(Consolidated)				2024(Consolidated)				Up to March 31, 2025 (Consolidated)			
Item	Name	Amount	Percentage of annual net sales(%)	Relationship with the issuer	Name	Amount	Percentage of annual net sales(%)	Relationship with the issuer	Name	Amount	Percentage of net sales	Relationship with the issuer
1	Client VI	482,171	24.44	None	Client VI	443,705	21.80	None	Client VII	103,245	22.95	None
2	Client III	206,684	10.48	None	Client VII	340,045	16.71	None	Client VI	82,389	18.32	None
3	Client II	192,321	9.75	None	—	—	—	—	—	—	—	—
4	Others	1,091,448	55.33	—	Others	1,251,458	61.49	—	Others	264,139	58.73	—
	Net sales	1,972,624	100.00	—	Net sales	2,035,208	100.00	—	Net sales	449,773	100.00	—

Explanations of the reason for increases or decreases: Due to the change of customers' demand

III. Employee Statistics for the Most Recent 2 Fiscal Years up to the Annual Report Publication Date

Fiscal Year		2023	2024	Current year to May 10,2025
Number of Employees	Production Dept.	544	562	521
	R&D Dept.	83	77	67
	Sales Dept.	39	35	33
	Management Dept.	96	98	93
	Total	762	772	714
Average Age		41.50	41.12	42.24

Average Years of Service		8.70	9.22	9.68
Education	PhD	0.39%	0.26%	0.28%
	Master’s degree	10.89%	10.88%	9.94%
	College	59.45%	60.62%	59.39%
	Senior High School	26.51%	25.52%	27.45%
	Below Senior High School	2.76%	2.72%	2.94%

IV. 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 (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future 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.

V. Labor Relations:

(I) The Company's various employee welfare measures, continuing education, training, retirement systems and their implementation, as well as agreements between labor and management and various employee rights protection measures:

1. Employee Welfare Measures:

(1)Welfare measures provided by the company: Labor and health insurance, group insurance, business travel insurance, and bonuses distributed during the three major traditional holidays.

(2)Employee Welfare Committee: The Company has established the Employee Welfare Committee in accordance with the Employee Welfare Fund Regulations to coordinate various employee welfare activities, promote the establishment of clubs, and provide subsidies for employee welfare. Formulate budgets and welfare plans every year. In addition to subsidizing employees' marriage, funeral, illness, and childbirth, there are also birthday and New Year bonuses. Various activities are held regularly to adjust employees' mind and body and strengthen employees' cross-departmental relationship of friendship.

2. Continuing Education and Training:

(1)Provide newcomers with education and training to help newcomers understand the working environment and related rules and regulations as soon as possible.

(2)Formulate the license management system and related measures. Employees must complete relevant training and pass the certification exam before they can operate the production machines independently.

(3)According to the Employee Education and Training Management Regulations, the Company organizes various professional training on engineering and quality control to ensure employees' professional competence in performing duties.

(4)Organize managerial training according to the level of management (basic, middle, and senior) to assist and strengthen their organizational management skills.

(5)Organize work ability and skill improvement courses to cultivate employees' improvement of work efficiency and self-management ability.

(6)Employees may apply for external training according to their needs, so as to understand market trends and the latest knowledge and technology, in order to improve work ability.

3. Employee retirement system and implementation:

(1) Old system: The Company established the "Organization Charter Governing the Labor

Pension Reserve Supervisory Committee" in accordance with the Labor Standards Act. According to this, employees who started to work before June 30, 2005 are entitled to the old retirement system or the new system. 2% of the monthly salary is appropriated to a special account in Taiwan bank under the old system pension fund, and is supervised and managed by the Company's "Labor Pension Reserve Supervisory Committee." In October 2022, it was approved by the employer and the employee at the Supervisory Committee to settle the old pensions in accordance with Paragraph 3, Article 11 of the Labor Pension Act. The pension is paid out of the dedicated pension fund account at the Bank of Taiwan after approval by the Company's labor affairs competent authority in Hsinchu County's labor division. And the remaining funds in the labor retirement preparation account were approved for withdrawal by the competent authority in May 2023. Subsequently, as the Company began employing foreign white-collar workers in 2024, the old pension system account was reactivated in accordance with regulations. A contribution equivalent to 10% of total salaries was allocated as retirement reserve under the old system. The amount recognized for the 2024 contribution was NT$43,000.

(2) New system: For the employees who started to work on July 1, 2005, and the employees who were originally applicable to the old system and have opted to join the new system, the Company allocates 6% of their total salaries into the pension fund on a monthly basis in accordance with the "Labor Pension Act." The amount recognized for the new pension system contribution in 2024 was NT$22,299,000.

4. Agreements between employers and employees, and protection of employees' rights:
The Company upholds the concept of "integration of labor and management," emphasizes rational and personalized management, establishes smooth communication channels, and maintains good labor-management relations to jointly create productivity, share profits and establish stable and harmonious labor-management relations. Therefore, in the most recent year and as of the annual report publication date, no major labor dispute had occurred.

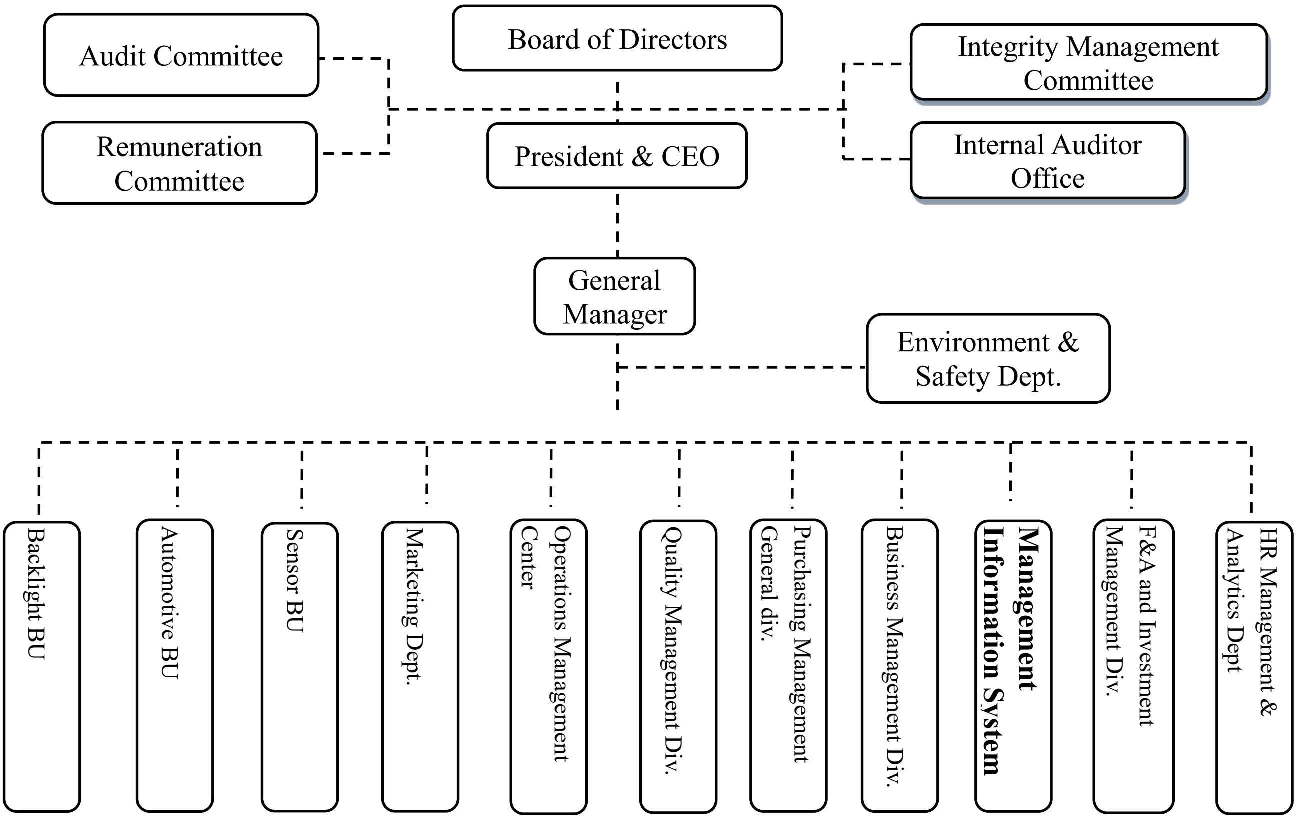
(II) Losses incurred as a result of labor-management disputes in the most recent two years and as of the annual report publication date (including labor inspection results showing violations of items in Labor Standards Act. These matters should be listed with punishment date, reference number, articles of regulations violated, article contents and punishment details). The Company shall also disclose estimated amount that might incur at present and in the future, and their countermeasures. If unable to give a reasonable estimation, provide an explanation of the facts for not being able to provide a reasonable estimation: None.

VI. Cyber Security Management

(I) Cyber security risk management

1. Cyber security risk management framework:

The Company has appointed " Management Information System Div." under the General Manager. Its duties are mainly responsible for cyber security and risk management, design the cyber security management system, and provide real-time decision support systems and management information in line with the Company's business strategies and models.



2. Cyber security policy:

The Company is committed to ensuring the confidentiality, integrity, availability, and legality of its information assets. We fully recognize that information and communication security is critical to our company's survival and competitive advantage in development. To effectively manage cybersecurity risks, we continuously strengthen our ability to protect confidential information and enhance employees' awareness of information security, promoting correct concepts and vigilance. This is to prevent misuse, leakage, alteration, destruction, or loss of assets due to human error, intentional damage, or natural disasters, ensuring the best interests of the company, shareholders, employees, customers, and suppliers.

3. Specific management plans and resources invested in cyber security:

(1) Prevention of Hacking/Network Attacks

The Company has established an information security management policy and implemented fundamental network and computer security systems to manage and maintain key business operations such as manufacturing. The information security architecture is designed according to risk levels, with appropriate internal and external firewall protections, high-availability server backup systems, comprehensive data backups, and off-site media storage. We regularly conduct major system backup drills to ensure the normal operation of information systems and data security, reducing the risk of system disruptions caused by natural disasters or human errors. The following measures have been taken to enhance security:

A. Enhancing Password Security:

For critical system passwords, we use complex passwords combining uppercase and lowercase letters, numbers, and special characters, and enforce a minimum password length to reduce the likelihood of password theft.

B. Enhancing Remote Connection Security:
We enable two-factor authentication for VPN services to improve the security of external connections.

C. Enhancing Information System Security:
We update backend system patches and fixes for information infrastructure vulnerabilities.

D. Enhancing Firewall Security:
We update firewall firmware and patches and evaluate the replacement of outdated firewalls.

E. Enhancing Emergency Response Capabilities:
We develop and implement emergency response drills, review the results, and improve based on feedback.

F. Enhancing Backup Security:
We review existing backup operations and adjust the data retention period according to actual needs. We also replace outdated hardware and update operating systems to meet new software requirements.

(2) Employee Education and Awareness

A. Complete Information Security Training for All Employees:
This includes training on topics such as “Social Engineering Attack Processes and Defense” and “Introduction to Information Security Management Regulations.”

B. Using Electronic Bulletin Boards to Publish Information Security Awareness:
We publish “Information Security Guidelines” to remind employees about cybersecurity best practices and how to defend against hacker threats.

C. Publishing TWCC/CERT Security Alerts via the Electronic Bulletin Board:
We provide employees with various cybersecurity updates to raise awareness of current threats.

D. Using the "Personal Computer Startup Platform" to Promote Information Security Awareness:
This platform offers employees important information security reminders when they start their computers.

E. Joining the TWCERT Information Security Alliance:
We gain access to collaborative cybersecurity intelligence to enhance our defensive capabilities.

F. Joining the CIO Taiwan Community Platform:
We engage with insights shared by domestic enterprise CIOs and access the most popular articles on cybersecurity from both domestic and international sources.

(3) Legal Use of Licensed Software

A. Employees in non-management positions are prohibited from installing software independently. If there is a need, the installation must go through an application and copyright review process to ensure that the software is legally licensed.

B. We use asset scanning tools to monitor software installations in real-time, preventing the installation of illegal software that violates copyright laws.

C. Through the electronic bulletin board, we emphasize the importance of complying with copyright laws to strengthen the overall legal awareness of the company.

(4) Document Encryption and Protection

A. We use document security encryption technology to protect important confidential information within the company, reducing the chance of unauthorized leakage of sensitive documents.

B. We implement encryption for documents immediately upon creation or modification, ensuring sensitive documents are protected as soon as they are generated.

C. We retain complete access logs for documents to enable event tracking and investigation.

(5) Enhancement of Information Security Personnel Competencies

An information security department has been established to improve the professional abilities of information security personnel. In 2024, a total of 7 information security colleagues participated in external training courses, accumulating 16 training sessions, totaling 60 hours. This included:

A. Obtaining the "Information Security Engineer - Basic Competency Certification" from the Industrial Technology Research Institute.

B. Obtaining certificates from the Taiwan Financial Training Institute for courses on "Information Security Awareness, Essential Knowledge and Responsibilities," "Cybersecurity Incident Explanation and Preventive Measures," and "Information Security Management Guidelines for Listed and Over-the-Counter Companies."

(6) Strengthening the Information Security Management System

To enhance risk management in information security, reduce cybersecurity risks, and improve internal management, the company signed an agreement in late 2024 to implement the ISO 27001:2022 management system. The implementation will begin, and we plan to obtain third-party international certification by the end of 2025.

(II) Losses suffered and possible impacts as a result of material cyber security incidents in the last year up till the publication date of this annual report, if it is impossible to estimate the possible impacts of such incidents and the countermeasures, provide a statement for the reason(s): In recent years, and up until the date of the annual report publication, The Company has not experienced any cybersecurity attacks that impacted our operations.

VII. Material Contract

Nature of the contract	The Parties	Contract start and end dates	Main content	Restriction clauses
Patent licensing contract	GE Lighting Solutions LLC.	2023/1/1 to 2032/12/31	The Company is authorized to use KSF red phosphor powder related patents for backlight products in the global market.	None
Patent licensing contract	Cree, Inc.	Signed a contract on December 1, 2019 Confidentiality during the effective period of the contract	The Company was authorized to use Cree's global patents for the backlight purpose for packaging products and applications.	None

Section Five - Review and analysis of the financial position, the financial performance, and the risk assessment.

I. Financial Position

(I) Consolidated Financial Statements

Unit: NT$ thousand

Item / Year	2023		2024		Difference	
	Amount	%	Amount	%	Amount	%
Cash and cash equivalents	1,388,432	42	1,225,968	37	(162,464)	(12)
Financial assets at fair value through profit or loss, current	5,670	-	770	-	(4,900)	(86)
Financial assets measured at amortized cost – current	0	-	130,000	4	130,000	100
Notes receivable, net	9,619	-	14,760	-	5,141	53
Accounts receivable, net	439,951	13	461,291	14	21,340	5
Accounts receivable-related parties, net	133,332	4	0	-	(133,332)	(100)
Other receivables	24,657	1	112,697	3	88,040	357
Current income tax assets	1,694	-	2,815	-	1,121	66
Inventories	178,789	5	183,214	6	4,425	2
Prepayments	20,928	1	16,125	1	(4,803)	(23)
Other assets, current	1,182	-	1,546	-	364	31
Total current assets	2,204,254	66	2,149,186	65	(55,068)	(2)
Financial assets at fair value through other comprehensive income, noncurrent	205,954	6	382,689	12	176,735	86
Investments under equity method	6,222	0	0	0	(6,222)	(100)
Property, plant and equipment	701,929	21	631,985	19	(69,944)	(10)
Right-of-use assets	41,244	1	979	0	(40,265)	(98)
Intangible assets	114,793	4	75,633	2	(39,160)	(34)
Deferred income tax assets	76,617	2	75,292	2	(1,325)	(2)
Other assets, noncurrent	5,472	0	2,360	0	(3,112)	(57)
Total non-current assets	1,152,231	34	1,168,938	35	16,707	1
Total assets	3,356,485	100	3,318,124	100	(38,361)	(1)
Financial liabilities at fair	1,161	0	4,709	0	3,548	306

Item \ Year	2023		2024		Difference	
	Amount	%	Amount	%	Amount	%
value through profit or loss, current						
Contract liabilities, current	0	0	9,389	0	9,389	100
Accounts payable	359,793	11	320,227	10	(39,566)	(11)
Accounts payable-related parties	4,239	0	3,983	0	(256)	(6)
Other payables	287,695	9	362,177	11	74,482	26
Other payables-related parties	2,865	0	31	0	(2,834)	(99)
Lease liabilities, current	18,281	1	627	0	(17,654)	(97)
Other liabilities, current	15,590	0	21,408	1	5,818	37
Total current liabilities	689,624	21	722,551	22	32,927	5
Deferred income tax liabilities	7,055	0	5,956	0	(1,099)	(16)
Lease liabilities, noncurrent	27,962	1	370	0	(27,592)	(99)
Long-term notes and accounts payable	46,057	1	13,114	0	(32,943)	(72)
Total non-current liabilities	81,074	2	19,440	0	(61,634)	(76)
Total liabilities	770,698	23	741,991	22	(28,707)	(4)
Common stock share capital	1,445,480	43	1,445,480	44	0	0
Capital Surplus	956,609	28	956,721	28	112	0
Legal reserves	168,696	5	69,665	2	(99,031)	(59)
Unappropriated earnings (Deficit for compensation)	(99,031)	(3)	(135,414)	(4)	(36,383)	37
Other equity	7,739	1	174,284	6	166,545	2,152
Total equity attributable to the owners of the parent company	2,479,493	74	2,510,736	76	31,243	1
Non-controlling equity	106,294	3	65,397	2	(40,897)	(38)
Total equity	2,585,787	77	2,576,133	78	(9,654)	(0)
Total liabilities and equity	3,356,485	100	3,318,124	100	(38,361)	(1)

Changes that exceed 20% and over NT$10 million and explanation for those changes:

1. Financial assets measured at amortized cost – current: Mainly due to an increase in long-term time deposits.

Item \ Year	2023		2024		Difference	
	Amount	%	Amount	%	Amount	%

2. Accounts receivable – related parties, net: Mainly due to the reclassification of Hon Hai Group as non-related parties.
3. Other receivables: Mainly due to the sale of receivables without prepayment of consideration.
4. Financial assets at fair value through other comprehensive income – non-current: Mainly due to an increase in the fair value of equity instruments held.
5. Right-of-use assets: Mainly due to the disposal of machinery, equipment, and plant leases.
6. Intangible assets: Mainly due to regular amortization.
7. Other payables: Mainly due to increases in salaries, bonuses, and machinery/equipment payments.
8. Lease liabilities – current: Mainly due to the disposal of machinery, equipment, and plant leases.
9. Lease liabilities – non-current: Mainly due to the disposal of machinery, equipment, and plant leases.
10. Long-term notes and accounts payable: Mainly due to periodic contractual payments for phosphor licensing fees.
11. Legal reserve: Mainly due to the compensation of losses according to the resolution of the 2024 shareholders' meeting.
12. Accumulated deficit: Mainly due to continued losses during fiscal year 2024.
13. Other equity: Mainly due to an increase in the fair value of equity instruments held.

(II) Parent Company Only Financial Statements

Unit: NT$ thousand

Item \ Year	2023		2024		Difference	
	Amount	%	Amount	%	Amount	%
Cash and cash equivalents	1,107,702	35	972,859	31	(134,843)	(12)
Financial assets at fair value through profit or loss, current	5,670	0	770	0	(4,900)	(86)
Current financial assets measured at amortized cost	0	0	130,000	4	130,000	100
Accounts receivable, net	346,263	11	356,566	12	10,303	3
Accounts receivable-related parties, net	241,945	8	113,085	4	(128,860)	(53)
Other receivables	27,714	1	111,738	4	84,024	303
Current income tax assets	1,624	0	2,536	0	912	56
Inventories	148,500	5	159,038	5	10,538	7
Prepayments	14,191	0	10,084	0	(4,107)	(29)
Other assets, current	283	0	0	0	(283)	(100)
Total current assets	1,893,892	60	1,856,676	60	(37,216)	(2)
Financial assets at fair value through other comprehensive income,	205,954	7	382,689	12	176,735	86

Item \ Year	2023		2024		Difference	
	Amount	%	Amount	%	Amount	%
noncurrent						
Investments under equity method	158,598	5	105,442	3	(53,156)	(34)
Property, plant and equipment	688,205	22	621,265	20	(66,940)	(10)
Right-of-use assets	1,405	0	351	0	(1,054)	(75)
Intangible assets	114,793	4	75,633	3	(39,160)	(34)
Deferred income tax assets	76,617	2	75,292	2	(1,325)	(2)
Other assets, noncurrent	1,511	0	246	0	(1,265)	(84)
Total non-current assets	1,247,083	40	1,260,918	40	13,835	1
Total assets	3,140,975	100	3,117,594	100	(23,381)	(1)
Financial liabilities at fair value through profit or loss, current	1,161	0	4,709	0	3,548	306
Contract liabilities, current	0	0	5,160	0	5,160	100
Accounts payable	306,522	10	294,647	10	(11,875)	(4)
Accounts payable-related parties	43,675	1	6,914	0	(36,761)	(84)
Other payables	241,300	8	265,192	9	23,892	10
Lease liabilities, current	1,070	0	362	0	(708)	(66)
Other current liabilities, others	14,280	0	10,804	0	(3,476)	(24)
Total current liabilities	608,008	19	587,788	19	(20,220)	(3)
Deferred income tax liabilities	7,055	0	5,956	0	(1,099)	(16)
Lease liabilities, noncurrent	362	0	0	0	(362)	(100)
Long-term notes and accounts payable	46,057	2	13,114	0	(32,943)	(72)
Total non-current liabilities	53,474	2	19,070	0	(34,404)	(64)
Total liabilities	661,482	21	606,858	19	(54,624)	(8)
Common stock share capital	1,445,480	46	1,445,480	47	0	0
Capital surplus	956,609	30	956,721	30	112	0
Legal reserves	168,696	5	69,665	2	(99,031)	(59)

Item \ Year	2023		2024		Difference	
	Amount	%	Amount	%	Amount	%
Unappropriated earnings (Deficit for compensation)	(99,031)	(3)	(135,414)	(4)	(36,383)	37
Other equity	7,739	1	174,284	6	166,545	2,152
Total equity	2,479,493	79	2,510,736	81	31,243	1
Total liabilities and equity	3,140,975	100	3,117,594	100	(23,381)	(1)

Changes that exceed 20% and over NT$10 million and explanation for those changes:

1. Current financial assets measured at amortized cost: Mainly due to an increase in long-term time deposits.
2. Accounts receivable － related parties, net: Mainly due to the reclassification of Hon Hai Group as non-related parties.
3. Other receivables: Mainly due to the sale of receivables without prepayment of consideration.
4. Non-current financial assets at fair value through other comprehensive income: Mainly due to an increase in the fair value of equity instruments held.
5. Investments accounted for using the equity method: Mainly due to increased losses from subsidiaries.
6. Intangible assets: Mainly due to regular amortization.
7. Accounts payable-related parties：Mainly due to the reclassification of Hon Hai Group as a non-related party.
8. Long-term notes and accounts payable: Mainly due to regular contractual payments for phosphor license fees.
9. Legal reserve: Mainly due to compensation of losses based on the resolution of the 2024 shareholders’ meeting.
10. Accumulated deficit: Mainly due to continued losses during fiscal year 2024.
11. Other equity: Mainly due to an increase in the fair value of equity instruments held.
12. The above differences are part of normal operating activities and have no material impact on the financial position.

II. Financial Performance

(I) Comparative Analysis of Financial Performance

1. Consolidated Financial Statements

Unit: NT$ thousand

Item \ Year	2023		2024		Difference	
	Amount	%	Amount	%	Amount	%
Operating revenues	1,972,624	100	2,035,208	100	62,584	3
Operating costs	1,590,023	80	1,672,989	82	82,966	5
Gross profit	382,601	20	362,219	18	(20,382)	(5)
Operating expenses	548,363	28	610,567	30	62,204	11
Operating income	(165,762)	(8)	(248,348)	(12)	(82,586)	50
Non-operating income and expenses	27,561	1	71,298	4	43,737	159
Income from continuing operations before income tax	(138,201)	(7)	(177,050)	(8)	(38,849)	28
Income tax expense (profit)	9,421	0	205	0	(9,216)	(98)
Net income	(147,622)	(7)	(177,255)	(8)	(29,633)	20

Changes that exceed 20% and over NT$10 million and explanation for those changes:

1. Operating loss: Mainly due to a decline in gross margin and an increase in operating expenses, resulting in a higher operating loss.
2. Non-operating income and expenses: Mainly due to an increase in revenue from product development services, resulting in higher non-operating income.
3. Loss before tax: Mainly due to the increase in operating loss, resulting in a higher pre-tax loss.
4. Net loss for the period: Mainly due to the increase in pre-tax loss, resulting in a higher post-tax loss.

2. Parent Company Only Financial Statements

Unit: NT$ thousand

Item \ Year	2023		2024		Difference	
	Amount	%	Amount	%	Amount	%
Operating revenues	1,879,310	100	1,842,190	100	(37,120)	(2)
Operating costs	1,532,306	82	1,511,121	82	(21,185)	(1)
Gross profit	347,004	18	331,069	18	(15,935)	(5)
Unrealized profit from sales	(1,202)	0	(3)	0	1,199	(100)
Realized profit from sales	3,924	0	1,202	0	(2,722)	(69)
Gross profit, net	349,726	18	332,268	18	(17,458)	(5)
Operating expenses	416,129	22	443,705	24	27,576	7
Operating income	(66,403)	(4)	(111,437)	(6)	(45,034)	68

Item \ Year	2023		2024		Difference	
	Amount	%	Amount	%	Amount	%
Non-operating income and expenses	(25,969)	(1)	(23,772)	(1)	2,197	(8)
Income from continuing operations before income tax	(92,372)	(5)	(135,209)	(7)	(42,837)	46
Income tax expense (profit)	8,961	0	205	0	(8,756)	(98)
Net income	(101,333)	(5)	(135,414)	(7)	(34,081)	34
Changes that exceed 20% and over NT$10 million and explanation for those changes: 1. Operating loss: Mainly due to a decline in gross margin and an increase in operating expenses, resulting in a greater operating loss. 2. Loss before tax: Mainly due to the increase in operating loss, resulting in a higher pre-tax loss. 3. Net loss for the period: Mainly due to the increase in pre-tax loss, resulting in a higher post-tax loss.						

3. Expected sales volume and its basis, its possible impact on the Company's finance and business and response plan: The company did not disclose 2024 financial forecast and does not plan to disclose related effects and plans.

III. Cash Flow

(I) Analysis of Cash Flow for the most recent year

Item \ Year	2023(Consolidated)	2024(Consolidated)	Ratio Charge (%)
Cash Flow Ratio (%)	0.14	10.31	10.17
Cash Flow Adequacy Ratio (%)	80.56	174.44	93.88
Cash Reinvestment Ratio (%)	0.02	1.52	1.51
Analysis of changes in cash flow: 1. Cash flow ratio (%): Mainly due to an increase in cash inflows from operating activities in 2024, resulting in a higher ratio. 2. Cash flow adequacy ratio (%): Mainly due to a continued increase in cash inflows from operating activities in 2024, resulting in a higher ratio. 3. Cash reinvestment ratio (%): The increase in cash inflows from operating activities in 2024 led to a higher ratio.			

(II) Remedy for Cash Deficit and Liquidity: Not applicable.

(III) Analysis of Cash Flow for the Coming Year:

Unit: NT$ thousand

Cash and cash equivalents at Beginning of Year	Estimated Net Cash Flow from Operating Activities	Estimated Cash Outflow	Estimated Cash at the End of the Year	Remedial Measures of Cash Flow Shortfalls	
				Investment Plans	Financing Plans
1,225,968	67,730	(94,530)	1,199,168	—	—

Analysis of cash flow liquidity in the coming year:
1. Operating activities: The Company anticipates net cash inflows generated from normal operating activities.
2. Investing activities: Net cash outflows from investing activities were primarily due to capital expenditures and investments in subsidiaries or affiliates.
3. Financing activities: Net cash outflows from financing activities were mainly due to loan repayments.

IV. The effect upon financial operations of any major capital expenditures during the most recent fiscal year: None.

V. The reinvestment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year.

(I) Re-investment policies in the most recent year:

The Company establishes "Procedures for Acquisition or Disposal of Assets" in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" defined by the competent authority. To enhance the supervision over the investees, the Company has established a "Subsidiary Management Policy" as part of its internal control system to regulate information disclosure, business, inventory, and financial management of the invested companies. The Company also performs audits on a regular basis and establishes relevant operational risk mechanisms to maximize the effectiveness of the Company's reinvestment businesses.

(II) Main Causes for Profits or Losses of Investment and Improvement Plans:

The company experienced an investment loss in 2023, primarily due to downturn market conditions. We have invested in Mini LED backlight driving circuits and local dimming algorithm solutions, as well as LED backlight module products. Furthermore, we will continue to expand the market for automotive Mini LED backlights and related sensing components to increase revenue and improve profitability. We are also continuously developing new applications in AR, VR, thin and small-size high-power semiconductor packaging, and sensing-related products to secure our market position early.

(III) Investment Plans for the Coming Year: None.

VI. Analysis of Risk Management

(I) The Impacts of Interest Rates, Foreign Exchange Rates and Inflation on Corporate Profitability and Future Response Measures

1. Interest rate: The Company allocates capital in a conservative manner and with good liquidity as the operating principles. The Company maintains good relations with banks and has sufficient borrowing limits to adjust its capital operation depending on changes in interest rates to reduce the impact of changes in interest rates on the Company's profit and loss.
2. Exchange rate:

(1) Effect on the Company’s profit or loss

Unit: NT$ thousand

Year / Item	2023	2024
Net operating revenues(1)	1,972,624	2,035,208
Gain/Loss on foreign currency exchange(2)	2,422	26,638
Gain/Loss on financial assets or liabilities at FVTPL(3)	(2,981)	(18,146)

(2)+(3)/(1)	(0.03%)	0.42%

(2) Future countermeasures

The Company's sales transactions are mainly denominated in USD and CNY, and the purchase transactions are mainly in USD and NTD. The exchange rate risk of some purchases and sales adopts the natural hedging principle, and therefore only foreign currency net assets or liabilities are hedged. The Company assigns personnel to keep track of changes in exchange rates and the international situation, judge exchange rate trends carefully, and engage in foreign currency hedging transactions to effectively reduce exchange rate risks.

3. Inflation: Due to the recent price surge of raw materials, the war in Russia and Ukraine, and the unresolved supply chain bottlenecks, the overall economic environment presents a trend of inflation, but the Company's operations have not been significantly affected by inflation. In addition, the Company keeps track of global political and economic changes and the pulse of market prices, and maintains good interaction with suppliers and customers, so that the procurement and sales strategies can be adjusted in a timely manner and business operations are not subject to major threats.

(II) Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk and High-leveraged Investments, Lending, Endorsement and Guarantee and Derivatives Transactions.

1. The Company focuses on its core business and does not engage in high-risk and highly leveraged investments.
2. The Company has established regulations such as "Procedures for Acquisition or Disposal of Assets," "Endorsement and Guarantee Regulations," and “Procedures for Loaning of Funds to Others" as the basis for relevant practices of the Company and its subsidiaries. In the most recent year and as of the publication date of this annual report, there was no loaning of funds to others or endorsements/guarantees for others.
3. The Company's financial derivative transactions are foreign exchange forwards and foreign exchange swap transactions to hedge foreign exchange risks. All operations are carried out in accordance with the relevant regulations.

(III) Future R&D Projects and Estimated R&D Expenses

The Company continues to invest in the backlight application markets for mobile phones, tablets, monitors, TVs, automotive, and other fields, launching smaller, thinner, and higher light-efficiency LED packaging products to maintain market share. Starting in 2024, the company began investing in Mini LED backlight driver circuits and Local Dimming algorithm solutions, adding BG dual-crystal and single-crystal high color-rendering LED backlight modules to the product lineup. This aims to expand the market scope, with applications including automotive backlight modules, gaming laptop backlight modules, industrial control backlight modules, TV backlight modules, and high color-rendering industrial control and TV backlight modules.

The automotive Mini LED backlight solutions benefit from our Package on Board (POB) packaging scheme and the growth of the automotive backlight market, expecting significant revenue growth. The market share for high-end Mini LED TV backlights is also projected to increase. The 0.3mm ultra-thin LED components used in mobile and tablet devices significantly enhance thinness, potentially boosting shipment volumes. Moreover, low-power LED solutions for energy-saving applications in notebooks, monitors, and commercial display TVs are among the mainstream products this year.

The automotive interior lights, exterior lighting components, headlights, tail lights, and indicator light modules have received certification and are being shipped to automakers, gradually increasing our revenue and profit margins, with market expansion into Southeast Asia. The Mini LED automotive lighting solutions continue to be co-developed with clients. Automotive and helmet head-up display light source solutions are expected to start contributing to revenue and profit this year. We are also investing in the development of multi-beam intelligent digital headlights, planned for application in motorcycle headlights.

The Bluetooth earphone proximity sensor components are steadily growing in the Chinese and Korean markets. A new ultra-thin solution developed with clients is entering mass production, aiming for larger market share. Our heart rate and oxygen level sensor components, driven by the Covid-19 market demand, have become mainstream functional accessories for watches and wristbands. With an annual demand of nearly 200 million units, growth is promising.

We are also venturing into VR, AR, thin small-sized high-power semiconductor packaging, and ultra-small optocoupling components, targeting the themes of the metaverse and autonomous driving. We are co-developing and validating these new application fields with mainstream clients, with sample trials currently underway. The R&D expenditure for fiscal year 2024 is projected to be approximately 5% of revenue.

(IV) Effects and Response Measures for Changes in Domestic and International Policies or Regulations Relating to Corporate Finance and Business

The Company operates in the green energy industry, which is not restricted by special laws and regulations. The Company complies with relevant domestic and foreign laws and regulations in its operation and management, and always pays attention to important changes in policies and laws at home and abroad to ensure the smooth operation of the Company. In the most recent year and up to the publication date of the annual report, the Company has not experienced any significant impact on the financial operations of the Company due to changes in important domestic and foreign policies and laws.

(V) Effects and Response Measures for Changes in Technology (Including Cyber Security Risks) and the Industry Relating to Corporate Finance and Business

The Company continues to invest substantial resources in the research and development of new technologies, and fully grasp the pulse of the industry and industrial changes. The Company also observes the pulse of future technologies and adjusts the corporate strategy as appropriate. Cyber security risks are also closely monitored. In the most recent year and up to the publication date of the annual report, the Company has not experienced any material impact on the financial business of the Company due to changes in technology, cyber security risks, and industrial changes.

(VI) The Impact of Corporate Image Change on Corporate Crisis Management and Response Measures

The Company attaches great importance to its corporate social responsibilities and upholds the principles of ethical corporate management, and complies with relevant laws and regulations, while maintaining harmonious labor-management and stakeholder relations. In addition, the Company has implemented a spokesperson system to have a designated person responsible for responding to suggestions from all walks of life and shareholders to maintain the Company's credibility and image. In the most recent year and up to the publication date of the annual report, the Company has not experienced any corporate crisis or crisis management situation due to changes in corporate identity.

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

(VIII) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken: None.

(IX) Risks and Response Measures for Excessive Concentration of Purchasing Sources or Customers

In terms of purchase, the Company's raw materials mainly include LED crystal grains, substrates, lead frames, encapsulants, and phosphors. LED crystal grains are the main procurement item for the Company. To reduce the risk of purchase concentration, apart from selecting the best suppliers at home and abroad, all of them must pass the internal evaluation and related verification work. In addition, we also maintain more than two suppliers and establish good cooperative relations with domestic and foreign suppliers. Dedicated personnel are assigned to evaluate suppliers and inquire the prices of important raw materials on a regular basis to ensure the stability of supply quality and ensure that there is no chance of supply shortage.

In terms of sales, the Company's sales customers are mainly panel factories, mobile phone factories, and TV factories in the Asia Pacific region. Transactions between both parties have been frequent and the relationship is good. However, the Company not only continues to strengthen the existing customer base, but also actively explores new products and new customers to diversify the risk of sales concentration.

(X) 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 being or to be taken: None

(XI) Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken: None.

(XII) Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that: (1) involve the company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report: None.

(XIII) Other important risks, and mitigation measures being or to be taken: None.

VII. Other Important Matters: None.

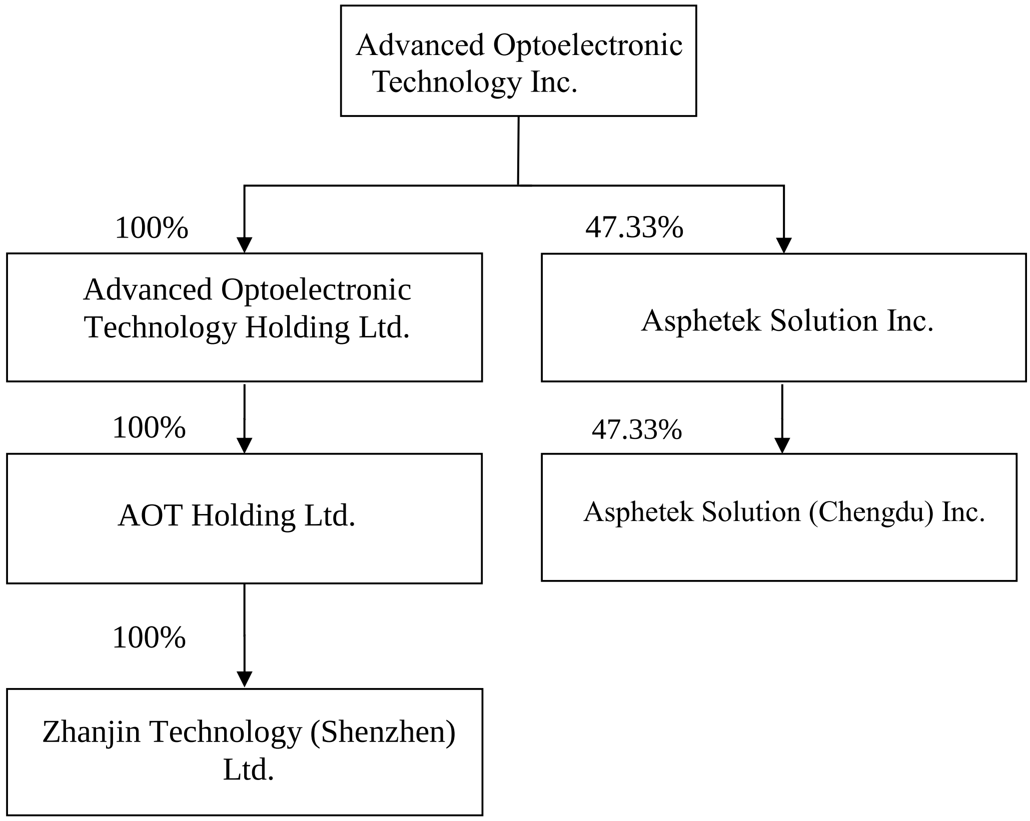
Section Six - Special Items

I. Information Related to the Company's Affiliates

(I) Consolidated business report of affiliated enterprises

1. Profile of affiliated enterprises:

(1) Organization chart (Dec. 31, 2024)



(2) Basic information of affiliated enterprises

Dec. 31, 2024

Unit: NT$ thousand

Company	Date of Establishment	Address	Paid-in Capital	Major Business/Production Items
Asphetek Solution Inc.	2022.07.25	(Note 1)	300,000	Manufacture and sale of electronic components
Advanced Optoelectronic Technology Holding LTD.	2003.11.18	(Note 2)	99,811 (Note 6)	Investment
AOT Holding LTD.	2003.11.18	(Note 3)	67,632 (Note 7)	Investment
Zhanjing Technology (Shenzhen) Ltd.	2004.05.12	(Note 4)	63,698 (Note 8)	Technology development, wholesale, import/export and related ancillary services of new electronic components and electronic products.
Asphetek Solution(Chengdu) Inc.	2023.06.02	(Note 5)	73,659 (Note 9)	Electronic Components Manufacturing and Sales

Note 1: No.7-1, Siwei Rd., Hsinchu Industrial Park, Hukou Township, Hsinchu County, Taiwan, R.O.C.

Note 2: P.O.BOX 1225, Apia, Samoa.

Note 3: P.O.BOX 1225, Apia, Samoa.

Note 4: 1109, Jinluan Times Building, Heping East Road, Longhua Street Longhua District Shenzhen city.

Note 5: Floor 2, Block B, Building 2, No. 2, Shuma 2nd Road, New Economy Industrial Park, Modern Industrial Port, Pidu District, Chengdu, Sichuan.

Note 6: The original capital injection is USD 3,250,000.

Note 7: The original capital injection is USD 2,250,000.

Note 8: The original capital injection is USD 2,130,000.

Note 9: The original capital injection is USD 2,300,000.

(3) Shareholders in common of the company and its affiliates with deemed control and subordination under Article 369-3 of the Company Act: None.

(4) Business scope of the company and its affiliated enterprises:

A. Business scope of the company and its affiliates: Please refer to “Basic information of affiliated enterprises”.

B. The interlinking of the businesses conducted between the related enterprises: Advanced Optoelectronic Technology Holding LTD. and AOT Holding LTD. are holding companies and are in change of abroad investment; as to the trading between Advanced Optoelectronic Technology Inc. and Zhanjing Technology (Shenzhen) Ltd., Advanced Optoelectronic Technology Inc. sells LED components to Zhanjing Technology (Shenzhen) Ltd., then Zhanjing Technology (Shenzhen) Ltd. sells Lightbar to customers in China. Major business of Asphetek Solution Inc. is manufacture and sale of electronic components, and its products do not overlap with AOTs’.

(5) Directors, supervisors and presidents of affiliated enterprises:

Dec. 31, 2024

Unit: NT$ thousand; Shares: thousand

Company	Title	Name or representative	Shareholding	
			Shares	%
Asphetek Solution Inc.	Chairman	Advanced Optoelectronic Technology Inc. Representative: Fang, Jung-Hsi	14,200	47.33%
	Director	Advanced Optoelectronic Technology Inc. Representative: Chen, Chang-Ho		
	Director	Advanced Optoelectronic Technology Inc. Representative: Huang, Yen-Heng		
	General Manager	Huang, Yen-Heng	700	2.33%
	Supervisor	Cheng, Chen- Hsun	100	0.33%
Advanced Optoelectronic Technology Holding LTD.	Director	Advanced Optoelectronic Technology Inc. Representative: Fang, Jung-Hsi	3,250	100%
AOT Holding LTD.	Director	Advanced Optoelectronic Technology Holding LTD. Representative: Fang, Jung-Hsi	2,250	100%
Zhanjing Technology (Shenzhen) Ltd.	Executive Director	AOT Holding LTD. Representative: Yao, Chin-Hsing	USD: 2,130 (Note 1)	100%
	General Manager	Yao, Chin-Hsing		
Asphetek Solution (Chengdu) Inc.	Executive Director	Asphetek Solution Inc. Representative: Huang, Yen-Heng	USD: 2300 (Note 1)	47.33%
	General Manager			

Note 1: It is a limited company and here shows paid-in capital only.

2.Operating highlights of the company's subsidiaries

Dec. 31, 2024

Unit: NT$ thousand

Company	Paid-in Capital	Assets	Liabilities	Net Worth	Net Revenue	Income (Loss) from Operating	Net Income (Loss)	Earnings (Loss) Per Share
Asphetek Solution Inc.	300,000	146,215	22,044	124,171	0	(116,009)	(79,444)	(2.65)
Advanced Optoelectronic Technology Holding LTD.	99,811	46,671	0	46,671	0	0	(19,703)	(0.20)
AOT Holding LTD.	67,632	46,580	0	46,580	0	0	(19,710)	(0.29)
Zhanjing Technology (Shenzhen) Ltd.	63,698	233,284	187,397	45,887	407,859	(18,853)	(19,762)	NA
Asphetek Solution (Chengdu) Inc.	73,659	135,842	60,187	75,655	9,776	(18,405)	6,824	NA

(II) Consolidated financial statements of affiliated enterprises:

The entities that are required to be included in the combined financial statements of Advanced Optoelectronic Technology Inc. as of and for the year ended December 31, 2024, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10,"Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Advanced Optoelectronic Technology Inc. and Subsidiaries do not prepare a separate set of combined financial statements.

(III) Affiliation report: Not applicable.

II. Private Placement Securities in the Most Recent Years: None.

III. Other necessary supplementary information: None.

IV. Any Events that Had Significant Impacts on Shareholders' Rights or Security Prices as Stated in Item 2 Paragraph 3 of Article 36 of Securities and Exchange Act:

(I) The dishonoring of negotiable instruments due to insufficient deposit, the refusal to transact by banking services, or other events that result in the loss of good credit standing: None.

(II) Litigation, non-litigious proceeding, administrative disposition, administrative dispute, security procedure, or compulsory execution, which has had a significant impact on the financial status or business of the company: None.

(III) Serious drop in the output, complete or partial suspension of work, lease of the company factory or its main facilities, or complete or partial pledge of the material assets which has had a significant impact on the company business: None.

(IV) Any event specified under Article 185, paragraph 1 of the Company Act: None.

(V) Judgment by the competent court to prohibit the transfer of the company's shares under Article 287, paragraph 1, item 5 of the Company Act: None.

(VI) Change in the chairman of the board, general manager, or one-third or more of the directors of the company: Due to a job adjustment, starting from January 2025, the General Manager of the subsidiary, Zhi Jing Technology (Shenzhen) Co., Ltd., underwent a change. Originally held by Executive Director Yao Jinxing, the position will now be taken over by Huang Yanheng. After evaluation, it is determined that this change in general management will not have a significant impact on the company's financial and business operations.

(VII) Change in the auditing and certifying accountant. However, where the change is due to internal adjustments in the accounting office, this "matter" shall not be included "in the above definition": None.

(VIII) Execution, amendment, termination and rescindment of the important memoranda, strategic alliances or other cooperative business plans, or important contracts, change in the material contents of the business plan, completion of new product development, successful development of trial products and formal entrance into mass production, or acquisition of other enterprises, acquisition or assignment of patent rights, exclusive trademark use rights, copyrights, or other intellectual property rights transactions, which have a major effect on the finances or business of the company: None.

(IX) Other important events that have had significant impact on the continuation of company operation: None.